PLYMOUTH CITY COUNCIL

Subject:	Commissioning of Health Visiting Services from October 2015
Committee:	Cabinet
Date:	10 February 2015
Cabinet Member:	Councillor McDonald
CMT Member:	Kelechi Nnoaham (Director for Public Health)
Author:	Liz Cahill, Strategic Commissioning Manager
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Ref:	LC/AL
Key Decision:	Yes
Part:	I

Purpose of the report:

On 1 October 2015 responsibility for commissioning public health services for children aged 0-5 will transfer from NHS England to local authorities. This transfer will involve the commissioning of 0-5 Health Visiting services.

The attached report therefore gives an overview of the role of the Health Visiting Service, highlights local need which the service is designed to meet, outlines future development plans in the context of an integrated service offer and makes recommendations for the local authority's commissioning and contracting approach to health visiting services from 1 October 2015.

Health visitors have a crucial role in ensuring children achieve the best possible start in life. They lead delivery of the Healthy Child Programme (0-5 years), which is a prevention and early intervention public health programme offered to all families that sits at the heart of the universal early years service offer.

Health Visitors work alongside partners including children's centres and early year's practitioners, voluntary organisations, peer supporters, GPs and midwives to support parents, promote child development, reduce inequalities, improve child health outcomes and health and wellbeing, and ensure that families at risk are identified at the earliest opportunity.

Local drivers impacting on the future commissioning of Health Visiting, are:

- Improving coordination of Early Help for vulnerable families, tracking the impact of interventions to prevent children and young people needing social and health care intervention (in line with the Ofsted Improvement Plan);
- Delivering the Public Health Thrive Plymouth Strategy, targeted at early prevention of the four behaviours that cause the most ill-health;
- Improving performance across Public Health Outcomes such as breastfeeding rates, teenage pregnancy rates and school readiness.

Within the Health Visiting service is a dedicated workforce that delivers the "Family Nurse Partnership Service". This is a targeted evidence based programme for vulnerable teenage parents. It builds their skills to enable successful and safe parenting, so that they and their children can achieve health and economic wellbeing.

Nationally Health Visiting Services have been undertaking a significant programme of change in response to *The Health Visitor Implementation Plan 2011-2015: A Call to Action*. This programme set out an ambition to increase health visitors nationally by 4,200 by 2015, halting and reversing the historical decline in their number. This was in response to a significant evidence base that identified early childhood as the critical period to ensure good lifelong outcomes - as highlighted in the Cross Party Manifesto *1001 Critical Days: The Importance of the Conception to Age Two Period.*

Whilst the commissioning of other public health services transferred to local authorities in April 2013, the Department of Health took the decision that commissioning of public health services for children aged 0-5 would remain with NHS England until 2015, with NHS Area Teams overseeing the implementation of the transformation phase of the investment programme, including:

- Recruitment and training of unprecedented numbers of health visiting students (some of whom are still to qualify;)
- Increasing the uptake of core universal developmental checks;

The achievement of these milestones will prepare the new strengthened Health Visiting Service to be able to focus fully upon delivery of high quality evidence based support and interventions to improve outcomes for local families.

In Plymouth the next phase of the development of the service offer sits clearly within our agenda to integrate health and wellbeing services. In order to achieve this, the ambition is to drive forward the development of a multi-agency integrated early childhood service offer, as set out in the Children's Centres Business Case 2014-2020, approved by Cabinet in October 2013. The aim is to build a seamless joint programme of activity and support to families with children pre-birth to 5 years old, with clear contributions from individual services.

Given the scale of service transformation and change which the Health Visiting service will have undertaken prior to the transfer of commissioning responsibilities, the recommendations contained in this report set out to achieve a stable transition, allowing for a period of consolidation and maintaining service continuity, whilst also progressing our ambition for development of the integrated early childhood service offer.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Pioneering Plymouth:
The development of an integrated early childhood service offer will make best use of resources across children's centres, early years practitioners, voluntary organisations, peer supporters, GPs and other health care providers, with a key aim of reducing pressures on more acute and specialist provision.

Growing Plymouth:
Health Visitors can offer support to build the capacity of communities to help themselves, working in conjunction with, for example, children's centres to develop self-help or peer support groups and ensure families are aware of these.

Caring Plymouth:
The transfer of health visitor commissioning responsibility to the local authority gives rise to a unique opportunity to progress the development of an integrated service offer, in line with the partnership vision for all our city's children to achieve the best possible start to life and reduce inequalities across agreed local strategic early years outcomes:

- Child development and school readiness;
- Parenting aspirations and parenting skills, including parents' ability to keep their children safe;
- Child and family health and life chances.

