Public Document Pack

NOTTINGHAM CITY COUNCIL
COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

Date: Wednesday, 11 February 2015

Time: 2.00 pm

Place: LB31 - Loxley House, Station Street, Nottingham, NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Acting Corporate Director for Resources

Governance Officer: James Welbourn, Governance Officer, Tel: 01158763288 **Email:** james.welbourn@nottinghamcity.gov.uk

AGENDA **Pages**

8 EXCLUSION OF THE PUBLIC

To consider excluding the public from the meeting during consideration of the remaining item(s) in accordance with section 100a(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

9 APPROVAL OF CRIME AND DRUGS PARTNERSHIP FUNDING ALLOCATION SPEND 2015/16 - EXEMPT APPENDIX 67 - 82

10 CANCELLATION OF MEETING - 15 APRIL 2015

To agree to cancel the meeting on 15 April 2015.

ALL ITEMS LISTED 'UNDER EXCLUSION OF THE PUBLIC' WILL BE HEARD IN PRIVATE. THEY HAVE BEEN INCLUDED ON THE AGENDA AS NO REPRESENTATIONS AGAINST HEARING THE ITEMS IN PRIVATE WERE RECEIVED

IF YOU NEED ANY ADVICE ON DECLARING AN INTEREST IN ANY ITEM ON THE AGENDA, PLEASE CONTACT THE GOVERNANCE OFFICER SHOWN ABOVE, IF POSSIBLE BEFORE THE DAY OF THE MEETING

CITIZENS ATTENDING MEETINGS ARE ASKED TO ARRIVE AT LEAST 15 MINUTES BEFORE THE START OF THE MEETING TO BE ISSUED WITH VISITOR BADGES

CITIZENS ARE ADVISED THAT THIS MEETING MAY BE RECORDED BY MEMBERS OF THE PUBLIC. ANY RECORDING OR REPORTING ON THIS MEETING SHOULD TAKE PLACE IN ACCORDANCE WITH THE COUNCIL'S POLICY ON RECORDING AND REPORTING ON PUBLIC MEETINGS, WHICH IS AVAILABLE AT WWW.NOTTINGHAMCITY.GOV.UK. INDIVIDUALS INTENDING TO RECORD THE MEETING ARE ASKED TO NOTIFY THE GOVERNANCE OFFICER SHOWN ABOVE IN ADVANCE.

NOTTINGHAM CITY COUNCIL

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

MINUTES of the meeting held at LB32 - Loxley House, Station Street, Nottingham, NG2 3NG on 14 January 2015 from 14.00 - 14.29

Membership

Present	Absent
Councillor Alex Norris (Chair) – Portfolio Holder for Adults, Commissioning and Health	Councillor Nick McDonald - Portfolio Holder for Jobs and Growth
Councillor Jon Collins - Portfolio Holder for Strategic regeneration and Schools	Councillor David Mellen (Vice Chair) – Portfolio Holder for Children's Services
Councillor David Liversidge - Portfolio Holder for Community Safety, Housing and Voluntary Sector	
Councillor Dave Trimble - Portfolio Holder for Leisure and Culture	

Colleagues, partners and others in attendance:

Katy Ball	-	Director, Procurement and Children's Commissioning
Candida Brudenell	-	Strategic Director, Early Intervention
Anna Coltman	-	Policy Officer
Antony Dixon	-	Strategic Commissioning Manager
Bobby Lowen	-	Lead Commissioning Manager
Colin Monckton	-	Director of Commissioning, Policy and Insight
Steve Oakley	-	Head of Quality and Efficiency
Jo Pettifor	-	Strategic Procurement Manager
Helen Kearsley-Cree	-	Chief Executive, Nottingham Community and Voluntary Service (NCVS)

Call-in
Unless stated otherwise, all decisions are subject to call-in and cannot be implemented until **27 January 2015.**

1 APOLOGIES FOR ABSENCE

Councillor David Mellen, other Council business.

2 DECLARATIONS OF INTEREST

None.

3 MINUTES

The minutes of the meeting held on 10 December 2014 were confirmed and signed by the Chair.

4 VOLUNTARY SECTOR UPDATE

Helen Kearsley-Cree of Nottingham Community and Voluntary Services (NCVS) provided an update for the Sub-Committee on the following issues:

(a) NCVS continues to work alongside Market Development to support the Nottingham City Council's Procurement Strategy. The sector is structuring at the citywide level specifically in 2 provider networks to support commissioning, including involvement in commissioning reviews and procurement. The Vulnerable Adults Provider Network has 82 member organisations and the Children and Young People's Provider Network has 107 member organisations across the city.

(b) Small Firms Enterprise Development Initiative (SFEDI) – the awarding body is moving to ratify a new programme, developed here with NCVS , for qualifications in Starting and Managing a Value Led Organisation. NCVS are moving away from terms such as social enterprise and social business towards a 'value led organisation'.

