Committee: Healthier Communities and Older People Overview and Scrutiny Panel

Date: 3rd September 2015

Wards: All

A. Subject: Transfer of Commissioning Responsibility for Healthy Child 0-5 Services to Public Health, LB Merton

Lead officer: Kay Eilbert, Director of Public Health

Lead members: Councillor Caroline Cooper Marbiah, Cabinet Member for Adult Social Care and Health, Councillor Maxi Martin, Cabinet Member for Children's Services

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Recommendations:

1. This report has been sent to this Panel for pre-decision scrutiny. Cabinet will be asked to consider any comments from scrutiny when they are making the final decision on this issue.
   Cabinet are asked to make the following decisions:
2. To note arrangements for the transfer of commissioning responsibility for Healthy Child 0-5 Services to the London Borough of Merton.
3. To authorise the novation of the contract for Healthy Child 0-5 Services from NHS England to the London Borough of Merton on 1 October 2015.
4. To authorise the delegation to the Director of Public Health authority to enter into all documents necessary to effect the legal receipt of this commissioning responsibility, including the deed of novation.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

1.1. This report outlines arrangements for the transfer of commissioning responsibility for Healthy Child 0-5 Services from NHS England to Public Health, LB Merton and recommends that Cabinet authorise the novation of the contract for Healthy Child 0-5 services on 1st October 2015.

1.2. The Healthy Child Programme is available to all children and aims to ensure that every child gets the good start they need to lay the foundations of a healthy life. Health visiting services are a key component of the Healthy Child Programme (HCP) 0-5 years and support the 16,000 infants and children resident in Merton to achieve the best possible health outcomes.

1.3. The benefits of the transfer have been highlighted as an opportunity to link with wider systems, including early years services and enable greater integration of children's services. This recognises the huge impact that primary prevention, early identification of need and early intervention have on ensuring positive outcomes for children and young families. Public health services play a key role in ensuring that needs are identified in a timely way and families are supported to access the services they need.

1.4 From 1 October 2015, local authorities will take over responsibility from NHS England for commissioning public health services for babies and children up to 5 years old. These services include health visiting and the Family Nurse Partnership programme (a targeted service for teenage mothers). They also include five mandated universal services:

- Antenatal health promoting visits
- New baby review
- 6-8 week assessment
- 1 year assessment
- 2-2 ½ year review

1.5 In Merton Health Visiting services are provided under the Sutton and Merton Community Services Contract (SMCS) between NHS England and the Royal Marsden Hospital NHS Foundation Trust. Staff deliver services in homes, health centres and children's centres. There are approximately 50 whole time equivalent staff covering Merton, including a number of shared specialist posts, plus non-caseholding specialists including safeguarding and management posts.

1.6 In order to prepare for the transfer of commissioning responsibility, a review of local health visiting services took place in 2014. The review identified a number of strengths, including from the parent survey 89% of parents and carers rated the service good or very good. The review identified a number of areas for improvement including coverage of the universal Healthy Child Programme which is below 90%. It also identified a range of additional support needs for parents and priorities for professionals.

1.7 The Department of Health ("DH") grant allocation for Healthy Child 0-5 services for Merton in 2015/16 (1 October 2015-31 March 2016) is **£1,476,000**, covering both health visiting and Family Nurse Partnership services. This includes £15,000 to allow the Local Authorities to invest in additional commissioning support. In addition, NHS England have agreed a non-recurrent transfer of £159,500 to DH for onward transfer to LB Merton. This was agreed to mitigate against potential cost pressures to LB Merton as NHS England recognised there was a gap between the contract value and RMH service delivery costs. Therefore the total funds to transfer to LB Merton for 2015-2016 (1 October 2015-31 March 2016) are: **£1,635,500.**

1.8 The contract value that has now been agreed between NHS England and the Provider, RMH, disaggregated for Merton and the 6 month period is: **£1,520,904.**

1.9 We are therefore assured that from October 2015–March 2016 the contract for Healthy Child 0-5 services will be delivered by RMH within the Merton DH Public Health grant allocation, which for 2015/16 only will include additional non-recurrent funds transferred from NHS England.