Confident Plymouth:
Plymouth has been recognised by the Early Intervention Foundation (EIF) as a 'pioneering place' for early intervention. Our links with the EIF will further enable the development of the local integrated early childhood service offer including health visiting services, to be informed by national research evidence on best practice in early intervention.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

Finance

The Department of Health (DH) has indicated that the local authority's funding allocation for health visiting services for six months of 2015/16 will be £2.558m. NHS England will receive a similar allocation for the first half of the financial year, and so the total funding for health visiting services in Plymouth in 2015/16 is expected to equate to £5.116m.

In addition, the DH has also indicated that each local authority will receive the sum of £15k in 2015/16, to reflect the additional commissioning costs they will incur as a result of the transfer of commissioning responsibility from NHS England.

Following a 'baseline agreement exercise' (consultation with local authorities), the DH is expected to confirm these indicative funding allocations by the end of January 2015.

The Department of Health (DH) has confirmed that in transferring commissioning responsibility it does not intend to place unfunded new burdens on local government, in line with the Government's 'new burdens doctrine'.

Officers have undertaken a due diligence review of the DH's indicative funding allocation for 2015/16, full details of which are included in the main body of the report. This review has provided confidence that the proposed funds will be sufficient to meet the proposed contracts.

From 2016/17 onwards the 0-5 baseline funding for health visiting services will be added to existing local government funding allocations, to form an overall public health grant allocation. The public health grant allocation will be amended to take account of the 0-5 transfer and the DH has asked the Advisory Committee on Resource Allocation (ACRA) to include this in their work programme, when reviewing the 0-5 allocation for 2016/17.

In common with other local authority service contracts, any contract awarded to a provider of health visiting services from 1 October 2015 will include provision for the local authority to vary the contract where necessary in light of future changes to funding allocations, grant ring-fence arrangements for public health services, Government mandated service requirements and/or local service priorities.

Human Resources

The *Health Visiting Programme* started in 2011, to deliver a commitment to increase health visitor numbers nationally by 4,200 by 2015. In Plymouth, this will see the health visiting workforce increase to approximately 90 (full time equivalent) staff by April 2015, plus a range of 'skill mix' staff (e.g. family health workers).

Whilst the responsibility for commissioning health visiting services will transfer to the local authority, the health visiting workforce itself will continue to be employed by provider organisation(s). It is not intended that they should become direct employees of the local authority, and therefore no implications under the Transfer of Undertakings (Protection of Employment) (Amendment) Regulations 2014 (usually referred to as "TUPE") directly arise as a result of this commissioning transfer.

ICT

Responsibility for the provision of appropriate ICT for the delivery of health visiting services will remain with provider organisation(s); there are therefore no ICT resource implications for the local authority's MTFP arising directly from this commissioning transfer. As outlined in the Children's Centres Business Case 2014-2020 approved by Cabinet in October 2013, arrangements are in hand to ensure the necessary ICT platforms are in place so that health visitors, as well as midwives and children's social care family support workers can access their electronic files and case notes, whilst working from children's centre sites.

Accommodation

A key aspect of the development of an integrated early childhood service offer is co-locating a range of services to work together, from a shared base in children's centres or other appropriate community sites. Co-location will enhance information sharing between services, as well as facilitating an early, coordinated response to emerging need in families. The transfer of commissioning responsibility provides an opportunity to progress this co-location agenda with the health visiting service. Services will share office space on a 'hot desking' basis, and clinical space according to need and by agreement; co-location could therefore also achieve efficiencies in accommodation costs across early childhood services as a whole.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

THRIVE Plymouth Strategy

This is the city's 10 year plan to improve health that will involve working with partners and communities to support positive health-enabling choices. It focuses on the four behaviours that cause us the most ill-health largely resulting from the choices we make - what we eat and drink, whether we smoke or how physically active we are.

Plymouth's Child Poverty Strategy 2013 – 2016

Research evidence highlights a range of economic, environmental and social risk factors which often indicate that a child or young person will have poor life outcomes, unless there are also corresponding protective factors present. Poor life outcomes can include poor health, being at risk of abuse or neglect, mental health problems, offending, drug taking or other risk taking behaviour, unemployment.

For both of these strategies, Health Visitors provide a range of core services to address the needs of those who experience risk factors that negatively impact child development and health, and to develop protective factors and resilience in families with children pre-birth to 5 years to improve their life outcomes.

Equality and Diversity

Has an Equality Impact Assessment been undertaken? Yes

Recommendations and Reasons for recommended action:

It is recommended upon transfer of commissioning responsibility, Plymouth City Council will award a two year contract to the existing provider of Health Visiting Services, for the period 1 October 2015 - 30 September 2017, with the option to extend for up to a further 3 years. The existing provider of Health Visiting Services in Plymouth is Plymouth Community Healthcare.

