



Report of: Janet Burgess, Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s)
Executive	15 January 2015	All

Delete as appropriate	Exempt	Non-exempt

SUBJECT: Approval of the Procurement Strategy for Universal Child Health Services, including a request to award a two year extension to the School Nursing contract.

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy for Universal Child Health Services in accordance with Rule 2.5 of the Council's Procurement Rules.
- 1.2 The two services included in this procurement strategy are Health Visiting Services for children aged 0-5, and the School Nursing Service for children aged 5-19. Approval for a contract award for a two year extension to the current School Nursing Service contract is sought as part of this procurement strategy.

2. Recommendations

- 2.1 To approve the procurement strategy for Universal Child Health Services 0-19. This strategy recommends the procurement of health visiting and school nursing services together from April 2017.
- 2.2 To approve a contract award for a two year extension to Whittington Health for the School Nursing Service contract (contract No. WH-sub-1007), as part of this procurement strategy, to allow time to conduct a review of both services and design the new service model.
- 2.3 A future pre-procurement strategy report will be presented to the Executive following the health

visiting service transfer to the council in October 2015 and once the health visiting and school health reviews are completed. The report will contain further details about the new service model for Universal Child Health Services 0-19, as well as its estimated value, the procurement timetable and the evaluation criteria.

3. Background

3.1 Nature of the service

This report outlines the procurement strategy for universal child health services 0-19. The two services included in this procurement strategy are the health visiting service (for children aged 0-5) and the school nursing service (for children aged 5-19). Responsibility for commissioning health visiting services currently sits with NHS England but will be transferred to the local authority in October 2015. There will be a 12-18 months “safe landing” clause attached to the transfer, meaning that the earliest that the local authority will be able to recommission the contract will be between October 2016 and March 2017, depending on the terms of the service transfer. The health visiting service also includes the Family Nurse Partnership (FNP), which is a targeted health visiting service for pregnant teenagers and teenage mothers. Health visiting in Islington is currently provided by Whittington Health, which also provides the health visiting service for Haringey, although there are separate service arrangements for each borough.

Recently, the Government has announced that certain elements of the health visiting service will be mandated in regulations for local authorities when the service is transferred, specifically: the antenatal health promotion review; the new baby review, which is the first health visitor check after the birth; the 6-8 week assessment; the 1 year old assessment; and the 2 to 2 ½ year-old review. These are key milestones for targeted evidence-based assessment and support during the early years.

Responsibility for commissioning School Nursing Services was transferred to the local authority on the 1st of April 2013. The current service is also provided by Whittington Health. School nurses focus on the delivery of the national Health Child Programme (5-19), which offers school aged children a schedule of health and development reviews, screening tests, immunisations and health promotion, as well as tailored support for children and families. School nurses also deliver the National Child Weight Measurement Programme (NCMP), which is a mandated public health programme for the Local Authority.

The service was subject to a major review by NHS Islington in 2011/12 as part of the then PCT savings programme, and the budget for the service was reduced by 35%. It has been acknowledged there are a number of long standing gaps and challenges in the current school nursing service model, in particular around providing more targeted support to school children with health problems and long term conditions, including mental health, and hence a review of the current model in the context of the wider school health offer is underway.

3.2 Rationale

Ensuring the best start in life for Islington’s children and young people is a joint priority for Islington’s Health and Wellbeing Board and Clinical Commissioning Group. The Healthy Child Programme (HCP) is the universal public health programme for children and families from pregnancy to 19 years of age. The HCP is evidence-based, available to all children and aims to ensure that every child gets the best start they need to lay the foundations for a healthy life. It aims to offer every child and family a programme of screening tests, immunisations, developmental reviews, and information and guidance to support positive parenting and healthy choices – all

services that children and families need to receive if they are to achieve their optimum health and wellbeing, and more targeted support to children and families where there are vulnerabilities and risks.

Procurement of these two services is necessary for Islington Council to deliver the core elements of the Healthy Child Programme (HCP). Universal and targeted public health services provided by health visiting and school nursing teams are crucial to improving health and wellbeing of children and young people, underpinned by a strong evidence base for child health promotion interventions. Both services also play an important role in the safeguarding of children and young people.

As responsibility for commissioning health visiting services will transfer to the Council from October 2015, there is a strong rationale for procuring both services together as part of a procurement strategy for the provision of universal child health services in Islington (0-19) from 2017.

