Herefordshire Council

| Meeting: | Cabinet |
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| Meeting date: | 15 September 2016 |
| Title of report: | Healthy child programme 0-19 years |
| Report by: | Cabinet member health and wellbeing |

## Classification

**Open**

## Key decision

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function to which the decision relates and because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

## Wards affected

Countywide.

## Purpose

To seek agreement to extend the current health visiting and school nursing contract whilst further work is undertaken to explore options to secure a more integrated service model and approach to meeting the needs of children and young people from the ages of 0-19.

Further information on the subject of this report is available from
Andrea Westlake, public health specialist 01432 383697

## Recommendation(s)

**THAT:**

a) **agreement is given to extend the existing health visiting and school nursing (public health nursing) contracts for a period of up to one year from 1 April 2017 at an annual cost of £2.6m (service detailed in appendix 1);**

b) **an option appraisal be undertaken to inform a further decision about the provision of an integrated children's service by the end of March 2017; and**

c) **by virtue of this decision report an exemption to paragraph 4.6.13.2 of the council's contract procedure rules shall be granted to enable the extensions for the reasons as set out in paragraph 4 below and referred to throughout this document.**

## Alternative options

1. Go to open procurement now for an integrated school nursing and health visiting service to deliver the universal healthy child programme 0-19 years for a preferred contract term of up to five years with effect from 1 April 2017. This would require investment of up to £13.1m (£2.6m each year). This is not recommended as it would not enable the council time to consider the integration referred to in paragraph 4. In addition, given the uncertainty of the current financial situation for local government and in particular potential changes to the national funding formula for public health, this is considered high risk. A shorter term contract, running for a maximum of two years, is likely to reduce the number of bidders significantly as it would represent too great an uncertainty for any new provider. In addition, there are a number of large scale health visiting and children's centre procurements running at the current time in other local council areas, seeking bidders from what is a limited provider market. Taken together, these factors mean there is no certainty that a costly procurement exercise at this time would engender any viable bids. There is also a national review examining the cost benefits of the current mandatory requirements of the healthy child programme, which may lead to changes in what is required.

2. Continue with the statutory provision of health visiting and school nursing services under the existing contract with some disinvestment in the non-statutory elements of the current provision. This is not recommended as the current contract expires on 31 March 2017 and the council would fail to meet its statutory obligations. In addition, this is likely to significantly undermine health outcomes in children, young people and families, require significant change management and NHS redundancies and represent a false economy relating to increased demand on other services.

3. Transfer the full health visiting and school nursing service or only the workforce resource to the council. This is not recommended as there is insufficient time to undertake the due diligence in relation to this transfer or to establish the necessary clinical governance and safeguarding arrangements to affect such a change by 1 April 2017. The council would need to market test the insourcing of a workforce only approach to ensure there is a sufficient market in place to deliver the infrastructure arrangements.

## Reasons for recommendations

4. By extending the current contract for a further fixed period, the council will be able to continue to effect quality improvements within the finances known to be available. This will also give the council time to develop the options to secure a more integrated approach across early years services by encompassing children's centre services. This would be in line with recent recommendations from the overview and scrutiny task and finish group and the direction set out and approved in the children and young people's plan.

## Key considerations

5. The council has identified as a strategic priority, in the children and young people's plan, the need to strengthen the approach to improving outcomes in the early years, in child and parental mental health and in improving overall health and wellbeing. There has been pleasing progress over the past three years in terms of a rise in the number of children who are immunised, of smoking cessation and of ensuring that children have a good level of development by the time they start school. However, inequalities still remain and for some children the gap between their health and development and that of their peers is widening. Dental health in the early years remains a significant concern.

6. The current health visiting and school nursing service is commissioned by the council from Wye Valley NHS Trust. The service makes a significant contribution to improving children's outcomes in the priority areas in the children and young people's plan. The service is a universal service, provided to all children in Herefordshire. There are currently 40.9 full time equivalent (FTE) health visitors with caseloads of approximately 240 children per nurse. There are nine FTE school nurses to cover all schools in Herefordshire, including special schools, equating to in the region of 3,000 children per nurse. All the staff are qualified nurses and have additional skills and specialisms.

7. As well as playing a significant role in improving health and wellbeing outcomes, including those set out in the national healthy child programme, such as the child measurement programme to detect and prevent emerging obesity issues, the services work in close partnership with GPs, schools, social care and the voluntary sector as part of the early help workforce and child protection arrangements in Herefordshire.