1.10 From 1 April 2016 a new service contract will commence, subject to the outcome of the current Community Health Services re-procurement process. The successful Provider will be required to deliver a new Healthy Child 0-5 service specification, as part of the Community Health Services contract, within the value of the recurrent DH Grant allocation for 2016/17 onwards.

1.11 In order to ensure robust contract and performance management and governance it has been agreed with Merton Clinical Commissioning Group that the contract will be managed alongside the current RMH Sutton and Merton Community Services NHS block contract until 31 March 2016. From 1 April 2016 this will be fully integrated into new Community Health Services contract.

1.12 In line with the transfer of other Public Health contracts to LB Merton in 2013, it is proposed that the NHS contract for Healthy Child 0-5 Services novate to LB Merton. **Cabinet are recommended to authorise the novation from 1st October 2015.**

2 DETAILS

2.1 BACKGROUND

2.1.1 From 1 October 2015, the Government intends that local authorities take over responsibility from NHS England for commissioning (i.e. planning and paying for) public health services for children aged 0-5. This includes health visiting and Family Nurse Partnership ((FNP) targeted services for teenage mothers). Only the commissioning responsibility is being transferred. Health visitors will continue to be employed by their current provider – in Merton this is the NHS (Royal Marsden Hospital NHS Foundation Trust -RMH).

2.1.2 A major part of the work of delivery through the 0-5 public health workforce is delivering the Healthy Child Programme (HCP). The HCP is the national public health programme, based on best knowledge/evidence to achieve good outcomes for all children.

2.1.3 The transfer of 0-5 commissioning will join-up that already done by LAs for public health services for children and young people 5-19. This will enable joined up commissioning from 0 to 19 years old, improving continuity for children and their families.

2.1.4 The following commissioning responsibilities which form part of the HCP 0-5 delivery will not transfer to LAs:
a. Child Health Information Systems (CHIS); and
b. The 6-8 week GP check (also known as Child Health Surveillance)