(c) The decision will be with the NCVS trustees next week regarding the potential closure of the Volunteer Centre service. Closing this service will impact adversely on vulnerable adults. Up to date statistics show that:

  (i) Last week 68% of the people who came to help to get into volunteering were looking for roles that spanned prevention/early intervention through to direct care opportunities.

  (ii) Last week, 76 community and voluntary groups came to NCVS for help to recruit to their 84 volunteer roles.

  (iii) 2,300 people per year come to the service to become active as volunteers. Of these, 60% are unemployed people who look to volunteering to help with their skills, their confidence, and the need for routines towards employment

  (iv) Other vulnerable adults are accessing volunteering as a method to support their recovery or as a method of prevention.

  (v) NCVS is seeing a marked increase in demand from people wanting to engage in volunteering as a form of prevention or as a way to manage their conditions. The Volunteer Centre team are preparing a Supported Volunteering project for submission to EU Theme 9.

5 WORK PROGRAMME

Antony Dixon, Strategic Commissioning Manager, presented a work programme for the Sub-Committee, covering the period February 2015 to June 2015.

RESOLVED to note the provisional agenda items shown below:

11 February 2015:	**ICELS Commissioning Arrangements;** **Early Intervention Directorate Commissioning Intentions;** **Health Visiting and Family Nurse Partnership Transfer;** **Approval of Crime and Drugs Partnership Funding Allocation Spend 2015/16;**
11 March 2015:	**Children & Young Peoples Review Commissioning Intentions;**
June 2015:	**Learning Disability Strategic Commissioning Review Commissioning Intentions.**

6 PROCUREMENT PLAN UPDATE

Jo Pettifor, Strategic Procurement Manager, and Steve Oakley, Head of Quality and Efficiency, presented the update to the Nottingham City Council Procurement Plan 2014-2018, highlighting the following points:

(a) Governance and support for the plan will be looked at. The document is still subject to further streamlining.

(b) The Procurement strategy is being tracked to measure its success. 90.5 jobs have been created at the time of writing the plan, with this figure set to increase.

(c) The Procurement Plan will be revisited on a six monthly basis; the planned activity currently reported is for the next three years. This activity includes local spending, local jobs, savings, and implementation. There are now 153 local jobs with savings of over £5 million. 174 procurements are also under way.

Following questions and comments from the Sub-Committee, additional information was provided:

(d) There are still items being added in as the need arises.

(e) There are now over 1,100 contracts in the contract register.

(f) Report authors will look into the plan to see if the pre-procurement and planning procurement can be laid out in a different way.

RESOLVED to:

(1) note the Nottingham City Council Procurement Plan 2014-18;

(2) note that the Plan is indicative of planned procurement activity and timescales, which may be subject to change dependent on the outcomes of the strategic commissioning process, service budgets and priorities and the full consideration of procurement options for each requirement;

7 EMERGENCY HARDSHIP FUND - KEY DECISION

Colin Monckton, Director – Commissioning Policy and Insight, and Antony Dixon, Strategic Commissioning Manager, presented the report on the Emergency Hardship Fund, highlighting the following points:

(a) The Local Welfare Assistance Fund is ending in April – a continuation of support will enable the Local Authority to help the most financially vulnerable households in the City, through enabling the Discretionary Hardship scheme to continue in 2015/16 and 2016/17.

Following questions and comments from the Sub-Committee, additional information was provided:

(b) Revenue funding to the Credit Union will be provided for two years to deliver small loans with capital funding already allocated.

(c) More effective performance management will be implemented to ensure more loans are being made.

(d) The Emergency Hardship element of the scheme will in essence remain the same, but the administrative costs of delivering the scheme will be reduced.

RESOLVED TO:

(1) approve the continuation of the Discretionary Hardship Support Scheme and Small Loans Scheme for the City of Nottingham in 2015/16 and 2016-17;

(2) approve the funding of this scheme from reserves for 2015/16 and 2016/17;

(3) contribute any 2014/15 under spend associated with this scheme to the reserve to support future risks;

(4) approve dispensation from section 5.1.2 of the Council's Contract Procedure Rules in accordance with section 3.27 of the Council's Financial Regulations in relation to the Small Loans Scheme as detailed in 1.3;

Reasons for Decision

(1) The extension of provision for hardship support once Government funding is withdrawn from April 2015 will enable the Local Authority to help the most financially vulnerable households in the City who experience financial hardship, or who need support to remain living independently in their community.

(2) Commitment of further funding is required to enable the Discretionary Hardship scheme to continue in 2015/16 and 2016/17.

