

RE-COMMISSIONING OF THE HEALTHY CHILD PROGRAMME

To: **Health Committee**

Meeting Date: **7th February 2019**

From: **Director of Public Health**

Electoral division(s): **All**

Forward Plan ref: **2019/015** *Key decision:* **Yes**

Purpose: **What is the Committee being asked to consider?**

The purpose of this report is to ask the Committee to consider the re-commissioning options for the Healthy Child Programme.

Recommendation:

What is the Committee being asked to agree?

- a) Endorse an integrated commissioning approach for the Healthy Child Programme (HCP) across Cambridgeshire and Peterborough, with Cambridgeshire County Council (CCC) as the lead commissioner.**
- b) Approve one of the following options for the approach to be adopted for the re-commissioning of the Healthy Child Programme**

Option 1: A Section 75 Agreement with the current providers of the Healthy Child Programme which includes the following:

- Approval for the development and implementation of a revised Section 75 Agreement
- Approval for the development of a new service specification in collaboration with the Section 75 provider.
- Authorisation of the Director of Public Health in consultation with the Chair and Vice Chair of the Health Committee to complete the negotiation of the proposed Section 75 agreement, finalise arrangements and enter into the proposed agreement.
- Authorisation of LGSS Law to draft and complete the necessary documentation to enter into the agreement.

Or

Option 2: A Competitive Tender which includes the following:

- Extension of the current Section 75 Agreement to 31 March 2020 to enable services to continue, while a tendering process is undertaken
- Approval of the commencement of a competitive process
- Authorisation of the Director of Public Health, in consultation with the Chairman and Vice Chairman of the Health Committee to award a contract to the successful provider subject always to compliance with all required legal processes.
- Authorisation of LGSS Law to draft and complete the necessary contract documentation to enter into the agreement.

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1. BACKGROUND

1.1 The Healthy Child Programme (HCP) is a national public health programme to achieve good outcomes for all children from pregnancy through to 19 years of age. The HCP 0-5, led by health visitors and their teams, offers every child a schedule of health and development reviews, screening tests, immunisations, health promotion guidance and support for parents tailored to their needs, with additional support when needed and at key times. Children of school age 5-19 are supported through the School Nurses and their teams who are accessible to school-aged children and provide support and signposting to additional services as required.

1.2 Delivery of the Healthy Child Programme is mandated through the Public Health Grant, and therefore Local Authorities are subject to the Public Health Grant conditions. The conditions include:

- Prescribed functions – this includes the mandated elements of the 0-5 Healthy Child Programme
- Non-prescribed functions – Children's 0-5 non-mandated elements, and Children's 5-19 public health programmes

Regulation requires all families with babies to receive five health visitor checks before their child reaches 2 and a half years old as described in the Healthy Child Programme 0-5 years.

1.3 In Cambridgeshire, the Healthy Child Programme is commissioned from Cambridgeshire Community Services NHS Trust (CCS). Services in Peterborough are commissioned by Peterborough City Council from Cambridgeshire and Peterborough Foundation Trust (CPFT)

1.4 HCP services are currently commissioned via Section 75 Agreements in Peterborough and Cambridgeshire. These are due to expire on 31 March 2019, requiring both Authorities to enter into new agreements from 1 April 2019. The 2018/19 annual values of the Section 75s are £8,926,739 (Cambridgeshire) and £3,695,226 (Peterborough).

1.5 Integration of the Healthy Child Programme is the first stage of the wider integration process for Children's Health and Wellbeing services in Cambridgeshire and Peterborough, which has been discussed with the Health Committee at the following meetings:

Date	Health Committee	Title of paper	Comments
14/6/17	Committee paper in public	0-19 Joint Commissioning of Children's Health and Wellbeing Services	Focus on the work of the children's health joint commissioning unit and integration of children's health services
14/12/17	Committee paper in public	Integrated commissioning of children's	Focus on the children's centre restructure and the links to health provision in children's centres