Some of the potential benefits of a 0-19 approach include:

- Enable us to review and design the delivery model for these two services more efficiently and effectively, leading to improved quality of services and ensuring they provide best value for money.
- Allow for stronger integration of the two services, including the creation of a seamless pathway of support for children from birth to age 19.
- Ensure there is continuity in the support given to children and their families through key transition points (i.e. from early years to school).
- Allow for integration of the support provided around the whole family, i.e. there could be a single link for parents who have children both in early years and in schools.
- Supporting the development of a single child health information record for all children 0-19.
- Allow for a shared management structure for both services and increased opportunities for professional development for both the health visiting and school nursing workforce, through collaboration in the provision of key services.

In order to support this procurement option, an extension is being sought for the Islington School Nursing Service for two years until March 2017.

An extension for school nursing will enable us to align the procurement with health visiting. In addition, it will allow us to consider the potential benefits of commissioning these two services with other boroughs, or via integrated arrangements with other local NHS services for children and families commissioned by Islington CCG.

The recommendations of the school nursing review will feed into the procurement strategy to ensure the re-procured and re-specified school nursing service best meets the needs of school aged children in Islington. A review of the health visiting service is also planned as part of the commissioning transition arrangements for Islington, which will similarly inform the future reprocurement of universal child health services.

3.3 Estimated Value

The current value of the school nursing contract is £677,000 per year. The value of the two year extension of this contract is therefore £1,354,000.

We are currently working to estimates of what financial resources will be transferred to the local authority to commission Health Visiting and the Family Nurse Partnership (FNP). The most recent estimates from the incumbent provider of current combined employee and non-employee costs for

health visiting and the Family Nurse Partnership programme are £4,132,000 for health visiting and £373,000 for the FNP per annum. The costs are based on the size of the health visiting service reaching the target set in the national 'Call to Action' for increasing the health visiting workforce. NHS England has committed to funding the full trajectory for health visitors, irrespective of whether the provider has managed to fill all vacant posts at the time of transfer to local authorities.

The reviews of these services are intended to identify options for increasing efficiencies and effectiveness and improving outcomes, including commissioning school nursing and health visiting services jointly; opportunities for encouraging investment from the NHS or schools in selected functions/ interventions; and the pros and cons of joint commissioning with other boroughs or the NHS.

The mix of universal and targeted services provided through Health Visiting and School Nursing is important in driving improvements in children's health, particularly in the early years. This is an area of priority because of the high levels of vulnerability and disadvantage experienced by children and families in the borough. There is therefore an important need to drive transformation and improvement in our child health services, and this will be a major focus of the reprocurement of health visiting and school nursing as part of the achievement of Best Value and improved outcomes in services. The re-procured service is proposed to run for a period of 3 years, starting from April 2017, with an optional extension of 2 years.

3.4 Timetable

The contract for health visiting will be transferred from NHS England to Local Authorities in October 2015. There is a 12-18 months "safe landing" clause attached to the transfer, meaning that the earliest that the Council will be able to reprocure these services is between October 2016 and March 2017.

The School Nursing Contract was transferred to the Local Authority in April 2013. The current contract expires on 31 March 2015. A two year extension is requested to align re-commissioning of this service with health visiting.

3.5 Options appraisal

At this stage the two main procurement routes considered are the following:

Option 1: Re-procure school nursing in 2015/16 following completion of the current review of the service. This option would require shorter one year extension to the School Nursing contracts.

Option 2: Request a two-year extension for the school nursing contract to align contract end points with Health Visiting, and to procure both services together, including other options for other local integration, for example with other boroughs such as Camden and/or local NHS services.

Option 2 is the preferred option, as it will allow us to align the procurement of school nursing with health visiting, and increases the opportunities for commissioning jointly. It will also allow completion of the review of school health in Islington to identify gaps and areas for development and ensure the reprocured school nursing service best meets the needs of school aged children in Islington.

3.6 Key Considerations – social value

The vast majority of the resource for these two services is spent on the school nursing and health visiting workforce. In terms of the school nursing service contract extension, we will work with the provider to seek to identify local opportunities for apprenticeships, training and recruitment for Islington residents.

A requirement for the payment of LLW will be included as a condition of the contract extension. All staff currently employed to provide this service are already above the LLW, so there we do not anticipate any implications for the current provider.

3.7 Evaluation

If the proposed procurement strategy and extension are agreed, we will then conduct a full appraisal of the options available for the future commissioning of these two services. Once an option has been agreed, a procurement project group will be set up involving key representatives from relevant departments (and with other councils if applicable).

The evaluation criteria for the tender will be decided by a procurement project group, but it is expected to include the following:

- Quality and outcomes of service provision.
- Best value.
- Monitoring and transparency.
- Improving partnerships and collaboration.
- Improving governance and budget accountability.
- Allowing for innovation within the agreed framework.