8. Although the service has been improving, further improvements remain to be made. These include access to technology, better access and application of data to target resources and continued progress to improve the uptake of the mandated child health reviews to a minimum of 95% coverage as set out in table 1 below:

| Table 1 | | |
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| **Health visitor mandated indicators** | **Herefordshire performance 2015/16** | **Local comparison to national performance*** |
| Number of new mothers who receive a first face to face antenatal contact with a health visitor (28 weeks or above) – proxy target based on 2015/16 birth data | 914* (51%) | No data |
| Percentage of births that receive a face to face new birth visit within 14 days by a health visitor | 87% | Herefordshire Similar |
| Percentage of children who received a 6-8 week review by the time they were 8 weeks old | 100% | Better |
| Percentage of children who received a 12 month review | 92% | Better |
| Percentage of children who received a 2 – 2.5 year review | 89% | Better |

*Source: National return HSCIC 2015/16 *based on Q3 data from 149 councils. Q4 data due for release end of July 16*

9. The current contracts with Wye Valley NHS Trust were extended in March 2016 and are due to end on 31 March 2017. Whilst the original intention was to go to open procurement for a new contract, for the reasons set out in the alternative options above, further consideration of the following elements has resulted in a revised understanding of the situation:

- better alignment with the emerging early years and early help plans;
- consideration of the pending national reviews relating to the healthy child programme and mandated reviews;
- the One Herefordshire transformation programme and Sustainability Transformation Plan (STP) programme; and
- understanding the potential market.

These considerations have influenced the recommended next steps which are to extend the current contract for a year in order for the council to undertake an options appraisal to secure the best way of achieving a more coherent and integrated model. This could include open procurement or insourcing to the council or a combination of both.

10. Further analysis of the need in Herefordshire, and consideration of national evidence of effective service delivery models, has enabled a clearer picture to be developed of the key elements of the future service required locally. Therefore the main features of an alternative model would be:

- a service which integrates health visiting and school nursing services with other services, including children's centres and other early help services;
- an infant and maternal mental health service for 0-2 year olds working in partnership with the third sector;
- a young parents service;
- peer parenting and community support programmes;
- a fit family healthy weight programme.

## Community impact

11. The health and wellbeing strategy, the children and young people's plan and the council's corporate priorities are very clear that it is families who bring up children best. These plans also prioritise the focus on addressing health, education and care inequalities for some children. These services play a specific role in that ambition and evidence shows that health visitors and school nurses are generally well regarded by families, GPs, mental health services, schools and early years providers.

12. In particular they :

- promote and provide early help for families, developing the "Think Family" approach and culture across Herefordshire;
- improve the emotional and mental health and wellbeing of children, young people, and their parents and carers; and
- meet the needs of children and young people requiring safeguarding.

Further detail is available in appendix 1.

13. In Herefordshire, however, we know that some rural families have difficulties accessing services when they need them. There has also been a reduction in some early help services over the past few years and there is limited access to mental health support. A re-designed service, which is better integrated with others, will enable the council to re-shape the use of resources and achieve better value for money.

14. A new service model would be particularly focussed on improving:

- children's readiness for school including language development and early identification of communication problems;
- healthy social and physical development including health protection;
- readiness to learn and ability to build positive relationships;
- reducing inequalities and improving educational attainment;
- emotional development, resilience and mental wellbeing.

## Equality duty

15. The Equality Duty 2010 has three aims (general duty):

- Eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected

characteristic and persons who do not share it.

- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

16. The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying “due regard” in our decision making in the design of policies and in the delivery of services.

17. The development of the new model will be subject to a full equality impact assessment.

## Financial implications

18. The Department of Health has announced that the public health grant will be subject to reductions year on year during the remainder of the medium term financial strategy period, amounting to some 10% of the total. Given that rural councils are also comparatively underfunded in their general funding; the public health budget will need to be reduced proportionately. To mitigate these challenges, the health visiting and school nursing services need to be cost efficient. The healthy child programme is currently commissioned in a fragmented way at a total cost of approximately £2.9m per annum.

19. Nationally, the ‘invest to save’ cost benefit of an effective health visiting and school nursing approach is between £1.37- £9.20 for every pound invested. In the light of the funding environment and the medium term financial strategy, there is a need to reduce service cost, increase impact in improving health outcomes and secure a greater impact in areas where the gap between good and poor outcomes are the widest.

20. The cost of extending the contract for one year is £2.6m. The development of an integrated model and exploration of other providers, including potentially the council, will enable the council to ensure maximum financial efficiency, reduce oncosts, appropriate financial flexibility to meet changing budget levels and maximise the use of resources with children and families.

## Legal implications

21. In the exercise of this council’s general public health function under section 2B of the National Health Service Act 2006, which is to improve health of people in its area, the council must secure (in accordance with regulation 2103/351) the provision of a universal health visitor review to be offered to pregnant woman and children aged under five years in our area.

22. Under the Health and Social Care Act 2012, local authorities are responsible for commissioning public health services for children and for improving the health of their local population.