This enables Plymouth City Council to implement its contract terms and conditions at the earliest opportunity and aligns the length of contract with that of the children's centre contracts awarded in 2014. It therefore offers the opportunity to consolidate changes recently made to both children's centre and health visiting services and to make further developments to service models within the context of an integrated offer across early childhood services.

Alternative options considered and rejected:

Option 1: NHS England put in place a contract with the existing provider for the twelve month period 1 April 2015 to 31 March 2016. The contract would be drawn up using NHS contract terms and conditions, but contractual responsibility would transfer to Plymouth City Council on 1 October 2015, via a deed of novation.

This option is not recommended as it would prevent Plymouth City Council implementing its terms and conditions for the contract. This option would also necessitate a procurement exercise for a service beyond March 2016, causing potential disruption to service provision in the medium term.

Option 2: NHS England Area Team puts in place a contract with the existing provider for the six month period 1 April 2015 to 30 September 2015, using NHS contract terms and conditions.

Plymouth City Council then puts in place a contract with the existing provider for the six month period 1 October 2015 to 1 March 2016, using the local authority's contract terms and conditions.

This option is not recommended as it would also necessitate a procurement exercise for a service beyond March 2016, causing potential disruption to service provision in the medium term, in a period of design and integration of service offer with children's centres, which are contracted for a different period of time. In order to be concluded in time, the procurement exercise would need to commence *before* commissioning responsibility transferred to the local authority.

Published work / information:

Health Visitor Implementation Plan 2011-15: A Call to Action (February 2011): https://www.gov.uk/government/publications/health-visitor-implementation-plan-2011-to-2015

Getting it right for families: A review of integrated systems and promising practice in the early years (November 2014): http://www.eif.org.uk/publications/getting-it-right-for-families-full-report/

Children's Centres Business Case 2014 – 2020: http://www.plymouth.gov.uk/mgInternet/documents/s49877/Childrens%20Centre%20Business%20Case%202014-2020.pdf

Children's Centre Tender Award 2014: http://www.plymouth.gov.uk/mgInternet/documents/s53521/CC%20Contract%20Award%20Report%20-%20Part%20I.pdf

Background papers:

Title	Part I	Part II	Exemption Paragraph Number						
			1	2	3	4	5	6	7
Children's Centres Business Case 2014 - 2020		✓			✓				
Equality Impact Assessment	✓								

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	cdr1415.31	Leg	lt21729	Mon Off	DVS221911	HR	N/A	Assets	N/A	IT	N/A	Strat Proc	MC/CS/383/CP/0115
Originating SMT Member: Julie Frier, Consultant in Public Health Medicine													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 BACKGROUND

1.1 National Drivers

There is a significant evidence base identifying that the first few years of a child's life are pivotal in securing life opportunities.

As highlighted in the Cross Party Manifesto *1001 Critical Days: The Importance of the Conception to Age Two Period*, this is a critical period in the child's cognitive, language, health, social and emotional development, where the brain develops most rapidly. Negative impact from parental poverty, chaotic lifestyles and poor parenting in these years can effect lifelong outcomes including poor examination results, higher rates of teenage pregnancy, lower rates of employment, higher rates of depression and suicide and substance misuse.

The evidence demonstrates that effective early intervention and prevention - whereby children and families are supported to stay well, and when problems do arise, experience a timely and appropriate response to their needs – is key to achieving sustainable change and improved longer term outcomes. This is outlined in a number of reports, including:

i. The Marmot Review, 2010, "Fair Society, Health Lives" - highlighting that giving every child the best start in life is crucial to reducing health inequalities

ii. Maternity and Early Years, Making a good start to family life (HM Government 2010) - making a strong case for focusing investment in children's earliest years

iii. The Foundation Years: preventing poor children becoming poor adults" (December 2010) by Frank Field MP - A review of Child Poverty and its impact on child development

iv. Early Intervention: The Next Steps (January 2011) by Graham Allen MP – which reviews Early Intervention Services with specific focus on the difference intervention in early years can make.

The Health Visitor Implementation Plan 2011-2015: A Call to Action, responds to this evidence base and sets out the ambition to increase health visitors nationally by 4,200 by 2015, halting and reversing the historical decline in the number of health visitors, in order to ensure a robust offer to support the health and wellbeing of children pre-birth to 5 years of age.