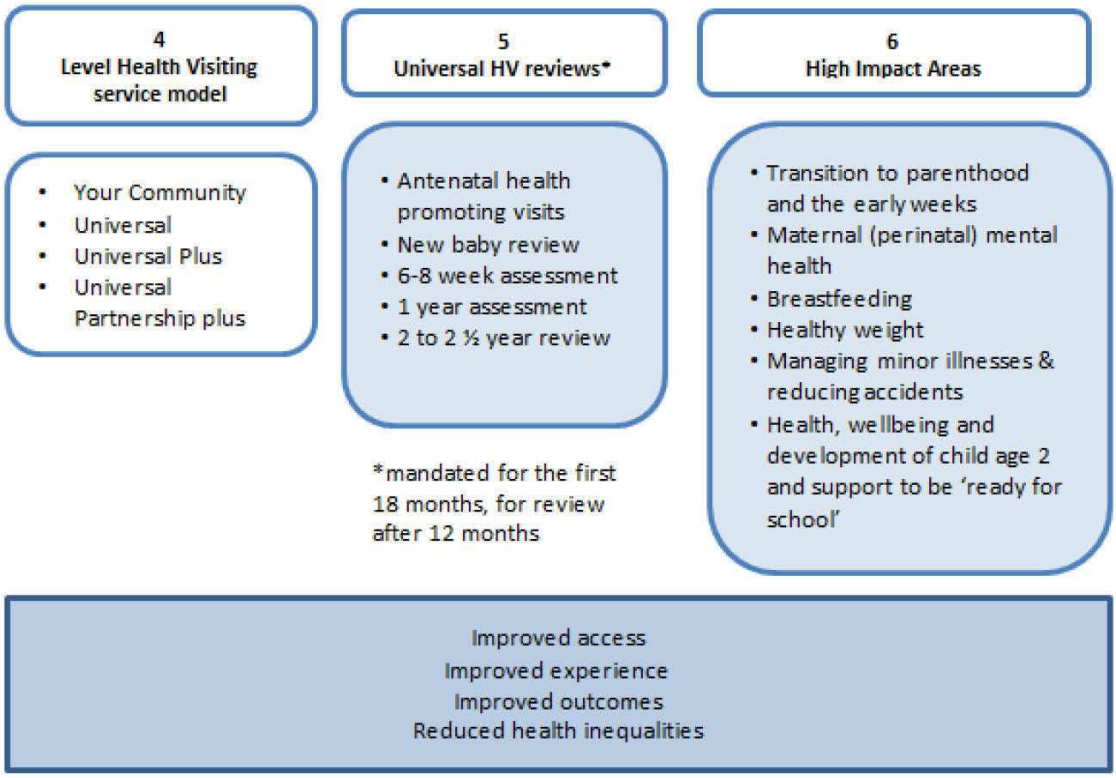
2.2.1 Healthy Child 0-5 Services

2.2.1 The importance of giving every child the best start in life and reducing health inequalities throughout life has been highlighted by Sir Michael Marmot[1] and the Chief Medical Officer (CMO)[2]. The Healthy Child Programme is available to all children and aims to ensure that every child gets the good start they need to lay the foundations of a healthy life. Health visiting services are a key component of the Healthy Child Programme (HCP) 0-5 years and support infants and children to achieve the best possible health outcomes

[1] Marmot et al (2010) Fair Society, Healthy Lives; a strategic review of Health inequalities in England
[2] https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2012-our-children-deserve-better-prevention-pays

2.2.2 The health visiting service workforce consists of specialist community public health nurses (SCPHN) and teams who provide expert information, assessments and interventions for babies, children and families including first time mothers and fathers and families with complex needs. Health visitors help to empower parents to make decisions that affect their family's health and wellbeing and their role is central to improving the health outcomes of populations and reducing inequalities. Health Visitors have a significant role in safeguarding children.

2.2.3 There have been changes to both the delivery and commissioning of health visiting services in recent years, including a national 'Call to Action' to increase health visiting numbers. In terms of delivery, the Department of Health have set out a new Health Visiting '4-5-6' service model (set out below), which is based on delivery of a 4 tier service, with 5 core health reviews, mandated for a minimum of 18 months, and a focus on 6 high impact areas designed to improve access, experience, outcomes and reduce health inequalities.



2.3 Mandated services

2.3.1 Mandation means a public health step prescribed in regulations as one that all local authorities must take. The regulations are made under section 6C of the NHS Act 2006. From 1 October, Local Authorities will have a legal duty under *The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013* as amended by *the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) and Local Authority (Public Health, Health and*

Wellbeing Boards and Health Scrutiny) (Amendment) Regulations 2015 to provide or secure, so far as is reasonably practicable, the provision of the 5 mandated elements of the universal service, as set out in the Healthy Child Programme.

2.3.2 DH have stated that local authorities are very well placed to identify health needs and commission services for local people to improve health. The Government's stated aim is to enable local services to be shaped to meet local needs. However, it has identified that some services need to be provided in the context of a national, standard format, to ensure consistent delivery and universal coverage, and hence that the nation's health and wellbeing overall is improved and protected - this includes some of the HCP services.

2.3.3 The intention for mandating elements of the HCP was set out in *Healthy Lives, Healthy People.* A range of public health services are *already* mandated, for example, on national child measurement, delivered by the Healthy Child 5-19 service (school nursing).

2.3.4 Building on the mandation of services outlined above, the Government has mandated the following universal elements of the 0-5 HCP namely:

- Antenatal health promoting visits
- New baby review
- 6-8 week assessment
- 1 year assessment
- 2-2 ½ year review

2.3.5 Therefore the expectation from DH is that uptake of the five mandated reviews will continue to be delivered, and that LAs must act with a view to securing continuous improvement in their uptake. This expectation, and the delivery of the mandated reviews, is "as far as reasonably practicable". That is, there would not be an expectation that delivery of the reviews will suddenly be expected to be 100% after the point of transfer.

2.3.5 Local authorities will be able to demonstrate progress on the Public Health Outcomes Framework through early years profiles. Local authorities will have flexibility to ensure that these universal services support local community development, early intervention and complex care packages. DH have stated that it is clear that it needs to avoid creating new burdens and that any ask of local government will be no greater than the ask of the NHS at the point of transfer.

2.3.6 The mandation requirements for local authorities will be in place from 1 October 2015, and they contain an end date of 30 March 2017 within the regulations. A review at 12 months, involving Public Health England, will inform future arrangements.