The detailed evaluation criteria will need to be developed by the procurement project group, and reviewed and agreed as part of the re-procurement proposals. A future report will be presented to Executive after the health visiting service has been transferred to the council and the school health review completed, with detailed information about the new service model to be procured and the evaluation criteria that will be used as part of the procurement.

3.8 Key risks

The key business risks associated with this procurement strategy are related to delays or other issues with the transfer of health visiting contracts to the council, as well as the financial allocation to the Council to support the future commissioning of the health visiting service. To capture and mitigate all these risks, a robust project plan for the transition of Health Visiting is in place with clear objectives, deliverables and timescales, and an Integrated Governance Framework has been agreed with NHS England which allows Islington Council to be co-commissioners of the service in the period leading up to the transition. A due diligence process relating to the financial aspects of the transfer is currently being carried out. The commissioning budget for health visiting and the FNP programme that will be allocated to Islington Council as part of its ring-fenced public health grant was due to be confirmed in December 2015. Announcement of these allocations has been delayed and is now expected in early 2015.

3.9 Set out below is a summary of the key information contained in this report:

Relevant information	Information/section in report
1 Nature of the service	This report outlines the procurement strategy for universal child health services 0-19. The two services included in this procurement strategy are the health visiting service (for children aged 0-5) and the school nursing service (for children aged 5-19). The responsibility for commissioning health visiting services currently sits with NHS England but will be

	<p>transferred to the local authority in October 2015.</p> <p>This strategy would allow for the Council to commission these two services together, and also allow consideration of joint commissioning with other boroughs such as Camden, as well as jointly with the local NHS.</p> <p>This paper also states the case for a two year extension for School Nursing until March 2017, so that the procurement of the two services can be aligned from April 2017.</p> <p>See paragraphs 3.1 and 3.2 for more details.</p>
2 Estimated value	<p>The estimated value for the two services per year is £5,182,000, of which £677,000 is currently in the Council's Public Health grant for school nursing.</p> <p>The re-procured service is proposed to run for a period of 3 years, starting from April 2017, with an optional extension of 2 years..</p> <p>The value of the two-year extension for the School Nursing contract requested is £677,000 per year. The total value is £1,354,000.</p> <p>See paragraph 3.3</p>
3 Timetable	<p>The contract for health visiting will be transferred from NHS England to Local Authorities in October 2015. There is a 12-18 months "safe landing" clause attached to the transfer, meaning that the earliest that local authority will be able to re-commission the contract is between October 2016 and March 2017.</p> <p>The School Nursing Contract was transferred to the Local Authority in April 2013. The current contract expires on 31 March 2015. A two year extension is requested to align re-commissioning this service with health visiting.</p> <p>The new contract for the Health Visiting and School nursing services will start from April 2017. The detailed timetable for the procurement process will be established by the procurement project group.</p> <p>See paragraph 3.4</p>
4 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Two options were considered:</p> <ol style="list-style-type: none"> a. Reprocuring school nursing in 2015/16, following the current review, which would require an extension for the school nursing current contract of up to one year. b. Request a two-year extension for the school

	<p>nursing contract to align contract end points with Health Visiting in order to procure both services together as part of the Procurement strategy for Universal Child Health services (0-19), as well as considering options for commissioning with other boroughs such as Camden or with local NHS services.</p> <p>Option b is the preferred option, as it would enable us to align the procurement of both services and jointly commission both services; it would also give us time to conduct a review of school nursing service and implement changes ahead of reprocurement.</p> <p>When we appraise options for re-procuring both services, we will explore opportunities for developing integrated commissioning arrangements with Camden, as well as with Islington CCG.</p> <p>See paragraph 3.5.</p>
<p>5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications</p>	<p>Consideration will be given to social benefit clauses in terms of local opportunities for apprenticeships, training and recruitment for Islington residents as part of the reprocurement.</p> <p>A requirement for the payment of LLW will be included as a condition of the contract extension. All staff currently employed to provide this service are already above the LLW, so there we do not anticipate any implications for the current provider.</p> <p>See paragraph 3.6</p>
<p>6 Evaluation criteria</p>	<p>The evaluation criteria will be decided as part of the procurement process, but it is expected to include the following:</p> <ul style="list-style-type: none"> - Quality and outcomes of service provision. - Best value. - Monitoring and transparency. - Improving partnerships and collaboration. - Improving governance and budget accountability - Allowing for innovation within the agreed framework. <p>A future report will be presented to Executive once the new service model has been designed and prior to procurement, with details of the evaluation criteria to be used.</p> <p>See paragraph 3.7</p>
<p>7 Any business risks associated with entering the contract</p>	<p>The main business risks are:</p>