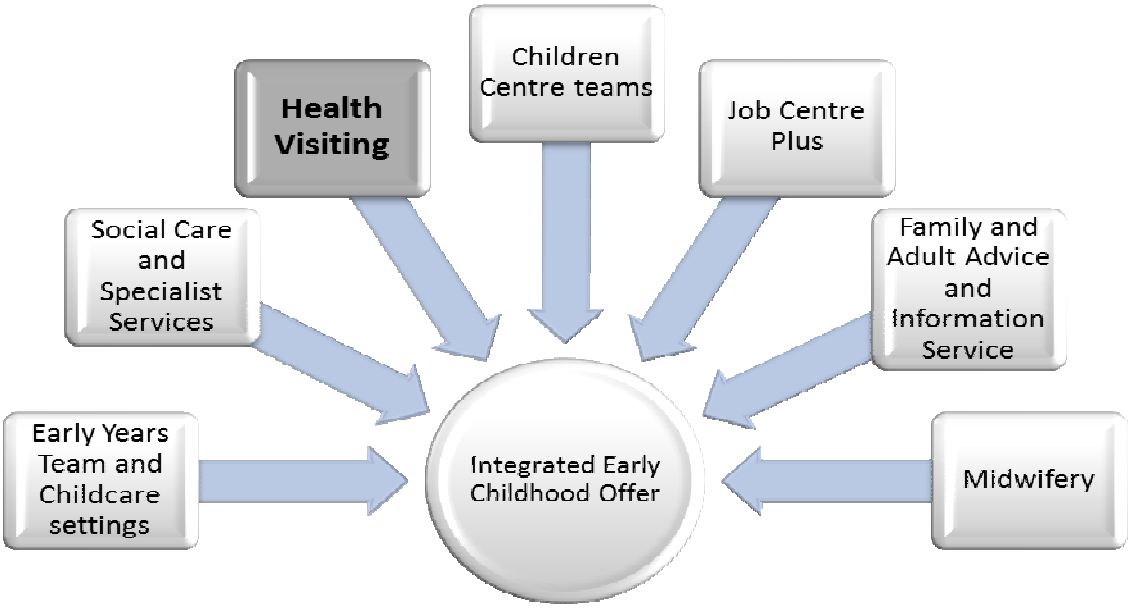
1.2 Local Drivers

In light of national evidence and local analysis of need, Plymouth's Early Intervention and Prevention Strategy 2012-15, set out a clear ambition to develop an integrated early childhood service offer so that families with children pre-birth to 5 years can get help when they need it, emerging issues are tackled early and costly problems requiring escalation to specialist services are prevented from emerging later on in life.

Subsequently the Children's Centres Business Case 2014 – 2020, approved by Cabinet in October 2013, set out a vision for the development of this offer. The diagram below reiterates the model set out in this business case, clearly outlining health visiting as one of the key contributing services.

The Integrated Commissioning Plan for Children, Young People and Families, currently in development, will further focus the development of this service onto pathways of care that deliver interventions to meet need and address key strategic ambitions including:

- Improving coordination of Early Help for vulnerable families, tracking the impact of interventions to prevent children and young people needing social care intervention or hospital admission, (in line with the Ofsted Improvement Plan);
- Delivering the Public Health Thrive Strategy, targeted at early prevention of the four behaviours that cause the most ill-health;
- Improving performance across Public Health Outcomes such as breastfeeding rates, teenage pregnancy rates and school readiness.



1.3 The role of Health Visiting Services

Through their delivery of the Healthy Child Programme (0-5), including a universal series of checks at various stages of a child's early development, health visitors are uniquely placed to support families to stay well, to identify the needs of individual children, parents and families, and to provide a timely and appropriate response, working alongside other services (such as children's centres, early years practitioners, midwives, voluntary organisations, peer supporters, GPs and other health care providers) to prevent escalation and poor outcomes. Health Visitors therefore have a crucial role to play in early intervention and prevention in early childhood.

To address the needs of those who experience risk factors that negatively impact child development, and to develop protective factors and resilience in families to improve life outcomes, Health Visitors provide core services including:

- Early identification of any additional needs and developmental difficulties/delays, through their mandated universal role for screening and assessment checks;

- Community capacity building – for example working in conjunction with children's centres to develop self-help or peer support groups (e.g. to support new mothers with breastfeeding) and ensuring families are aware of these opportunities;

- A comprehensive universal antenatal programme to prepare parents for parenthood, developed and delivered in partnership with Children's Centres, Midwifery Services, Child and Adolescent Mental Health Services (CAMHS) and the Smoking Cessation Service;

- A range of other early help and targeted, evidence based interventions to address factors such as speech and language difficulties, behavioural difficulties, parenting problems, healthy eating, nutrition and physical activity and post natal depression.

Within the overall Health Visiting service is a team of Health Visitors dedicated to the delivery of the "Family Nurse Partnership" service. This service uses a targeted evidence based programme for vulnerable teenage parents. The programme builds the parents' skills, enabling them to successfully and safely parent so that they and their children achieve health and economic wellbeing.