(3) The extension of provision for administration of a Small Loans pilot scheme by the Credit Union will enable citizens experiencing hardship, who fall outside of the main eligibility criteria for the Discretionary Hardship Support Scheme (DHSS), to access affordable loans, advice and support.

Other Options Considered

(1) Central Government funding allocation is not ring-fenced so a decision to not operate the DHSS from 31 March 2015 is possible. Intelligence and insight has been gathered since the Scheme was implemented on 1 April 2013. This has revealed potential issues and impacts if appropriate provision is not made available for vulnerable citizens facing hardship or needing support to maintain independent living, including:

(i) Risk of health and wellbeing of citizens;

(ii) Risk of use of disreputable or door step lenders by citizens;

(iii) Risk of increased demand on other services such as homelessness services, advice services and family support services;

(iv) Increased risk of reliance on already stretched voluntary services such as food banks.

For these reasons, this option was rejected.

(2) Completely revising the Discretionary Hardship Scheme. The current scheme was developed on the basis of significant engagement and balances the need to manage scarce resources with the imperative to provide discretionary hardship support to the most vulnerable. Refinements in process, eligibility and performance management are considered the most appropriate way of delivering further improvements and efficiency to the scheme. For this reason, this option was rejected.

8 FINANCIAL VULNERABILITY ADVICE AND ASSISTANCE COMMISSIONING INTENTIONS - KEY DECISION

Colin Monckton, Director – Commissioning Policy and Insight, and Bobby Lowen, Lead Commissioning Manager, presented the report on Financial Vulnerability Advice and Assistance Commissioning Intentions, highlighting the following points:

(a) The proposals improve access to advice and the coordination of that advice. There will be a change to the mechanism and means of access, rather than a change in the advice itself.

(b) The mix and proportion of internal and commissioned advice services to be maintained.

(c) There is a high demand for services and pressures on funding.

(d) Access to support in the City varies depending on where people live in the City.

(e) There is a high level of repeat use of advice services. Around two-thirds of users are experiencing advanced difficulties. To improve prospects, access to employment could be one option, along with prioritising access to support.

(f) A shared free phone telephone number will provide a clearer pathway to support, and this will be promoted to citizens as an opportunity to speak directly to an advisor.

(g) A shared case management system will track support across services, so that two services don't duplicate advice and citizens don't have to repeat histories.

(h) There is a commitment to work through issues with regard to risks raised by the sector relating to impartiality and data sharing.

(i) Savings of £200,000 per year are expected. This equates to 10% of the current commitment.

(j) The contract extension will run to September 2015, until the new services are introduced. In year savings will be applied to extensions.

Following questions and comments from the Sub-Committee, additional information was provided:

(k) There is no reason why data sharing issues cannot be resolved through requiring the citizen to give consent – in line with the Data Protection Act.

(l) There is no need to delay the contract extension any further, as the evidence of the review suggests the right approach. Regular updates will be provided.

RESOLVED TO:

(1) approve the reconfigured model of advice and support to assist citizens in (or at risk of) financial difficulty (see appendix 1) to be delivered from 1 October 2015;

(2) approve the commissioning of advice services detailed in section 1.2 and in exempt appendix 4;

(3) delegate authority to the Strategic Director of Early Intervention to approve the outcome of the tenders and award contracts to secure best value for Nottingham's citizens;

(4) delegate authority to the Head of Quality and Efficiency to sign contracts arising from the tender process once the tender outcome is agreed;

(5) approve the procurement of a freephone telephone number for access to advice and support for citizens in financial difficulty as detailed in exempt appendix 4;

(6) approve the variation of the contract for the Crisis Intervention Drop In (CIDI) service as detailed in exempt appendix 4;

(7) approve the creation of a fund for the trial of activities designed to prevent financial difficulty from occurring or worsening as detailed in exempt appendix 4;

(8) note the savings of £0.200m per annum against funds currently allocated towards the provision of advice and assistance for citizens who are vulnerable to financial difficulty from the start of the 2015/16 financial year;

(9) approve expenditure associated with the contracts included in this report;

(10) approve dispensation from contract procedure rules 5.1.2 under financial regulation 3.29, in order to extend contracts for current services at a reduced level of funding (see exempt appendix 4) for a period of up to 6 months in order to ensure uninterrupted delivery of support for citizens;

(11) delegate authority to the Strategic Director of Early Intervention to extend current contracts at a reduced contract value for services detailed in exempt appendix 4 for a period of up to 6 months for the period 1 April 2015 to 30 September 2015;

Reasons for Decision

(1) Analysis of the current offer of advice and support completed to inform the Financial Vulnerability Advice and Assistance Strategic Commissioning Review (FVAA SCR) suggests that there are a number of opportunities to use resources more effectively to assist citizens experiencing or at risk of financial difficulty. The commissioning of advice services in line with a new model (Appendix 1) is therefore recommended in order to make better use of resources to assist citizens in financial difficulty and to manage pressure on the Council's budget.