	<ul style="list-style-type: none"> - Delays/ issues with the transfer of health visiting contracts to the Council, including financial allocations. To avoid this, a project plan is in place with clear objectives and timescales, and an Integrated Governance Framework has been agreed with NHS England which allows us to be co-commissioners in the period leading up to the transition. A due diligence process in relation to the indicative financial allocation is being conducted.
8 Any other relevant financial, legal or other considerations.	Implications are described in section 4

4. Implications

4.1 Financial implications

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The total funding for 2014/15 is £25.429m and will remain at that level for 2015/16.

The responsibility around commissioning of health visiting services will pass from NHS England to the Council in October 2015. This should come with budget and should not create a pressure for the Council.

The amount expected to transfer in relation to health visiting (including the Family Nurse Partnership) is £4.5m. There is a risk that the values identified are insufficient to provide the current level or expected level of service.

There is currently a budget of £677k available for School Nursing meaning a potential total budget (incl. health visiting money) of £5.177m for Universal Child Health Services. This figure is however subject to change due to the allocation for the health visiting transfer not yet being confirmed.

The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover these.

To avoid a potential future financial pressure for the Council, any contracts should have a termination clause which allows them to end if they become unaffordable.

4.2 Legal Implications

The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12 and Regulation 2013/351 made under the National Health Service Act 2006, section

6C).

Therefore the council may provide universal child services as proposed in this report. The council may enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The threshold for application of the Public Contracts Regulations 2006 is currently £172,514. The value the proposed contract is above this threshold. These services fall within Part B of the Regulations. Although Part B services do not need to strictly comply with the provisions of the Regulations, there is a requirement under EU rules for part B services to comply with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tender. On completion of the procurement process the contract may be awarded to the highest scoring tenderer.

In relation to extending without transparency or competition the existing contract with Whittington Health for the school nursing service, there is a potential risk of procurement challenge. This is because the value of the extension is significant, being £1,354,000 over two years. However the market for the provision of these services is currently thought to be very restricted, which is likely to minimise the risk. The benefit of extending the existing contract in order to carry out a single procurement for the combined services for health visiting and school nursing, as proposed in the report, is likely to outweigh the risk associated with extending the existing contract.

4.3 Environmental Implications

An environmental impact assessment will be conducted as part of the procurement process.

4.4 Resident Impact Assessment (incorporating the Equalities Impact Assessment):

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

Neither the initial screening for a Resident Impact Assessment nor a full RIA has been completed because the services proposed in this procurement strategy are to be provided from April 2017 and hence it is still too early to conduct a RIA. A full RIA will be carried out prior to the procurement process.

5. Conclusion and reasons for recommendations

5.1 This paper presents the procurement strategy for Universal Health Services for children aged 0-19, which includes the following two services:

- The Health Visiting Service (for children aged 0-5). The responsibility for commissioning health visiting services currently sits with NHS England but will be transferred to Islington Council in October 2015. The earliest Islington Council will be able to re-commission this service is 12-18 months after transition, i.e. from October 2016 to March 2017. The service is currently provided by Whittington Health. This also includes the Family Nurse Partnership service, which is a targeted health visiting service for teenage mothers.

The School Nursing Service (for children aged 5-19). The responsibility for commissioning this service was transferred to Islington Council on the 1st of April 2013. The current contract with Whittington Health (provider) expires in March 2015.

As it will be the Council's responsibility to commission both services from October 2015, there is a strong rationale for considering procuring both services together as part of a procurement strategy for the provision of universal child health services in Islington (0-19) from 2017. In addition, there may be options to jointly commission with other, or to jointly commission with other NHS children services.

This will require an extension for the Islington School Nursing Service for two years until March 2017. A two-year extension of the school nursing contracts will enable us to align the procurement of school nursing with health visiting. It will also enable time to complete reviews of health visiting and of school health in Islington to identify gaps and areas for development to improve value and quality. The recommendations of these reviews will feed into a more detailed procurement strategy, new service model and service specification for the service to ensure the provision of a high quality service which best meets the needs of children and young people in Islington.

- 5.2** A future pre-procurement strategy report will be presented to the Executive once the health visiting service has been transferred to the council in October 2015 and once the health visiting and school health reviews are completed. This future report will contain further details about the new service model, the estimated value, the procurement timetable and the evaluation criteria.

Final report clearance:

Signed by:



17 December 2014

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