



City of Westminster Committee Report

Meeting or Decision Maker:	Councillor Holloway, Cabinet Member for Children, Families and Young People Councillor Acton, Cabinet Member for Cabinet Member for Adult Social Services & Public Health
Date:	20 July 2017
Classification:	Part A – Public Report Exempt Part B This Part B report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
Title:	Direct Award of the contract for the delivery of health visiting services in Westminster
Wards Affected:	All
Key Decision:	This report has been included in the Forward Plan of Key Decisions

1. Executive Summary

- 1.1 The contract for the delivery of health visiting services in Westminster is currently being delivered by Central London Community Healthcare NHS Trust (CLCH). This contract will expire in September 2017.

- 1.2 The health visiting contract also includes the provision of the Family Nurse Partnership (FNP) programme which provides targeted intensive support through regular, structured home visits for new young mums (up to age 19 years)
- 1.3 The purpose of this report is to seek approval to make a direct award to the current provider for the delivery of health visiting services including FNP. It is proposed that this award is made to ensure service continuity and alignment of these services with the redesign of 0-19 services in Westminster. The contract will be directly awarded to CLCH for a period of two years starting on 1st October 2017 and lasting until 30th September 2019 with the option to extend for a further 6 months. It is proposed that the contract includes an annual break clause and a 3 month non default termination clause to ensure that the service delivered is quality and remains value for money.
- 1.4 Westminster City Council have already started to implement proposals to develop a series of new Family Hubs that will improve access to preventative services (both universal and targeted). The services provided from these hubs will support families to access appropriate support early, before problems escalate and to understand and make effective changes to their behaviour that ultimately improve their health and wellbeing.
- 1.5 Part A of this report provides background information in relation to the rationale behind the recommendations being made. Part B of this report provides exempt information in relation to the commercial and budgetary implications.

2. Recommendations

- 2.1 It is recommended that the Cabinet Members for Children, Families and Young People and the Cabinet Member for Cabinet Member for Adult Social Services & Public Health:
 - Approve that Part B report is exempt from disclosure on the grounds that it contains information relating to the financial or business affairs of a particular person (including the authority holding that information) under paragraph 3 of Schedule 12A of the Local Government Act 1972, and in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
 - Approves the direct award to the current provider for the delivery of health visiting and FNP services in Westminster for a period of two years starting on 1st October 2017 and lasting until 30th September 2019 with the option

to extend for a further 6 months with an annual break clause and a 3 month non default termination clause for an annual value of £3,451,818.

- Notes the revised performance framework to be implemented by the provider from 1st July 2017 by way of a contract variation.

3. Reasons for Decision

- 3.1 The contract for the delivery of health visiting services expires in September 2017 and this presents a timely opportunity to review current service delivery and outcomes as part of a wider 0-19 strategy. The direct award is required to ensure continuity service whilst an option for a longer term model of integration is developed.
- 3.2 Negotiations with the provider have ensured that the quality of the service will continue and, alongside this a revised performance framework will produce more robust data which will assist the development of a new model in the longer term.
- 3.3 There is a national move to developing integrated 0-19 services across Public Health and Children's services. Previously separate services such as school nursing, health visiting, oral health, Children's Centres and outreach services have amalgamated and are now provided by a new integrated service with the intention to deliver both efficiencies and better streamlined services and outcomes for children and young people.
- 3.4 In line with the Laming Review 2009 it may be possible to explore a new model for the delivery of health visiting services with the health visitor as the central point of contact leading a team with the relevant mix of skills and experience delivering the service.
- 3.5 A full review of a range of services which may overlap or duplicate delivery offers an opportunity to achieve efficiency savings through service integration and redesign, delivering better outcomes for children, young people and families through more integrated, accessible, appropriate and effective service models that will be best placed to meet current and future needs.
- 3.6 The award of these contracts will also contribute £680,000 per annum to the overall savings in order to meet targets set within the Medium Term Budget Plan.

4. Background

- 4.1 On the 1 October 2015 Public Health commissioning responsibilities for children aged 0 to 5 (Health Visiting and Family Nurse Partnership) transferred from NHS England to local authorities. This marked the final part of the much larger transfer of Public Health functions to local government which took place on 1 April 2013

under the Health and Social Care Act 2012. The transfer was solely about commissioning responsibilities and not a transfer of the workforce who remained employed by provider organisations. The transfer of commissioning responsibilities for children's Public Health to local authorities is providing an opportunity to take a fresh look at delivering coherent, effective support for children locally.

- 4.2 Health visitors are the lead professionals in the delivery of the Healthy Child Programme from pregnancy to 5 years. This Programme sets out the schedule for the delivery of services during the early years, and includes both universal services and additional interventions for families with more complex needs.
- 4.3 The core elements of the Health Visiting service include health and development reviews, screening, immunisation advice, promotion of social and emotional development and support for parenting. The key objectives are to:
- Improve the health and wellbeing of children and reduce inequalities in outcomes as part of an integrated multi-agency approach to supporting and empowering children and families;
 - Ensure a strong focus on prevention, health promotion, early identification of needs, early intervention and clear packages of support;
 - Ensure delivery of the HCP to all children and families, including fathers, starting in the antenatal period;
- 4.4 The health visiting service includes the Family Nurse Partnership and the Healthy Child Programme.
- 4.5 Central London Community Healthcare NHS Trust (CLCH) is the current provider delivering Health Visiting, Family Nurse Partnership across the borough. These services are funded through the Public Health Grant.