2.0 TRANSFORMATION OF HEALTH VISITING SERVICES

As commissioners of health visiting services since April 2013, NHS England have been responsible for continuing to deliver the workforce growth and service transformation, as outlined in The *Health Visitor Implementation Plan 2011-2015: A Call to Action.*

In Plymouth, the programme will see the health visiting workforce increase to approximately 90 (full time equivalent) staff by April 2015, including those working within the "Family Nurse Partnership" service, plus a range of 'skill mix' staff (e.g. family health workers).

NHS England publish an annual National Health Visiting Core Service Specification, developed in conjunction with a range of key stakeholders and partners (including the Local Government Association, Department of Health, Public Health England, NHS England Area Teams, Clinical Commissioning Groups and the Health Visiting Taskforce).

The national specification details Government mandated core elements of Health Visiting delivery across four levels of service:

- *Community* (e.g. facilitating access to self-help groups such as breastfeeding peer support);
- *Universal* (delivery of universal elements of the Healthy Child Programme 0-5); with a mandated series of health and development reviews for children
- *Universal Plus* (including targeted support for issues such as post natal depression, weaning and sleep advice)
- *Universal Partnership Plus* (targeted support delivered in conjunction with other services, to help families with continuing complex needs, e.g. long-term health conditions)

The national specification is then built on and supplemented by a local specification.

For 2015/16, the local service specification will be co-designed by the Local Authority, NHS Area Team and the Health Visiting workforce, and informed by local needs analysis and clear messages from parents gathered through the children's centres business case consultation exercise.

On 1 October 2015 responsibility for commissioning public health services for children aged 0-5 will transfer from NHS England area teams to local authorities. This transfer will involve the commissioning of all 0-5 Health Visiting services.

The current contract between the NHS England area team and the current provider of Health Visiting services in Plymouth (Plymouth Community Healthcare) expires on 31 March 2015. The 'sending' and 'receiving' commissioning organisations (NHS England and the Local Authority respectively) therefore need to jointly agree commissioning intentions for the transition period, i.e. from 1 April 2015.

3.0 SUMMARY OF NEED AND PERFORMANCE

3.1 Demography

The number of under 5 year olds in Plymouth has increased by 21% (Office of National Statistics mid year estimate for 2013 was 15,900 compared to 13,100 in 2001), with the birth rate increase highest in areas of deprivation. There has also been an increase in births to mothers who themselves were born outside of the UK.

The most recent national children in poverty data (2011) reported there were 11,700 young people (0-17) living in relative poverty in Plymouth, which represents 21.6% of all young people aged 0 – 17. This rate increases to 50% in areas of most social deprivation in the city.

3.2 Key Performance Indicators

Safeguarding:

- The recent Ofsted report for Plymouth highlights that referral rates to children's social care have increased by 21%;
- The number of children aged 0-5 who are subject to a child protection plan has increased from 165 in March 2012 to 199 in March 2014, an increase of 20.6%. Children aged 0–5 represent 52% of the overall number of children subject to a CPP;
- The main reasons for child protection plans are unsafe parenting, domestic abuse, parental mental health problems and alcohol/substance misuse.

Public Health Outcomes:

- Plymouth performs better than the national figures for under 5 attendance at the Emergency Department (2011/12);
- There has been an improvement in the under 18 conception rate, however Plymouth still compares poorly with the national average for teenage conceptions;
- Plymouth is near the national average for obesity at reception age, but is significantly above the national average for overweight children at this stage;
- Plymouth still rates poorly against national average in respect of breastfeeding rates.

Readiness for School:

There has been an overall improvement in the Early Years Foundation Stage Achievement profile, however:

- Girls are achieving considerably better results than boys;
- There is an increase in the identification of Special Educational Needs;
- There is an increase in primary school pupils with Behaviour, Emotional and Social Difficulties, Autistic Spectrum Conditions and Speech, Communication and Language Needs.

As well as variations between Plymouth's performance and the national average, some of these indicators also show a variation within the city, with an inequality gap evident between the most and least deprived areas.

3.3 Performance against *Health Visitor Implementation Plan 2011-2015: A Call to Action*:

- Plymouth has performed well in increasing the numbers of qualified health visitors, from a baseline of 35.3 full time equivalents (fte) to 73.3fte in December 2014. They are expected to reach the target trajectory of 90.6fte by the end of March 2015;
- Plymouth has significantly increased the uptake of the "New Birth Review" health check from 61% in 2013 to 80% in 2014; for the "One Year Review" from 17% in 2013 to 64% in 2014; and for the "Two Year Old Review" from 30% in 2013 to 61% in 2014;
- The Health Visiting service has also implemented a range of new interventions, including champions for domestic abuse, an emotional wellbeing check at 2 years old, evidence based parenting support, and new infant feeding and nutritional advice models.