(2) Approval is sought to procure the following services in accordance with the outcome of a competitive tender in order to deliver the model described in appendix 1 and to secure best value for Nottingham's citizens:

(i) Neighbourhood Advice Provision in Community Settings

(ii) Citywide Advice Services

(iii) Community Specific Advice for Refugees and Asylum Seekers

(iv) Community Specific Advice for Deaf Citizens

(v) Housing Debt Advice

Current contracts let by NCC for the delivery of advice services (which it is intended that the above services will replace) are also due to expire 31 March 2015 (see recommendation 7 and section 1.5 of this report). Indicative values of each service can be found in exempt appendix 4.

(3) The creation of a freephone number (also to be free via mobile phone) for access to advice is proposed in order to remove a barrier to support for citizens in financial difficulty.

(4) Approval is sought to vary the agreement with Framework Housing Association for the provision of the Crisis Intervention Drop In (CIDI) service in order to deliver the model described in Appendix 1 and to deliver savings needed to manage pressure on the Council's budget. Details of this variation of service and the associated change in contract value can be found in exempt appendix 4.

(5) A range of possible approaches for helping citizens to avoid financial difficulty (or worsening difficulty) have been identified through the FVAA SCR. The creation of a fund paid for by reducing investment in reactive support is proposed in order to allow for the trial of services designed to assist citizens before difficulties escalate and increase in their impact and/or become more costly to resolve.

(6) Budget pressures faced by the Council mean that savings of £0.2m per annum against the current commitment of funds for the provision of advice and assistance for financially vulnerable citizens are needed from 2015/16 in order to contribute to overall savings needed to balance the Council's budgets.

Other Options Considered

(1) To retain the current arrangement of advice and support for citizens in financial difficulty and seek efficiencies through retendering or negotiation with existing providers. Opportunities have been highlighted through the FVAA SCR for the Council and its partners to better utilise resources to better assist citizens in or at risk of financial difficulty. Analysis from the FVAA SCR also suggests that maintaining the existing arrangements for the provision of advice would not enable services to effectively manage the demand pressures identified. For these reasons, this option was rejected.

(2) To allow contracts (detailed in exempt appendix 4) to expire on 31 March 2015. The tender for new advice services will not have been completed in

order for new services to be in place from 1 April 2015. This option would therefore result in a significant gap in the provision of advice services at a period of high demand, likely to result in significant adverse impact to citizens experiencing financial difficulty, and the consequent risk of an increase in demand for crisis and/or statutory provision. For these reasons, this option was rejected.

(3) To extend contracts (detailed in exempt appendix 4) at their current values until 30 September 2015 prior to the introduction of new services. Pressure on the Council's budgets requires savings to be delivered from the start of the 2015/16 financial year. For this reason, this option was rejected.

(4) To further reduce the budget for the provision of advice and assistance for citizens in financial difficulty to contribute additional savings to the Council's budget. This would pose an unacceptable risk of undermining an important area of support for Nottingham's citizens (see 2.3) and risk of placing additional pressure on (and the cost of providing) crisis and/or statutory areas of support funded by the Council. For these reasons, this option was rejected.

9 EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public from the meeting during consideration of the remaining items in accordance with section 100a(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10 EMERGENCY HARDSHIP FUND - EXEMPT APPENDIX

As per minute 7, above.

11 FINANCIAL VULNERABILITY ADVICE AND ASSISTANCE COMMISSIONING INTENTIONS - EXEMPT APPENDICES

As per minute 8, above.

This page is intentionally left blank

WORK PROGRAMME

Issue	Date of decision?	Documents to be considered	Who will be consulted and how?	From whom can further information be obtained and representations made?
11 MARCH MEETING				
Early Intervention Directorate Commissioning Intentions	11 March (2015)	Report	Portfolio Holder	Colin Monckton Head of Commissioning & Insight Nottingham City Council 0115 8764832 Colin.monckton@nottinghamcity.gov.uk
ICELS Commissioning Arrangements	11 March (2015)	Report	Portfolio Holder	Antony Dixon Strategic Commissioning Manager Nottingham City Council 0115 8763491 antony.dixon@nottinghamcity.gov.uk

Issue	Date of decision?	Documents to be considered	Who will be consulted and how?	From whom can further information be obtained and representations made?
JUNE MEETING				
Learning Disability SCR Commissioning Intentions	June	Report	Portfolio Holder	Antony Dixon Strategic Commissioning Manager Nottingham City Council 0115 8763491 antony.dixon@nottinghamcity.gov.uk
Procurement Strategy Update	June	Report	Portfolio Holder	Steve Oakley Head of Quality & Efficiency Nottingham City Council 0115 8762836 Steve.oakley@nottinghamcity.gov.uk
Children & Young Peoples Review Commissioning Intentions	June	Report	Portfolio Holder	Katy Ball Head of Market Development & Early Intervention Nottingham City Council 0115 8764814 Katy.ball@nottinghamcity.gov.uk

