

**COMMISSIONING AND PROCUREMENT SUB-COMMITTEE/STRATEGIC  
REGENERATION COMMITTEE – 10 February 2016**

<b>Subject:</b>	Public Health Contracts 2016/2017		
<b>Corporate Director(s)/ Director(s):</b>	Alison Challenger – Interim Director of Public Health Katy Ball - Director of Procurement and Children's Commissioning		
<b>Portfolio Holder(s):</b>	Councillor Alex Norris, Portfolio Holder for Adults and Health		
<b>Report author and contact details:</b>	Rachel Doherty – Lead Contract Manager 0115 8765108 <a href="mailto:Rachel.Doherty@nottinghamcity.gov.uk">Rachel.Doherty@nottinghamcity.gov.uk</a>  Lynne McNiven – Consultant in Public Health 0115 876 5429 <a href="mailto:Lynne.McNiven@nottinghamcity.gov.uk">Lynne.McNiven@nottinghamcity.gov.uk</a>		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Subject to call-in</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b> <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
Significant impact on communities living or working in two or more wards in the City	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
<b>Total value of the decision: £9,301,414</b>			
<b>Wards affected:</b> All	<b>Date of consultation with Portfolio Holder(s):</b>		
<b>Relevant Council Plan Strategic Priority:</b>			
Cutting unemployment by a quarter	<input type="checkbox"/>		
Cut crime and anti-social behaviour	<input type="checkbox"/>		
Ensure more school leavers get a job, training or further education than any other City	<input type="checkbox"/>		
Your neighbourhood as clean as the City Centre	<input type="checkbox"/>		
Help keep your energy bills down	<input type="checkbox"/>		
Good access to public transport	<input type="checkbox"/>		
Nottingham has a good mix of housing	<input type="checkbox"/>		
Nottingham is a good place to do business, invest and create jobs	<input type="checkbox"/>		
Nottingham offers a wide range of leisure activities, parks and sporting events	<input type="checkbox"/>		
Support early intervention activities	<input checked="" type="checkbox"/>		
Deliver effective, value for money services to our citizens	<input checked="" type="checkbox"/>		
<b>Summary of issues (including benefits to citizens/service users):</b>			
This report seeks approval to extend the contracts for two existing public health services (detailed in Exempt Appendix 1) for one year. These extensions will enable the completion of the on-going Healthy Child strategic review and will ensure that recommendations to improve value for money can be implemented in the subsequent re-procurement of these services.			
<b>Exempt information:</b>			
<b>State 'None' or complete the following.</b>			
Appendix 1 is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to the financial affairs of a particular person (including the authority holding that information) and having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose this information because it is commercially sensitive and may jeopardise contract negotiations.			

<b>Recommendation(s):</b>
<b>1. Approve</b> the extension of the Public Health contracts listed in the <b>exempt Appendix</b> using existing option to extend, for up to 1 year from 1 April 2016 – 31 March 2017, at a cost not exceeding their current contract values.
<b>2. Delegate</b> authority to the Director of Public Health in consultation with the Portfolio Holder of Adults and Health, to agree the final values and award contracts for the services listed in <b>exempt Appendix 1</b> , providing these do not exceed their current values.
<b>3. Delegate</b> authority to the Head of Contracting and Procurement to sign the final contracts and contract extensions in respect of all services detailed in <b>exempt Appendix 1</b> , following approval by the Director of Public Health to the agreed contract awards.
<b>4. Approve</b> spend to support the contractual values set out in <b>exempt Appendix 1</b> . If the contractual values are over and above current indicative values a separate report will be presented for approval.
<b>5. Note</b> that any reduction in grant allocation for 2016/17 will be mitigated by a reduction in spend on this contract.