2.4 Local services 2015-16

2.4.1 There are about 16,000 children aged 0-5 years resident in Merton and health visiting services are provided by Sutton and Merton Community Services

(SMCS), Royal Marsden Hospital NHS Foundation Trust. Staff are based at Wimbledon (120 Broadway) and Mitcham (the Wilson) and deliver services in homes, health centres and children's centres. There are approximately 50 whole time equivalent (WTE) staff covering Merton, including a number of shared specialist posts, plus non-caseholding specialists including safeguarding and management posts.

2.4.2 The service has been required to implement a number of service changes over the past two years including a move of delivery of services from GP registered to resident population; the introduction of an antenatal review and the re-introduction of a 2-2 ½ year health review.

2.4.3 In order to prepare for the transfer of commissioning responsibility, a review of local health visiting services took place in 2014. This included a review of evidence, local needs, workforce and stakeholder engagement. Nearly 400 parents responded to a survey giving their views on services in addition to 2 focus groups. Over 100 professionals responded to a survey, in addition to interviews with 20 professionals.

2.4.4 The review identified a number of strengths including from the parent survey 89% of parents and carers rated the service good or very good. On the whole staff felt proud to work for and value the service, and the service has a low vacancy rate. There is a specialist health visitor for vulnerable families and Teams serving more deprived catchment areas within the South and East of the borough have smaller caseload sizes per WTE health visitor than teams serving less deprived areas. The service offers a full training programme and 80% of Health Visitor survey respondents reported that they felt supported in their continuing professional development needs. The service has recently introduced an evidence based Standard Operating Procedure which specifies content for all routine client contacts, use is mandatory.

2.4.5 The review identified a number of areas for improvement Coverage of the universal Healthy Child Programme[3] is below 90%. Data from SMCS for 2013/14 showed that only 80% of families are receiving a New Birth Visit by 14 days. This compares to coverage of approximately 95% in the best performing London boroughs. In LBM 76% of the families who do not receive a visit by 14 days are seen by 21 days. The service is reaching 60% coverage of 1 and 2.5 year check.

2.4.6 Evidence from the review has been used to inform the transfer of commissioning responsibilities and future commissioning arrangements in Merton.

2.5 Financial arrangements 2015-16

2.5.1 Funding for the transfer of commissioning responsibility for Healthy Child 0-5 services will sit within the overall ring-fenced Public Health budget. The

[3] Currently these are a New Birth Visit by 14 days after birth, 6-8 week maternal review, 12 month development review, 2.5 year review and handover to the school nursing service

allocation is based on a Baseline Agreement Exercise, determined on the basis of 'lift and shift' supported by funding adjustments including a minimum floor of £160 per head.

2.5.2 DH stated it would use 'lift and shift' principles as a basis for the transfer of commissioning responsibilities to support contracts which are in place and a safe mid-year transfer. However, the transfer of commissioning responsibilities to LB Merton is more complex than a 'lift and shift' because services are currently commissioned and provided jointly for Sutton and Merton. Therefore the baseline agreement exercise has also required a disaggregation of services.

2.5.3 Based on this process, the DH grant allocation for Merton for **2015/16 (for 6 months from October) is £1,476,000** which includes health visiting and Family Nurse Partnership services. This also includes £15,000 to allow the Local Authorities to invest in additional commissioning support. In addition, NHS England have agreed a non-recurrent transfer of £159,500 to DH for onward transfer to LB Merton. This was agreed to mitigate against potential cost pressures to LB Merton as NHS England recognised there was a gap between the contract value and RMH service delivery costs. Therefore the total funds to transfer to LB Merton for 2015-2016 (6 months) are: **£1,635,500.**

2.5.4 Going forward, 2016/17 DH allocations will be dependent on the amount of funding announced for public health in the 2015 Spending Review and on the fair shares formula developed following advice from ACRA (the Advisory Committee on Resource Allocation).

2.5.5 The table below sets out the funds that will transfer to LB Merton for 2015/16 (6 months from 1st October) and the contract value that has now been agreed between NHS England and the Provider, RMH, disaggregated for Merton and the 6 month period.