23. This extension in these circumstances (i.e. where the extension is not expressly mentioned in the current contract) is to be regarded (for procurement purposes) as if it were a new contract.

24. Under clause 4.6.13.2 of the Council’s Contract Procedure Rules, a new contract over £50,000 (which includes an extension in these circumstances) requires a tender.

25. However, this requirement may be waived under clause 4.6.18.1 in ‘exceptional circumstances’. The current extension is comfortably above the £50,000 threshold,

and would ordinarily require a tender unless there are exceptional circumstances to justify a waiver.

26. The circumstances described in this paper (e.g. the need for the council to do the various tasks described in this paper) appear to be exceptional circumstances justifying a waiver of the requirement to conduct a tender.

27. Given the value of the extension (i.e. over a £589,148 threshold), the council must also comply with EU Treaty principles. One Treaty principle that is relevant here is that the council must treat all suppliers equally. There is a theoretical argument that by awarding this extension to a particular provider, the council has not treated all suppliers equally (i.e. Wye Valley NHS Trust has been given some kind of preferential treatment).

28. In practice, given the circumstances (i.e. the relatively short nature of the extension, the very small size of the potential supplier market, and the work the council is undertaking to prepare for a larger procurement), the risk of a challenge to the council for breaching this Treaty principle is regarded as very small.

## Risk management

29. Key risks are outlined in the table below:

| Risk | Mitigating actions |
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| Extension of the existing contract will be contrary to procurement rules and may be subject to challenge. The council require a robust transformation plan. | • The council agrees to a system wide transformation plan which seeks to integrate services in line with the children and young people's plan 2015-18 and reduce the impact of cost efficiencies as a consequence of the cuts to the public health grant.<br>• Any new arrangement shall enable open procurement of any appropriate services. |
| The reduction in the public health grant and the consequent 10% savings required from services generate three main risks:<br>1. That ongoing improvement in health and reductions in health inequalities might be jeopardised due to the loss of health visitor posts (approximately 4 FTE posts). This would expand the caseloads and potentially reduce quality of care to clients.<br>2. That any reduced investment in prevention might lead to a rise in demand for health, social care and other public services.<br>3. That a reduction in income might destabilise the existing | 1. The council intends to mitigate this through service integration, re-design and re-commissioning, focusing on greatest need, and by strengthening universal prevention and early help. This includes providing information and advice, improving access to technology, encouraging and enabling communities, and effective, skilled early assessment and risk management.<br>2. This would be mitigated by introducing the 10% reduction to these services in 2017/18 to give partners the opportunity to consider alternative sources of funding and to allow time for service re-design and re-commissioning.<br>3. This would be mitigated by deferring |

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| provider. | the saving until 2017/18 to give the opportunity to consider alternative sources of income and to allow time for service re-design and re-commissioning. The service would be commissioned to allow for the full impact of the public health grant cuts over the next four years. |
| To ensure the service complies with the Care Quality Commission (CQC) regulations and standards. | • To communicate any commissioning intentions and outcomes to the CQC to ensure proactive engagement and advice. |
| Any further reductions required to the council contracts shall require year on year cost efficiencies. | • Flexibility in the contract to enable amendments to the contract value.<br>• Commissioners to ensure that efficiencies are communicated in the contract.<br>• Commissioners to assure quality and workforce competencies.<br>• Commissioners continue to work with providers and partners to deliver more effective and efficient ways of working.<br>• Ensure that the effective use of technology is a key contractual component. |
| During the development of the new model and options appraisal, the workforce becomes anxious and this adversely impacts on the quality of service delivery. | • Appropriate sharing of information, engagement of staff in the re-design and continuation of the transformation meetings.<br>• Providers fully engaged in any children's service developments and strategic planning.<br>• Regular communication and updates.<br>• Commissioners to performance manage and quality assure service. |
| New opportunities and/or challenges, and national public sector directives arise during the development of the service specification which adversely impact on the timelines for change. | • Robust project management and agreed strategy.<br>• Ensure engagement of partners in the specification development and future direction of the services.<br>• Communicate plans and progress.<br>• Risk management. |
| If there are further reductions or a de-commission of the healthy child programme this will adversely impact on reducing inequalities and meeting the Ofsted requirements for children with special needs in relation to the educational health plan and the delivery of public health outcomes. | • To mitigate this, the council needs to be able to articulate roles and responsibilities and have assurance that the public health contribution to the outcomes for the most vulnerable children is evidenced. |

## Consultees

No consultees.

## Appendices

Appendix 1: Integrated healthy child programme 0-19 years

## Background papers

None identified.

Further information on the subject of this report is available from
Andrea Westlake, public health specialist 01432 383697