The benefits of the changes to this service and to the children's centres in 2014 will not yet be fully realised and therefore close monitoring of on-going improvement will be required, through contract management arrangements.

4.0 KEY CONSIDERATIONS FOR FUTURE COMMISSIONING

The transfer of health visitor commissioning responsibility to the local authority gives rise to an unprecedented opportunity to ensure that in co-designing future services we make the most of resources across key health, and wellbeing services, maximising opportunities to improve outcomes and reduce inequalities across agreed early childhood strategic priority areas:

- Child development and school readiness;
- Parenting aspirations and parenting skills, including parents' ability to keep their children safe;
- Child and family health and life chances.

The increase in the health visiting workforce now represents a genuinely significant opportunity to build on our history of partnership working and areas of good practice, and develop a clear integrated response to need through the co-design of critical pathways of support across priority areas including:

- Pre-natal identification and intervention for vulnerable families (including those with parental substance misuse, previous children taken into care, domestic abuse);
- Breast feeding, nutrition and exercise;
- Identification of additional needs through the implementation of the social and emotional screening tool (Ages and Stages).

Alongside this, core to the expectations of both the Health Visiting and Children's Centre Contracts since 2014 has been the expectation to implement an asset based approach to building the capacity of the community to support each other in early childhood. Aside from peer support in breastfeeding, this offer is still in its infancy and will require further development

A key consideration in the transfer of commissioning responsibilities is to ensure a stable transition to maintain service continuity, whilst also supporting the continued development of the multi-agency Integrated Early Childhood Service offer, whereby services collectively support families to achieve the best possible outcomes for their children.

The full benefits of the Government's investment programme will be realised post October 2015, i.e. once health visiting services are fully staffed, their unprecedented numbers of students have qualified and completed their in-service training programmes, the service can then focus fully upon delivery of high quality evidence based services to improve outcomes for local families.

4.1 Market considerations and integration

The current provider of health visiting services in Plymouth (Plymouth Community Healthcare CIC), was created under the Department of Health's Transforming Community Services agenda. They currently hold the contracts for other community children's health services, including Child and Adolescent Mental Health Services (CAMHS), School Nursing, and Speech and Language Services. Links with these other health services are beneficial to establishing an integrated approach.

As the section 3.3 above indicates they have performed well in the implementation of workforce development and increasing uptake of the universal health review offer.

As an Early Intervention Pioneering place, Plymouth contributed to the Early Intervention Foundations report "Getting It Right for Families: A Review of Integrated Systems and Promising Practice in The Early Years", published in November 2014. This reviews a number of models of integration, reviewing the best approaches and the evidence base of impact.

The report highlights the importance and benefits of integration, particularly between children's centres and Health Visiting Services. Key benefits include, better identification of need, less duplication, and some evidence of improved outcomes for children in terms of increased cognitive development, better physical health and behaviour and improvements in parenting and family relations.

In Plymouth the changes to children's centres made through the tender which resulted in contract award to 4 providers in March 2014, aimed to provide the groundwork for bringing together and merging different systems relevant to the early years, primarily across health and local authorities, to create coherent family services. This recent procurement exercise created some significant changes in children centre providers, and whilst disruption was kept to a minimum, the services have taken some time to fully transition to the new model.

The existing provider of health visiting services has been engaging well with plans for better integrated delivery with midwifery and children centres, and the agenda is progressing under the new model.

5.0 COMMISSIONING OPTIONS

Option 1: NHS England put in place a contract with the existing provider for the twelve month period 1 April 2015 to 31 March 2016. The contract would be drawn up using NHS contract terms and conditions, but contractual responsibility would transfer to Plymouth City Council on 1 October 2015, via a deed of novation.

Benefits

- The service is able to focus on delivery of a full year contract with little disruption

Risks

- Plymouth City Council are prevented from implementing our terms and conditions for the contract, being tied to NHS terms and conditions.
- Contract requirements for 2015/16 would be led by NHS England with limited opportunity to fully shape the service requirements locally.
- This would trigger a procurement exercise for a service beyond March 2016, causing potential disruption to service provision in the medium term, in a period of design and integration of service offer with children centres, which are contracted for different period of time.
- Timescales for a tender for services 2016 onwards would need to commence before commissioning responsibility comes to the local authority

Option 2: NHS England Area Team puts in place a contract with the existing provider for the six month period 1 April 2015 to 30 September 2015, using NHS contract terms and conditions.