	2015/16 £ 6 mths £	 £ Full Year £
DH Allocation	1,476,000	2,952,000
Less Commissioning costs	-15,000	-30,000
Total DH Allocation	1,461,000	2,922,000
NHS E Non-recurrent transfer to DH for onwards to LBM	159,500	
Total LBM Funds	1,620,500	
RM HEALTH VISITING TEAM	1,432,266	
RM FAMILY NURSE PARTNERSHIP	88,638	
Total RM Costs	1,520,904	
Surplus/ (Deficit)	99,596	

2.5.6 Within the Sutton & Merton health care commissioning system, the disaggregation principle is that the agreed Fair Shares formula is to be sustained until all procurement processes are concluded. LB Merton has agreed the basis of a Fair Shares formula disaggregation between Sutton and Merton based on the DH Grant allocation, which is 53.84% for Merton for Health Visiting only. Historically the Family Nurse Partnership has always been split 50:50.

This means that the total (HV and FNP) the contract value for LB Merton (1 October 2015 - 31 March 2016) is **£1,520,904.**

2.5.7 It is worth noting that both Merton and Sutton CCGs and NHS England have reminded RMH that there can be no dialogue for rebasing overhead costs until the community services procurement process is complete. We are recommending this position.

2.5.8 It is also worth noting that for 2015/16 only LB Merton will have a surplus of £99,596 due to the NHS England non-recurrent transfer. This will be managed within the overall PH Grant.

2.5.9 **We are therefore assured that from October 2015–March 2016 the contract for Healthy Child 0-5 services will be delivered by RMH within the Merton DH Public Health grant allocation, which for 2015/16 only will include additional non-recurrent funds transferred from NHS England. From 1 April 2016 a new service contract will commence, subject to the outcome of the current Community Health Services re-procurement process. The successful Provider will be required to deliver a new Healthy Child 0-5**

service specification, as part of the Community Health Services contract, within the value of the recurrent DH Grant allocation for 2016/17 onwards.

2.5.10 In light of cost pressures identified by NHS England, in addition to the financial transfer agreement there have been ongoing negotiations with NHS England on the potential for financial efficiencies.

2.5.11 NHS England agreed to facilitate a plan to agree a contract value aligned to the LB Merton DH Allocation. An action plan was agreed with Royal Marsden Trust (RMH) with the aim of minimising the gap between the current provider cost and commissioner contract value. This included identifying potential efficiencies through estates and workforce. Negotiations are still underway on opportunities for efficiencies on workforce.

2.5.12 Estates were identified as a potential cost pressure and in light of this and to support opportunities for closer integration, LB Merton is currently undertaking a feasibility study on the potential co-location of health visiting services with children's centres. This is due to report in September 2015. Interim findings indicate that this may result in financial efficiencies from 2016/17.

2.6 Contract and Governance arrangements

2.6.1 In line with the approach to the transfer of wider public health commissioning responsibilities to LB Merton on 1 April 2013 under the first phase of the Health and Social Care Act 2012, the NHS contract for Healthy Child 0-5 Services will novate to LB Merton on 1 October 2015 under the second phase of the Health and Social Care Act 2012. The contract between NHS England and the Royal Marsden NHS Foundation Trust has been reviewed by Legal Services and will be required to be novated to LB Merton under a Deed of Novation to effect legal receipt of the commissioning responsibility from NHS England to LB Merton. The Deed of Novation transfers the rights and obligations of NHS England under the contract with the Royal Marsden NHS Foundation Trust to LB Merton, and local authorities are required to agree this as part of the transfer process. In advance of Cabinet agreement a 'letter of intent' of LB Merton's intention has been agreed with NHS England, which sets out that any novation is subject to authorisation of this report by Cabinet.

Cabinet are recommended to authorise the novation from 1st October 2015.

2.6.2 In order to ensure robust contract and performance management and governance it has been agreed with Merton Clinical Commissioning Group that the contract will be managed alongside the current RMH Sutton and Merton Community Services NHS block contract until 31 March 2016. This has the benefits of ensuring that monitoring and governance sits alongside other public health services, including School Nursing services. This will include monthly Contract Monitoring meetings and Clinical Quality Review Group meetings. In addition there will be regular meeting with the Service managers.

2.6.3 From 1st April 2016, following the joint procurement process with Merton CCG, performance management and governance will be part of the new Community Health Services contract arrangements.