Commissioning and Procurement Sub-Committee

Subject:	Health Visiting and Family Nurse Partnership: Transfer of Commissioning responsibilities from NHS England to Nottingham City Council on 1st October 2015
Corporate Director(s)/ Director(s):	Alison Michalska: Corporate Director for Children and Adults Dr Chris Kenny: Director of Public Health Candida Brudenell: Strategic Director for Early Intervention
Portfolio Holder(s):	**Councillor Alex Norris**
Report author and contact details:	lynne.mcniven@nottinghamcity.gov.uk Steve.Oakley@nottinghamcity.gov.uk Rachel.Doherty@nottinghamcity.gov.uk

Key Decision	**X** Yes ☐ No	**Subject to call-in**	**X**Yes ☐ No
Reasons: ☒ Expenditure ☐ Income ☐ Savings of £1,000,000 or more taking account of the overall impact of the decision		☒ Revenue ☐ Capital	
Significant impact on communities living or working in two or more wards in the City		**X** Yes ☐ No	
Total value of the decision: £5,319,000 part year contract value			
Wards affected: All		**Date of consultation with Portfolio Holder(s):** December 2014	

Relevant Council Plan Strategic Priority:	
Cutting unemployment by a quarter	☐
Cut crime and anti-social behaviour	☐
Ensure more school leavers get a job, training or further education than any other City	☐
Your neighbourhood as clean as the City Centre	☐
Help keep your energy bills down	☐
Good access to public transport	☐
Nottingham has a good mix of housing	☐
Nottingham is a good place to do business, invest and create jobs	☐
Nottingham offers a wide range of leisure activities, parks and sporting events	☐
Support early intervention activities	X
Deliver effective, value for money services to our citizens	X

Summary of issues (including benefits to citizens/service users):

Nottingham City Council will take on the responsibility for commissioning Childrens Public Health Services 0-5 years: Health Visiting & Family Nurse Partnership with effect from 1st October 2015. Funding will be allocated within the Public Health ring-fenced allocation.

Nottingham City Council already commission school nursing services, children's centres and early years provision. The additional commissioning responsibilities for Health Visiting and the Family Nurse Partnership will allow the development of a seamless, universal health and social care pathway for all children within Nottingham from 0 to 19 years. This comprehensive universal offer will underpin prevention & early intervention services across the city; ultimately reducing health inequalities and improving health and social outcomes.

Exempt information:

None

Recommendation(s):

1. To note the transfer of commissioning responsibilities for Children's Public Health Services 0-5 years with effect from 1st October 2015 and the roles & responsibilities & implications to Nottingham City Council for future service provision in accordance with the mandatory instructions, to be issued by the Department of Health.
2. That the existing contract for the Health Visiting and Family Nurse Partnership Services is novated from NHS England to Nottingham City Council, subject to confirmation from the Chief Finance Officer that the total contract values of both services does not exceed the final value of the transferring budget allocation.
3. That authority to sign the contracts for both the Health Visiting and Family Nurse Partnership services is delegated to the Strategic Director for Early Intervention, subject to consultation with Director of Legal and Democratic Services and the Chief Finance Officer.

1 REASONS FOR RECOMMENDATIONS

1.1 The recommendations ensure that commissioning responsibilities and contractual arrangements for 0-5 Children's public health services are able to transfer from NHS England to the local authority in a safe and efficient manner. They will enable the City Council to work with the both NHS England and the service provider, Nottingham CityCare Partnership, to secure continuity of service delivery during the transition.

1.2 The actions recommended will allow for relevant and necessary commissioning activity to commence, including the agreement of appropriate arrangements for the novation of contractual arrangements. No transfer arrangements will be finalised until the final budget allocation has been confirmed and assurance can be provided regarding the sufficiency of this allocation to fund the commitments proposed in this report.

1.3 The delegation of authority to the Strategic Director for Early Intervention, to sign contracts for both the Health Visiting and Family Nurse Partnership services is recommended to ensure that approval is in place to progress the implementation of new contractual arrangements in a timely way, once final agreement has been reached with the relevant parties.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 A health visitor (HV) is a qualified nurse or midwife with post-registration experience who has undertaken further training and education in child health, health promotion, public health and education. Health visitors work as part of a multidisciplinary primary healthcare team, assessing the health, educational and social needs of children, families and the wider community. They aim to promote good health, improve educational and social outcomes and prevent illness by offering practical help and advice; ultimately reducing health inequalities.