Plymouth City Council then puts in place a contract with the existing provider for the six month period 1 October 2015 to 1 March 2016, using the local authority's contract terms and conditions.

Benefits

- Plymouth City Council can implement our terms and conditions for the contract.
- There would be more flexibility in fully shaping the local service requirements and expectations.

Risks

- This would trigger a procurement exercise for a service beyond March 2016, causing potential disruption to service provision in the medium term, in a period of design and integration of service offer with children centres, which are contracted for different period of time.
- Timescales for a tender for services 2016 onwards would need to commence before commissioning responsibility comes to the local authority
- There could be some disruption to service requirements midway through the year. This could be mitigated by agreeing some of the specification requirements with NHS England.

Option 3: NHS England Area Team puts in place a contract with the existing provider for the six month period 1 April 2015 to 30 September 2015, using NHS contract terms and conditions.

Plymouth City Council puts in place a contract with the existing provider for the period 1 October 2015 to 30 September 2017 (2 years), using the local authority's contract terms and conditions. The contract includes an option to extend for up to a further 3 years, on the basis of a 1+1+1 contract extension.

Benefits

- Plymouth City Council can implement our terms and conditions for the contract.
- There would be more flexibility in fully shaping the local service requirements and expectations.
- This aligns the length of contract with that of the children's centre contracts awarded in 2014. It offers the opportunity to consolidate the changes recently made to the services and develop the service model within the context of an integrated offer across early childhood services.
- This allows time to implement the changes needed to integrate the service offer, including co-location plans, pathway developments and integrated delivery of agreed interventions

Risks

- We do not yet know the funding allocation for Health Visiting Services for March 2016 onwards, which may reduce the value of the contract within the period it is let. This risk is mitigated by Plymouth City Council contract terms and conditions that allow the negotiation of variations to contract delivery.
- This will require a case for exemption under procurement regulations. There is a small risk of challenge from the limited provider market. However this is mitigated by the fact health services are subject to Part B under the current legislation and will be subject to exemption under the new regulations to be implemented during 2015 until April 2016.

Option 3 is the recommended option as it allows for the implementation of ongoing service integration in early childhood services, with least disruption of the offer to families.

6.0 IMPLEMENTATION

6.1 Project Governance

In order to achieve a smooth transfer of commissioning responsibility, Council officers are working closely and collaboratively with colleagues in the NHS England Area Team.

A project team has been set up, sponsored by the Director for Public Health and managed by the Public Health Consultant with lead responsibility for children and young people public health services. The project team has representation from the relevant departments who will ensure the delivery of key milestones within each of the project's themed workstreams, including:

- Commissioning / Contracting / Finance / Legal
- Information Governance
- Clinical Governance
- Communications

As well as regular liaison with the NHS England Area Team, project team members will also link with their opposite numbers in our neighbouring LAs (Cornwall, Devon and Torbay). This approach will ensure we are able to maintain a focus on local issues and priorities for Plymouth, whilst also benefiting from a consistent and collective approach across the Peninsula where appropriate.

6.2 Due Diligence

As part of the project plan, checks to ensure the provider's on-going capability to deliver Health Visiting Services will be completed, in conjunction with the process being undertaken for Adult Social Care. Officers will also continue dialogue with NHS England, and with the provider, to resolve any issues requiring further clarification, including any which arise in the coming months prior to the transfer of commissioning responsibility and prior to entering into any formal contract with the provider.

6.3 Service Specification Development

The project team is working with NHS England to develop a local specification that enables focus on the development of a service response that will meet our local need and ensure integration with key partners to the Integrated Early Childhood Offer.

This will reflect the issues families highlighted in the 2013 early years consultation, that was undertaken to shape the children's centre tender.

Co-design events have commenced and will be on-going with key members of the workforce to ensure the specification and design fully reflects local need. On-going pathway development will be a core requirement of the service in order to ensure integration so that families get the right support at the right time.

6.4 Contract Negotiation

Meetings have been established with NHS England and the provider to implement changes to the contract from April 2015 onwards, in order to ensure local developments.

Further meetings will be undertaken over the summer to establish financial and performance reporting requirements, in line with Plymouth City Council contracting processes.

6.5 Arrangements for contract extension

A review of the performance of the health visiting contract would be undertaken after one year (i.e. in autumn 2016). At that point, the service would be assessed on its contribution towards integrated working with other partners within the local Integrated Early Childhood offer. This review would look at whether critical pathways of support were in place and operating successfully, and whether feedback from families suggested that the areas of concern highlighted during the children's centre business case consultation had been addressed.

The option to extend the initial two year contract for a further period would only be taken up if the performance review identified sufficient progress against these key objectives. If sufficient progress was not in evidence, the health visiting service would be re-commissioned via a competitive procurement process.