## **1. REASONS FOR RECOMMENDATIONS**

- 1.1** Extending the contracts listed in **exempt Appendix 1**, for one year will ensure that continuity of service provision is maintained for citizens while commissioning review work is completed. These fixed term extensions will ensure access to essential public health services is maintained while recommendations arising from review work during 2016/17 are implemented in a timely manner.
- 1.2** It is necessary to review these commissioned services before they are re-procured in order to ensure that the delivery models proposed offer the best service for citizens, at the best possible value for money. The reviews will consider a range of delivery options and potential cost efficiencies. These service configuration options, which include potential integration with internal City Council services, need time to be considered and appraised. Once recommendations are finalised, sufficient time also needs to be allowed to procure and mobilise new services.
- 1.3** The exempt appendix contains details of two public health contracts which are currently due to end 31<sup>st</sup> March 2016. The appendix details the current contract values and provides a rationale for extending the services until the end of March 2017.

## **2. BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1** Under the provisions of the Health and Social Care Act (2012) Nottingham City Council (NCC) has a statutory responsibility to commission a range of public health services that improve and protect the health of citizens.
- 2.2** Negotiations will take place with the current Provider of both services to ensure that the best value possible is obtained in respect of the extensions. It is proposed that following these negotiations, the Director of Public Health be given the authority to agree the final contract values (in consultation with the Portfolio Holder for Adults and Health), provided that these do not exceed the 2016/17

budgets.

**2.3** Contract performance will be monitored closely throughout the year to ensure that the services are delivered effectively and best value is obtained

**2.4** The services listed in **exempt appendix 1** are Health Visiting and the Family Nurse Partnership (FNP). Commissioning responsibilities for these 0-5 children's public health services transferred to the local authority in October 2015. The existing contracts with Nottingham CityCare Partnership for the delivery of the Health Visiting and Family Nurse Partnership services have now been novated to the City Council.

**2.5 Health Visitors:** Health Visitors are a workforce of specialist community public health nurses who provide expert advice and support to families with children in the first years of life, and help parents make decisions that affect their family's future health and well-being. The Department of Health has issued regulations mandating the delivery of the child health reviews undertaken by this service.

**2.6** Giving every child the best start in life is crucial to reducing health inequalities across the life course. The foundations for virtually every aspect of human development – physical, intellectual and emotional – are set in place in early childhood. What happens during these early years (starting in the womb) has lifelong effects on many aspects of health and well-being, educational achievement and economic status. Universal and specialist public health services for children are important in promoting the health and wellbeing of all children and reducing inequalities through targeted intervention as and when need is identified and on an on-going basis for more complex or vulnerable children and families.

**2.7** The key objectives of the Health Visiting Service are to:

- Improve the health and well-being of children and reduce inequalities in outcomes as part of an integrated approach to supporting children and families;
- Ensure a strong focus on prevention, health promotion, early identification of needs and clear packages of support;
- Ensure delivery of a universal core programme to all children and families, starting in the antenatal period;
- Identify and support those who need additional support and targeted interventions, for example, parents who need support with their emotional or mental health and women suffering from postnatal depression;
- Work with families on positive parenting through motivational interviewing and strengths based approaches, and to support behaviour change leading to positive lifestyle choices
- Develop on-going relationships and support as part of a multi-agency team where the family has complex needs e.g. a child with special educational needs or disability, or where they are identified safeguarding concerns
- Improve services for children, families and local communities through expanding and strengthening health visiting services to respond to need at individual, community and population level

**2.6 Family Nurse Partnership:** The FNP is a licensed, evidenced based, intensive nurse-led prevention and early intervention programme for vulnerable first time young parents (19 years and under) and their families. It provides a structured programme, delivered to young parents from 16 weeks pregnancy until the child is two years old through intensive home visiting using well tested theories and methodologies. The Family Nurses who deliver the programme receive extra training to equip them for the new role. The programme is seen as an integral part of maternity, new born & early years provision working in close partnership with health & social care and supports the delivery of the Healthy Child Programme (attached) delivering a targeted resource as part of the Universal Partnership Plus provision.

**2.7** The FNP service is not a universal health offer and in Nottingham City the capacity of the programme allows approx. 40% of all eligible women to access. Teenage Pregnancy Midwives and Specialist Health Visitors support those women who do not access FNP.