2.7 Commissioning and Financial arrangements from April 2016 onwards

2.7.1 From 1 April 2016 onwards Healthy Child 0-5 services will be commissioned by Public Health LB Merton as part of a wider procurement of community health services in partnership with Merton CCG. A separate paper to Cabinet sets out details of this procurement.

2.7.2 For Healthy Child 0-5 services a robust service specification has been developed in accordance with the national requirements, including mandated services, but has also been localised to reflect priorities for Merton.

2.7.2 Responses to the Invitation to Tender have been received and evaluation is taking place in August 2015, with a view to awarding the contract by October 2015. There will then be a mobilisation period leading up to the contract start date on 1st April 2016. The Provider will be required to deliver the service within the value of the DH Public Health Grant allocation.

2.8 ALTERNATIVE OPTIONS

2.8.1 It is a statutory requirement for Local Authorities to take over commissioning responsibility for Healthy Child 0-5 services, including mandated services (see paragraph 2.3.1). There are no alternative options.

2.9 CONSULTATION UNDERTAKEN OR PROPOSED

2.9.1 In 2014 Public Health commissioned a review of Merton Health Visiting Services. This included engagement with a wide range of stakeholders including parents and professionals on their views about the quality of Merton Health Visiting Services. Nearly 400 parents responded to a survey giving their views on services in addition to 2 focus groups. Over 100 professionals responded to a survey, in addition to interviews with 20 professionals.

2.10 TIMETABLE

2.10.1 The commissioning responsibility for the Healthy Child 0-5 Services transfers to LB Merton from NHS England on 1st October 2015. The Contract for Healthy Child 0-5 Services is due to novate to the London Borough of Merton on 1st October 2015, to give effect to the statutory transfer of commissioning responsibility of this service.

2.11 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

2.11.1 The DH allocation for 6 month Oct 2015 to March 2016 , is £1.476m plus an additional one-off non-recurrent payment of £159,500 from NHS E to DH for onwards transfer to LBM.

2.11.2 The Royal Marsden total cost for the service is £1,520,904

2.11.3 There is an estimated surplus of £100k budget available to cover any unforeseen expenditure that may be incurred.

2.12 LEGAL AND STATUTORY IMPLICATIONS

2.12.1 The Health and Social Care Act 2012 transfers commissioning responsibilities for Health Visitor and FNP services from NHE England to upper tier local authorities.

2.12.2 Under section 6C of the National Health Services Act 2006, LB Merton will be required by statute to undertake the commissioning of the functions transferred to them under the Health and Social Care Act 2012.

2.12.3 LB Merton has the power to enter into a contract to effect the transfer of functions, including a deed of novation, under the powers conferred to local authorities under the Local Government (Contracts) Act 1997.

2.12.4 Legal services will continue to advise as to the contractual documents throughout the process to ensure that the transfer of commissioning responsibilities is contractually recorded (by way of a deed of novation) to take effect as of 1st October 2015 (the transfer date).

2.13 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

2.13.1DH undertook an Equalities Analysis (DH July 2015) on the transfer of commissioning responsibilities. This concluded that 'overall we believe the evidence suggests a neutral to positive impact on those affected by this transfer, mainly those within the 'pregnancy and maternity' protected characteristic group. The transfer aims to support stability in the system, with a longer term view of moving towards a system based on need, as advised by ACRA'.

Further details are available at:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/449075/Equality_analysis_July.pdf

2.13.2 The Council has a duty to reduce health inequalities and by the transfer of the commissioning responsibility to the Council from NHS England, the 0-5 service will enable the Council to comply with this duty.

2.14 CRIME AND DISORDER IMPLICATIONS

2.14.1 None.

2.15 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

2.15.1 LB Merton has considered the risks of the readiness and capacity of delivery of the commissioning responsibility by LB Merton of the Healthy Child 0-5 Services. The process included identification of the statutory functions, the uncertainty around funding from DH, adequate staffing and contractual arrangements.

2.16 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

2.16.1 None

2.17 BACKGROUND PAPERS

A full set of DH Background papers are available at:
https://www.gov.uk/government/publications/transfer-of-0-5-childrens-public-health-commissioning-to-local-authorities