7.0 FINANCES

The Department of Health (DH) has indicated that the local authority's funding allocation for health visiting services for six months of 2015/16 will be £2.558m. NHS England will receive a similar allocation for the first half of the financial year, and so the total funding for health visiting services in Plymouth in 2015/16 is expected to equate to £5.116m.

Therefore, if the recommended option for contracting (option 3) is agreed, the local authority's contract award for a two year period (October 2015 – September 2017) would be anticipated to be approximately £10.2m. This figure would be subject to confirmation of the public health funding allocation for 2016/17.

It should be noted that from 2016/17 onwards the 0-5 baseline funding for health visiting services will be added to existing local government funding allocations, to form an overall public health grant allocation. The public health grant allocation formula will be amended to take account of the 0-5 transfer and the DH has asked the Advisory Committee on Resource Allocation (ACRA) to include this in their work programme, when reviewing the 0-5 allocation for 2016/17.

Therefore, and in common with other local authority service contracts, any contract awarded to a provider of health visiting services from 1 October 2015 will include provision for the local authority to vary the contract where necessary in light of future changes to funding allocations, grant ring-fence arrangements for public health services, Government mandated service requirements and/or local service priorities.

The DH has stated that it does not intend to place unfunded new burdens on local authorities as a result of the transfer of commissioning responsibility, in line with the government's 'new burdens doctrine'.

In arriving at final 2015/16 allocations the DH has used 'lift and shift' principles, i.e. they have based allocations on existing NHS England contract obligations, to ensure that funding is sufficient to support contracts already in place and a safe mid-year transfer to local authorities.

The DH has used 2014/15 NHS England contract prices in arriving at 2015/16 funding allocations, with the assumption that any inflationary pressures are offset by efficiencies. This assumption is consistent with how the DH is setting funding allocations for NHS England as a whole – i.e. they are treating local authorities in the same way as they would have treated NHS England if they were commissioning health visiting services for the whole of 2015/16.

In addition to the 2015/16 allocation to fund contracts in place at the point of transfer, the DH has also indicated that each local authority will receive the sum of £15k, to reflect the additional commissioning costs they will incur as a result of the transfer of commissioning responsibility from NHS England.

In addition, the DH has provided a 'floor' such that no local authority area will receive funding for 2015/16 at a level below £160 per head of population (under 5s), after adjustment for 'market forces factor', which takes account of the differences in the cost of delivering services across the country.

The indicative 2015/16 full year funding level for Plymouth (after market forces factor adjustment) is £341 per head. This is the 2nd highest funding level within Plymouth's 'statistical neighbour' (comparable) group of 11 local authorities, and the 20th highest of all English local authorities.

Officers have undertaken a due diligence review of the local authority's indicative 2015/16 funding allocation, in accordance with DH guidance published as part of the 'baseline agreement exercise' (consultation with local authorities), and in close liaison with current NHS England commissioners. We have been able to confirm that the indicative allocation equates to the level of funding outlined in NHS England's financial return submitted to the DH to inform their baseline calculations. Details of this return were shared with the local authority as part of an open book accounting approach adopted by the 'sender' and 'receiver' commissioning organisations. Discussions with the current commissioner and provider have provided reassurance that the proposed funds will be sufficient to meet the proposed contracts.

Following conclusion of the baseline agreement exercise, the DH is expected to confirm by the end of January 2015, that the above figures are the final funding allocations for 2015/16.

8.0 RISK AND IMPACT

RISK – Description	Impact	Likelihood of occurring	Contingency Plan
1: Financial –Medium Term Financial Planning Funding allocation for 2016 onwards has not yet been confirmed. This could impact on contract value, post contract award	Medium	Medium	1. Plymouth will ensure a clear response to the ACRA funding consultation with the aim of achieving a fair allocation. 2. Plymouth City Council contract terms and conditions allow negotiation of contract variation in response to any funding changes
2: Financial –Medium Term Financial Planning Current short and medium term financial planning impacts upon the available budgets for the service.	Medium	Medium	Public Health Budgets are currently ring-fenced until 2016. Full consideration will be given in future commissioning plans for children and young people, given the evidence base for intervention in early years and the mandated requirements.
3: The new procurement legislation being implemented in 2015, could result in challenge to contract award from the wider market	Low	Low	The health market for children's health services is still small. The new legislation will not apply to health services until April 2016 and this contract will be awarded prior to this date.
4: Service development of an integrated early years offer is delayed.	Medium	Medium	A full review of progress of integration in early years and the positive impact for families will be undertaken towards the end of 2016. If significant lack of progress is identified a tender for children's centres and health visiting services will be considered.