		HWB services	(midwives, health visiting etc)
17/5/18	Committee paper in public	Children's Health Joint Commissioning Unit Integration update	Focus on achievements of the children's health joint commissioning unit and progress towards integration of services
6/12/18	Committee paper in public	Healthy Child Programme Update	Proposed integrated service model for the 0-19 Health Child Programme

1.6 Following joint work through the Children's Transformation Board to focus on integration, a paper was presented to the Health Committee in December 2018 seeking endorsement of the proposed HCP service model in Cambridgeshire and Peterborough. The model retains the universal offer across Cambridgeshire and Peterborough, including the 0-5 visits mandated through the public health grant conditions. Proposed innovations and changes include:

- Streamlining the management structure across Cambridgeshire and Peterborough to deliver a joint leadership and management structure, supported by locality teams.
- Changing the support for teenage parents through retaining the Family Nurse Partnership for those who are most vulnerable, but enhancing access for all teenage parents, to extend beyond the universal mandated offer.
- Change in workforce skill mix to deliver the service model, using a nationally accepted workforce tool to model the requirements.
- Redesigning access to advice by increasing access to immediate advice and support through an improved digital offer – Parentline and Chathealth.
- Improving access for families by the implementation of development review clinics on a Saturday, initially in a small number of locations.

This model for integration of HCP 0-19 is the first stage of the wider ambition to further integrate children's health and wellbeing services across Cambridgeshire and Peterborough, with joint working across the 2 health trusts currently delivering in the area. An overarching 'Best Start in Life' workstream is bringing together stakeholders from across the local system, to develop an overarching strategy for Early Years and design the new system offer.

1.7 At its meeting on 6 December the Health Committee endorsed the proposed service model described at 1.5, within financial resources of £8,528,739 (Cambridgeshire) and £3,495,226 (Peterborough), giving total resources of £12,023,965. This paper sets out the options for re-commissioning of the services to deliver the model.

2. MAIN ISSUES

2.1 Integration of commissioning across Cambridgeshire and Peterborough

Consistent with the strategic direction of travel to integrate children's health and wellbeing services across Cambridgeshire and Peterborough, the two current providers have developed an integrated management structure and single service model. It is therefore proposed that a single commissioning arrangement would be the most efficient and effective commissioning approach to re-commissioning the services and managing and monitoring service delivery.

The implications of this are that both Authorities would need to agree which Authority would act as lead commissioner of the services. On this occasion it is proposed that Cambridgeshire County Council acts as lead Commissioner across Cambridgeshire and Peterborough. If this approach is endorsed by both Authorities, then a Delegation Agreement is required to enable a transfer of resources from Peterborough to Cambridgeshire for the duration of the commissioning agreement, which is proposed as 5 years.

Attached at Appendices 1 and 2 are:

- Draft Cabinet Member Decision Notice (CMDN) (Appendix 1) which approves the delegation of responsibility for commissioning the HCP in Peterborough to Cambridgeshire County Council (CCC) and approves the associated transfer to HCP funding to CCC for up to five years (April 2019 – March 2024).
- Draft Delegation Agreement (DA) (Appendix 2) which details the terms of the delegation of commissioning responsibility to Cambridgeshire.

These documents have the effect of:

- Limiting the transfer of resources from Peterborough to Cambridgeshire to the value of the commissioning agreement in place
- Limit the financial liability for Cambridgeshire.

Legal implications have been considered and addressed within the Delegation Agreement underpinning the transfer of commissioning authority to Cambridgeshire, in collaboration with both LA legal departments.

In order to ensure that the financial resources of each Authority are deployed on services in the appropriate locality, the respective current providers have agreed to separate financial schedules (which is current practice) and financial monitoring of those schedules. Performance indicators would also be monitored on a geographical basis.

Should the Committee decide to re-tender the HCP, then it is feasible to tender the service as a single tender, with separate financial schedules to reflect the accountability of each Authority.

2.2 Commissioning options

The establishment of a Section 75 Agreement whereby delegation of duties is assigned to a Health Authority is not required to be procured (in this case delegation from the Local Authority to an NHS Trust). This is one of the situations outlined in Article 12 of the Public Contracts Directive which excludes a number of contracts from the scope of the Directive. This issue is covered in more detail at Section 4.2, and in practice means that the Authorities have a choice either to renegotiate the current Section 75 Agreement, or to competitively tender for provision of the services.