2.2 NHS England were charged under the Section 7a agreement of the National Health Service Act 2006 as amended under the Health and Social Care Bill 2012, an agreement between the Secretary of State and NHS England to commission

Children's Public Health Services for 0-5 years. The Government has now stated an expectation for these responsibilities to transfer to local authorities from October 2015.

2.3 Through the 7a agreement NHS England has committed to improve health and wellbeing outcomes for children and families which included, meeting the Government's commitment to increase the number of health visitors (HVs) nationally by 4,200 against a May baseline of 8,092, to transform health visiting services through the implementation of the Healthy Child Programme, and increase the number of Family Nurse places nationally by 16,000 by April 2015.

2.4 The 'Health Visitor Implementation Plan (HVIP) 2011-15 A call to Action (Department of Health 2011)' sets out this shift in resources to increase the number of health visitors in order to enhance early identification and intervention by increasing contact and support to families, monitoring child development and health promotion.

2.5 **Mandated Services**

The "Transfer of 0-5 children's public health commissioning to Local Authorities" document published by the Department of Health in December 2014, sets out that subject to Parliamentary approval, the Government intends to mandate certain key universal elements of the 0-5 Healthy Child Programme. The specific regulations are currently being drawn up but it is likely these will include: antenatal health promoting visits; new baby reviews; 6-8 week & 1 year assessments and 2-2½ year reviews.

2.6 **Local Context**

2.6.1 Nottingham City has one provider of Children's Health Services for 0-5 years: Nottingham CityCare Partnership who provides the Health Visiting service and Family Nurse Partnership (FNP) across the city.

2.6.2 **Increasing Health Visitor Numbers in Nottingham City**: The May 2010 baseline for Nottingham City was 69.4 whole time equivalent (WTE) health visitors against a final target set at 154.7 WTE to be reached by March 2015 equating to an increase of 123% in the workforce the third highest increase nationally behind London & Luton.

2.6.3 **Current Health Visitor Numbers in Jan 2015:** was 99.8 WTE and it is anticipated that there will be an additional 33.6 recruited by the end of February making a total of: 133.4, (21.3 short of target). NHS England have agreed that providers not yet meeting their target will continue recruitment from April 2015 until Sept 2015 to help them get close to their target. NHS England have reported that Nottingham has been extremely proactive in terms of service transformation. The workforce in Nottingham will have almost doubled by the time we reach March 2015.

2.7 **Transition of Health Visitors and Family Nurse Partnership into the local Authority**

2.7.1 Commissioning responsibilities for health visiting and family nurse partnership will transfer to local authorities from October 2015. Throughout the transition period NHS England will work closely with Public Health and the Early Intervention Directorate of Nottingham City Council to develop a robust transition plan which will ensure the safe transfer of commissioning responsibilities which includes the achievement of the Department of Health target for health visitor numbers and a transformed health visiting service. Discussions and regular meetings are underway locally between NHS England and Nottingham City Council and nationally between the Local Government Association & the Department of Health (DH) to ensure a smooth, robust transition of responsibilities and funding.

2.7.2 Half Year Allocation to be transferred to NCC on 1ST Oct 2015 was agreed provisionally by DH in Dec 2014 (final allocation announced end Jan 2015):

Area Team	LA	12/9	CQUIN	Net Inflation	Min Floor Adjustments	Commissioning costs	Proposed allocation
Derbyshire & Notts	Nottingham	5,304				15	**5,319**

2.8 **Service Continuity**

2.8.1 Appropriate contractual arrangements are currently being developed to ensure continuity of service provision during the transfer of commissioning responsibilities from NHS England to Nottingham City Council. Both the Health Visiting and Family Nurse Partnership services currently sit within the multi-lateral CityCare contract, led by Nottingham City CCG on behalf of a range of public sector agencies. The contracts will be reviewed as part of the due diligence work and actions taken to ensure continuity of provision during the initial transition and as a minimum for 18 months after the transition of commissioning responsibility.

2.8.2 Negotiations regarding transfer arrangements are underway with both NHS England and the City CCG. The possibility of NCC becoming a signatory to the 2015/16 CityCare contract is currently being explored and, if agreed, will enable the transfer to progress within the existing contractual arrangements.

2.8.3 The novation of contractual arrangements for both services will be subject to the completion of a satisfactory due diligence process. A detailed due diligence process will be undertaken to ensure that the levels of financial and legal risk transferring to the Council is understood, appropriate and in line with budget expectations. Legal services will lead this work and the novation of contractual arrangements will ultimately be conditional upon the Director of Legal and Democratic Services and the Chief Finance Officer confirming that the outcome of due diligence process is acceptable.