Performance data and analysis

- 4.6 A new performance framework with revised Key Performance Indicators and targets has been agreed with CLCH and will be implemented from July 2017. Council officers have worked closely with CLCH to understand how they receive information and the systems and processes for recording and reporting activity. This has informed the development of a robust and achievable performance framework that will allow better capture of performance and identification of risks.
- 4.7 The main revisions to the performance monitoring framework are detailed in Part B for information.

- 4.8 The additional data required as part of the revised KPI framework will contribute to the review of health visiting services and inform the new integrated services model going forward.
- 4.9 From July 2017, contract monitoring meetings with CLCH in relation to the Health Visiting will take place monthly to ensure close monitoring of performance.

Options and analysis

Three alternative options to the one being proposed have been considered:

4.10 **Option 1 – Bring the service in-house**

This option is not feasible. The timescales required to complete a transfer and the anticipated implementation of Family Hubs in Westminster do not allow for a transfer of staff into the Council. There is a likelihood that in sourcing of the service will impact staff retention issues already apparent in the provider. Additionally there is no evidence that this option will be more cost effective for the Local Authority.

4.11 **Option 2 – Commence a procurement**

This option is not recommended. Firstly this option is not achievable in the current timescale (particularly in relation to TUPE) and would place additional cost onto the Local Authority. Additionally, work is ongoing to design an integrated service solution to deliver improved outcomes for children, young people and families through an improved, more equitable and efficient service model. Following a period of extensive negotiation with the current provider, it is clear that this can be achieved by working with the current provider to reshape the service offer and ensure alignment with the vision for an integrated 0-19 service.

4.12 **Option 3 – Approach another provider**

This option is not recommended. Firstly this option is not achievable in the current timescale (particularly in relation to TUPE) and would place additional cost onto the Local Authority by running a procurement exercise. Additionally, feedback from providers indicate that there is no incentive for a provider to deliver these services for a short period of time as the commercial liabilities are too great with little or no return. The time and work that would need to be undertaken to transfer the contract would be disproportionate.

5. Financial Implications

- 5.1 The value of the direct award is calculated at £8,629,545 if all extensions are used up. This calculated value excludes any Payment By Result for face-to-face antenatal contact provided to vulnerable women above the 10% threshold which is still under negotiation. The direct award will be funded through the Public Health Grant.

- 5.2 The first quarter of 2017/18 will be paid at 2016/17 prices. Thereafter, the contract payments will be made at the lower prices negotiated from 2017/18.
- 5.3 Commissioners have negotiated annual savings of £680k or 16.5%. The £680k expenditure saving on the Public Health contract for Health Visiting and Family Nurse Partnership is assumed to release Public Health Grant to fund other expenditure meeting Public Health outcomes, but currently met from the General Fund budget. There is therefore a confirmed procurement saving of £680k which contributes to the £896k Medium Term Financial Plan (MTP) target saving in Westminster subject to agreement from the Cabinet Member for Adult Social Services and Public Health (a revision of the Public Health Financial Plan will be provided in due course).
- 5.4 The balance of £216k MTP savings target due to be delivered from 2019/20 will be met by the future 0-19 service redesign across Children's and Public Health contracts within scope. Where the redesign work results in a reduction in expenditure currently met by Public Health Grant, this will be substituted against general fund expenditure meeting public health outcomes to achieve the balance of the MTP savings target.
- 5.5 For clarity the calculation of the total value of the contract award is provided below.

Description	For info:	Contract award period:			
	2016/17	2017/18 ^(a)	2018/19	2019/20 ^(b)	Total Award
Contract prices	£4,131,818	£3,451,818	£3,451,818	£3,451,818	£10,355,454
Contract savings		(£680,000)	(£680,000)	(£680,000)	(£2,040,000)
Budget costs	£4,131,818	£3,621,818	£3,451,818	£1,725,909	£8,799,545
Budget savings		(£510,000)	(£680,000)	(£340,000)	(£1,530,000)

(a) First quarter spend at 2016/17 prices, subsequent three quarters at 2017/18 prices.

(b) for the six months ending 30/09/2019.

(Financial implications provided by Brighton Fong Finance Manager Public Health)

6. Legal Implications

- 6.1 The Cabinet Member has power under CSO 3.16.2 to approve a waiver of Contract Standing Orders in respect of the Council's tendering requirements. The Cabinet Member may also approve an award of contract under CSO 3.19.1 following a recommendation to approve from the Procurement Assurance Board.
- 6.2 Further legal comments are contained in the exempt part of the report.

(Legal comments provided by Margaret O'Connor, Solicitor, Tri-Borough Legal Services tel 020 7641 2782)

7. Staffing Implications

None.

8. Consultation

- 8.1 The new contracts will not result in any detrimental changes to service provision during this transition period, accordingly there is no requirement to consult on this contract award.
- 8.2 There will be extensive consultation activity in relation to the review and redesign of health visiting services, this will include engaging a wide range of stakeholders through a variety of means including; practitioner workshops, parent's survey and focus groups.
- 8.3 Any feedback captured within the consultation process will be considered when developing the future service.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

Jody Nason - 07739 314473

BACKGROUND PAPERS:

None

For completion by the Cabinet Member for Cabinet Member for Adult Social Services & Public Health

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: _____

Councillor Heather Acton, Cabinet Member for Cabinet Member for Adult Social Services & Public Health

State nature of interest if any

(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled

Direct Award of the contract for the delivery of health visiting services in Westminster

and reject any alternative options which are referred to but not recommended.

Signed

Councillor Heather Acton, Cabinet Member for Cabinet Member for Adult Social Services & Public Health

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Head of Legal and Democratic Services, Chief Operating Officer and, if there are resources implications,

the Director of Human Resources (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.