**2.8** The purpose of the FNP is to reduce the impact of multiple deprivation & improve the short & long term health and well-being outcomes of children born to vulnerable young first time mothers, reducing the short & long term costs of caring for these children & families.

**2.9** In all cases contract negotiations will be undertaken with a view to ensuring the best value possible is obtained through improving all quality indicators: efficiency, effectiveness, accessibility, acceptability and ensuring equitable access. In light of the Government Spending Review the need to achieve maximum efficiency and effectiveness is a commissioning priority. These short term extensions will ensure the City Council is not committed to long term contractual arrangements which may prevent the required savings being achieved. Contract performance will be monitored closely throughout the year to ensure that services are delivered effectively and best value is obtained.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

**3.1** Do nothing. This option was rejected as this would mean that existing contracts for these services would expire in March 2016, leaving the city without essential public health services. The contracts listed in the exempt appendix delivery mandatory aspects of the Healthy Child Programme.

**3.2** Re-procuring all services immediately for new contracts to commence in April 2017. This option was rejected as it would allow insufficient time to explore the potential benefits and enhanced efficiencies of integrating children's services and other partnership delivery models. It is essential that procurement is not undertaken before the long term strategy for all services detailed in the exempt appendix is agreed. Extending current activity for one year will enable both service delivery and value for money benefits arising from the commissioning reviews to be realised as quickly as possible. It will also avoid the risk of destabilising current health services and reducing the quality of current provision to citizens.

#### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

- 4.1 The **maximum cost** of extending these contracts (one year only) is detailed in exempt **Appendix 1**.
- 4.2 It is currently assumed that this funding could be contained within the 2016/17 HV & FNP Public Health budget allocation. The actual 2016/17 budget allocation is still to be confirmed by the Department of Health and any reduction in allocation will need to be mitigated by a reduction in spend against this contract.
- 4.3 Approval is given to award the contracts up to their current annual cost. Any increase in contract value above that level will require further approval to be gained through the appropriate process.
- 4.4 Contract performance will be closely monitored to ensure outcomes align to the City Councils framework to achieve value for money and deliver on the principles of economy, efficiency and effectiveness.
- 4.5 The decision will allow time to complete the Healthy Child Programme 0-19 strategic review; ensuring recommendations to improve value for money can be implemented in further re-procurement.

#### **5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

This proposal is compliant with financial regulations and is fully supported from a procurement perspective. By using the option built into the current contract arrangements, to extend for up to 1 year, it will enable commissioning reviews of the 2 services to be completed and considered. (Julie Herrod, Procurement Officer)

The agreement contains the option to extend the contract for a further year 16/17. It is understood from discussions with the commissioning team and the contract manager that the price for that year is agreed based on the custom and practice of the commissioner (the City Council) sending its commissioning intentions letter and the outcome of the DofH settlement. Any reduction required to the price in consequence of that settlement will be by negotiation and agreement. Any proposed increase (whilst considered unlikely) would be permissible only in accordance with the terms of the contract and would require a further executive approval. (Andrew James, Team Leader Legal)

#### **6 SOCIAL VALUE CONSIDERATIONS**

The contracts listed in the exempt appendix are essential public health services, that improve the health and wellbeing of both children and adults. However the possibility for creating additional social value (for example generating employment and training opportunities) will be considered as part of the procurement process.

**7 REGARD TO THE NHS CONSTITUTION**

Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making this decision relating to public health functions, we have properly considered the NHS Constitution where applicable and have taken into account how it can be applied in order to commission services to improve the health of the local community.

**8 EQUALITY IMPACT ASSESSMENT (EIA)**

Equality Impact Assessments will be undertaken as required to inform the review process, prior to the re-procurement of these services.

**9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)**

**10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT**

Department of Health (2014). Local Authority Circular. Public Health Ring-Fenced Grant Conditions – 2015/16.

**11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT**

Chris Wallbanks, Strategic Commissioning Manager (Children)

Clare Gilbert, Strategic Commissioning Manager (Adults)

Andrew James, Senior Solicitor, Contracts and Commercial Team, Legal Services.

Tania Clayton-Perez, Finance Analyst, Children and Families, Strategic Finance.