2.9 **Workforce Implications**

No staff will transfer to the City Council from either NHS England or CityCare, the current service provider. A provision of £15,000 has been included in the half year allocation proposed for 2015/16 (£30,000 full year effect) as a contribution towards the authority's commissioning costs. It is intended that this will offset a proportion of the additional costs associated with commissioning and contract managing the transferring services.

2.10 **Integration of 0-5 Services**

A strategic review of all children and young people's 0-19 services is currently taking place within Nottingham, identifying how Nottingham City Council, NHS Nottingham City Clinical Commissioning Group and NHS England currently utilise resources and jointly develop Nottingham's core standard offer for children and young people growing up in the city. This strategic review will define and promote outcomes at key life stages including; pregnancy and a better start for babies, school readiness, secondary school readiness and readiness for independence. This will be supported through the refresh of the Children and Young People's Plan and integration of key services across the partnership.

2.11 The changes in the commissioning responsibilities for children and young people's health services which have occurred through the implementation of the Health and Social Care Act (2012) are extensive and it is vitally important that all strategic partners are aware of these complexities. A focus on prevention and early intervention has a vital role to play in breaking the cycle of health inequalities within families. There are clear benefits to Nottingham's children and young people, who are the future adults of Nottingham City, through the commissioning of equitable, robust, evidence based, coordinated services across the city.

2.12 **Conclusion**

Reducing health inequalities and improving health and social outcomes for children and young people is not easily achieved. The evidence clearly shows that any one agency on its own will not have sufficient impact to guarantee a reduction in the gap currently observed between populations. As a Nottingham 'Early Intervention Community' we must make sure we utilise this commissioning opportunity to highlight areas where we could improve performance and be confident that we are working together to guarantee sustainable gains in health and social outcomes for children and young people. This requires a high level strategic understanding and commitment from everyone to secure a coordinated approach.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Options to ensure the smooth transfer of contractual arrangements are currently being explored with NHS England and the City CCG. The recommendation to delegate authority to sign contracts for both services to the Director of Public Health is intended to allow these discussions to be completed and implemented in a timely way, with the aim of minimising any potential disruption to the delivery of services.

3.2 In order to minimise risk, the transfer of services, including the signature of the relevant contract, is subject to both the completion of a satisfactory due diligence

process and final confirmation that the contract values do not exceed the value of the transferring budget allocation.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 Coordinated commissioning, utilising an evidence-based approach including prevention and early intervention will reduce costs within health, social care and education services along with overarching societal costs in the long term.

4.2 The transfer of commissioning responsibilities is set out in the government paper *Healthy Lives, Healthy People: Update and Way forward.*

https://www.gov.uk/government/publications/healthy-lives-healthy-people-update-and-way-forward

4.3 The "Transfer of 0-5 children's public health commissioning to Local Authorities: Baseline Agreement Exercise" (Dept of Health, December 2014), outlines the financial aspects of the transfer of commissioning of children's 0-5 public health services from 1 October 2015-31 March 2016. The document, which is attached as Appendix 1 of this report, sets out the proposed funding allocation for each local authority for the 6 month period. Funding for Nottingham City Council is proposed to be £5.319m. This allocation provides £5.12m to fund the existing contract plus £0.005m to fund CQUIN. The Department of Health have allocated a further £0.015m in recognition of the additional commissioning responsibilities of the authority.

4.4 As with the previous Public Health budget that transferred to the authority, the Health Visiting and Family Nurse Partnership is a ring fenced grant. To date we have not received any indication from the Department of Health as to what budget will be allocated for 2016/17. A review of the budget will be undertaken by the Advisory Council of Resource Allocation (ACRA) who will make recommendations on the budget distribution to the Secretary of State for Health. The allocations are expected to move towards a distribution based on population needs.

Dee Fretwell
Finance Analyst – Children's & Adults
Ext 63711

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

5.1 The transfer of commissioning responsibilities for 0-5 Children's Public Health Services is the final element of the public health functions' transfer from the NHS to local authorities in accordance with the Health and Social Care Act 2012. The Department of Health (DH) has confirmed that the commissioning responsibility will transfer but not the workforce – some specific commissioning responsibilities will be retained by NHS England. It has also stated that it will introduce regulations to mandate certain minimum services as set out in this report. The City Council has agreed that to deliver this commissioning role it will take a novation of the contract which NHS England will enter into with Citycare. The City Council will have limited opportunity to renegotiate the terms of the contract and will need

to ensure its scope includes the services mandated by the DH. As part of that novation agreement the City Council should seek to include indemnities from NHS England for past liabilities. The Legal Services team will assist the Public Health and Commissioning teams to undertake a due diligence exercise on the contract and transfer arrangements with the aim of identifying and mitigating, where possible, the risks to the City Council involved in the transfer

6 SOCIAL VALUE CONSIDERATIONS

6.1 The 0-5 Children's Public Health services transferring to Nottingham City Council specifically seek to improve the health and well-being of children and young people in Nottingham. Commissioners within Public Health have carried out extensive research and consultation to consider how children's health improvement commissioning will best impact on reducing health inequalities, achieving outcomes and improving social, economic and environmental well-being. By virtue of the type of services being commissioned the health of local children and young people will be improved, generating other related social improvements. Such considerations indicate a compliance with the Public Services (Social Value) Act 2012.