Table 1 summarises the general advantages and disadvantages of adopting one of these two commissioning approaches.

In summary, a competitive tender could drive down costs and is associated with innovation and transformation, however collaborative partnership working between commissioners and providers can also deliver robust and innovative cost-effective services.

Locally, there are a number of reasons why a Section 75 agreement could be more appropriate for the recommissioning of the Healthy Child Programme.

- Both Authorities and (current) NHS Trusts have an ambition to further integrate children's services across Cambridgeshire and Peterborough. A Section 75 Agreement is more likely to support this service integration.
- Through the Children's Transformation Board, both providers have worked to develop a single model which delivers the Healthy Child Programme and also delivers significant financial savings to both Authorities.
- The most significant challenge to delivery of the HCP has been the availability of NHS clinical staff. This remains both a national and a local challenge, however the proposed model addresses this through changes to skill mix in order to maintain (and improve where required) service standards. There is a risk that a competitive tendering process could destabilise the current workforce further with consequent impact on service delivery.

Table 1: Summary of Commissioning Approach Options

Commissioning approach	Advantages	Disadvantages
Competitive Tender	<ul style="list-style-type: none">• Provides an opportunity for innovation and transformation• Potential for securing cost efficiencies	<ul style="list-style-type: none">• Procurement processes require resources in terms of staff time and specialist support• An extension to the current Section 75 would be required to allow time to undertake the procurement• Potential for destabilisation of current service provision.

Section 75	<ul style="list-style-type: none"> • Provides opportunity for greater local integration of service provision for children and young people • The proposed service offer supports the service model within a reduced cost base • Provides opportunity for innovation and transformation through partnership working • Removes the risk of destabilising the current workforce and consequent potential impact on current provision and pathways (for example the teenage pregnancy pathway) • Current provider has a good CQC rating overall, and for child health services specifically, providing services for a number of Local Authorities in the east of England • Enables joint working across Cambridgeshire and Peterborough – both providers and Local Authorities, to support improved integration 	<ul style="list-style-type: none"> • A competitive tender could drive cost down • Innovation and transformation rely upon good effective partnership working • The current provider has delivered strongly in a number of areas, but there are ongoing challenges in relation to 1 and 2 year checks and antenatal visits in particular.

2.3 Next steps and timescales

The proposed timeline will be dependent on Committee's decisions in relation to:

- Proposed joint commissioning arrangements across Cambridgeshire and Peterborough and
- The preferred commissioning model

If the option selected is a renegotiation of the Section 75, an agreement will be prepared to run from 1 April 2019 for a duration of 5 years. The agreement will reflect the agreed service model, with supporting service specification, performance indicators and monitoring arrangements. An annual review of the partnership arrangements, and an annual report from CCS and CPFT on the services provided will enable a review of the financial arrangements and enable and support service change through innovation and best practice. These documents will also reflect Internal Audit recommendations relating to the effectiveness of financial processes and performance monitoring arrangements.

In line with audit recommendations and established good practice the new performance monitoring regime will include:

- Revised and updated KPIs to reflect national standards and local service remodelling
- Incentives and penalties for performance and under performance respectively
- Greater focus on quality assurance via an increased range of quality metrics and audit
- Greater financial transparency via open book reporting against a detailed pricing schedule
- Setting of annual service objectives and service development planning to ensure momentum for transformation is maintained and continued service evolution to meet local needs
- Increased emphasis on staff and service user feedback
- Increased frequency of monitoring
- Annual review and report.

The enhanced performance monitoring regime is intended to provide the local authority with robust evidence of quality, effectiveness and value for money along with early warning signs of under-performance. Work is underway with both Providers to agree the Service Specification and KPIs and a draft of these will be sent to the Lead Members for comments before the Section 75 Agreement is signed.

If the option selected is a competitive tender of the services, a procurement strategy will be drawn up to tender the services for service commencement on 1 April 2020, either as a single tender across Cambridgeshire and Peterborough, or as two separate tenders for Cambridgeshire and Peterborough respectively. Given that the current agreements are due to expire on 31 March 2019, a twelve month extension would be required to ensure continuation of service delivery between 1 April 2019 and 31 March 2020.

3. ALIGNMENT WITH CORPORATE PRIORITIES

(Alignment of the HCP to corporate priorities was set out in the HCP service model proposals discussed by the Health Committee at its meeting on 6 December 2018. The following evaluation therefore relates to the commissioning arrangements only).

3.1 Developing the local economy for the benefit of all

There are no significant implications for this priority.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

As detailed in Section 1.7, the 2019/20 total Cambridgeshire and Peterborough budget envelope for the 0-19 HCP would be £12,023,965.

Peterborough will be required to transfer its HCP budget to Cambridgeshire as part of this joint commissioning arrangement. Details regarding amounts, timeframes and 'claw back' will be covered in the Delegation Agreement to ensure Peterborough's position is protected and its financial investment is solely used for Peterborough residents. The Delegation Agreement will also ensure that CCC will only pick up costs related to Cambridgeshire residents.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Advice has been sought from the Strategic Procurement Manager for Cambridgeshire (LGSS).

Under Section 75 of the NHS Act 2006 (as amended), the Secretary of State can make provision for local authorities and National Health Service (NHS) bodies to enter into partnership arrangements in relation to certain functions, where these arrangements are likely to lead to an improvement in the way in which those functions are exercised. The specific provision for these arrangements is set out in the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000. The regulations set out how partners can enter into arrangements whereby an NHS body may exercise the prescribed health-related functions of local authorities.

There are also a number of contracts that are excluded from the scope of the Public Contracts Directive. Article 12 of the Directive outlines situations whereby Public contracts between entities within the public sector are excluded. The establishment of a Section 75 whereby delegation of duties is assigned to the Health Authority is not required to be procured.

The risks of pursuing this option may be mitigated by issuing a Voluntary Ex-Ante Transparency Notice (VEAT) outlining the proposed arrangement. A VEAT notice is a means of advertising the intention to let a contract without opening it up to formal competition evidencing that under the "Duty of Best Value" the arrangements being proposed secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

4.3 Statutory, Legal and Risk Implications

Since the value of the Cambridgeshire budget is higher, it is proposed that Cambridgeshire County Council (CCC) will act as the lead commissioner on behalf of CCC and Peterborough City Council (PCC). A Delegation Agreement is required between CCC and PCC.

Legal implications have been considered and addressed within the Delegation Agreement underpinning the transfer of commissioning authority to Cambridgeshire, in collaboration with both LA legal departments.

4.4 Equality and Diversity Implications

There are no significant implications within this category

4.5 Engagement and Communications Implications

There are no significant implications within this category

4.6 Localism and Local Member Involvement

There are no significant implications within this category

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Officer: Clare Andrews
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes Name of Officer: Denise Lord
Have the equality and diversity implications been cleared by your Service Contact?	Yes or No Name of Officer: Liz Robin

Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Matthew Hall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes or No Name of Officer: Liz Robin
Have any Public Health implications been cleared by Public Health	Yes or No Name of Officer: Liz Robin

Source Documents	Location
<p data-bbox="196 371 683 443">Healthy Child Programme: Best Practice Guidance, 2009, DH</p> <p data-bbox="196 517 715 656">Effectiveness of the Healthy Child Programme, an evidence update, June 2014, Early Intervention Foundation</p> <p data-bbox="196 730 783 835">Health Committee paper – Healthy Child Programme Update, 6 December 2018</p>	<p data-bbox="813 371 1533 439"> Healthy Child Programme: Pregnancy and the first five years Healthy Child Programme: From 5-19 years old </p> <p data-bbox="813 479 1541 546"> http://www.eif.org.uk/publication/what-works-to-enhance-the-effectiveness-of-the-healthy-child-programme-an-evidence-up </p> <p data-bbox="813 741 1257 775"> https://tinyurl.com/ybjeubgm </p>