7 REGARD TO THE NHS CONSTITUTION

7.1 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)

8.1 Has the equality impact been assessed?

(a)	not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)	x
(b)	No	☐
(c)	Yes – Equality Impact Assessment attached	☐

Due regard should be given to the equality implications identified in any attached EIA.

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

9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 ‘Health Visitor Implementation Plan (HVIP) 2011-15 A call to Action (Department of Health 2011)

10.2 Healthy Lives, Healthy People: Update and Way forward. (HM Government, July 2011)

10.3 Transfer of 0-5 children’s public health commissioning to Local Authorities” (Department of Health, December 2014)

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1 Dee Fretwell, Finance Analyst – Children’s & Adults’
Tel: 0115 8763711
email: dee.fretwell@nottinghamcity.gov.uk

11.2 Andrew James, Team Leader Contracts and Commercial
Tel: 0115 876 4431
email: andrew.james@nottinghamcity.gov.uk

Department of Health

Transfer of 0-5 children's public health commissioning to Local Authorities

Baseline Agreement Exercise

December 2014

Title: Transfer of 0-5 children's public health commissioning to Local Authorities: Baseline Agreement Exercise
Author: Public and International Health Directorate/ International Health and Public Health Strategy/ PHPSU / 10100
Document Purpose: Engagement and Transparency
Publication date: 11 December 2014
Target audience: Chief Executives – Upper tier Local Authorities Directors of Finance – Upper tier Local Authorities Directors of Public Health – Upper tier Local Authorities Directors of Children's Services – Upper tier Local Authorities Members of Health and Wellbeing Boards Directors Of Area Teams - NHS England PHE Centre Directors
Contact details: **0-5 Public Health Transfer Team** Department of Health Richmond House 79 Whitehall London SW1A 2NS 0-5Transfer-Funding@dh.gsi.gov.uk

Published to gov.uk, in PDF format only.
www.gov.uk/dh

Transfer of 0-5 children's public health commissioning to Local Authorities

Baseline Agreement Exercise

Prepared by:

Department of Health - 0-5 Public Health Transfer Team

Supported by:

The 0-5 Public Health Commissioning Transfer Programme Board.

Contents

Purpose and Overview

Transfer of 0-5 children's public health commissioning to Local Authorities: Baseline Agreement Exercise

1. This document relates to the financial aspects of the transfer of commissioning of children's 0-5 public health services from 1 October 2015-31 March 2016.

2. The purpose of this document is to set out:
   - proposed funding allocations for each Local Authority for this 6 month period; and
   - what Local Authorities need to do in response to this document.

3. The period to provide comments will conclude on 16 January 2015. Our expectation is that allocations will be confirmed with Local Authorities shortly afterwards. Where there is already a high degree of agreement over the numbers these figures should provide a good deal of certainty for Local Authorities on which to start financial planning and conversations on contracts.

Overview

4. The government is, 'committed to improving the health outcomes of our children and young people so that they become amongst the best in the world.'[1]

5. As part of delivering this vision, responsibility for commissioning 0-5 children's public health services is transferring from NHS England to Local Government on 1 October 2015.

6. This joins up the commissioning for children under 5 with the commissioning for 5-19 year olds and other public health functions.

7. The Government has made a substantial investment in 0-5 services. NHS England estimate that the spend for 0-5 services for 2015-16 is £840m before any change, so the Department will be investing an additional £36m, between 2014-15 and 2015-16 to pay for the full year effect of the additional health visitors and Family Nurse Partnership (FNP) places we have created.

8. For 2015-16 we will 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. In addition, as set out below, we will be including a minimum floor for Local Authorities such that no local authority is funded to a level below an adjusted spend per head (0-5) of £160.

---

[1] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/207391/better_health_outcomes_children_young_people_pledge.pdf

9. NHS England and Local Authorities have been working closely to agree how much funding should transfer in support of this transfer of responsibility. This document sets out the proposed allocations which;
   - are based on returns submitted by NHS England and Local Authorities in September 2014;
   - incorporate amendments to address issues and concerns set out in the commentary provided by Local Authorities and NHS England Area Teams.

10. Ministers have decided to provide a floor to the amount of resource transferred such that no local authority is funded to a level below an adjusted spend per head (0-5) of £160 (please see Annex 3 for more information on how we have calculated the minimum floor). This is a first step to support affected Local Authorities whilst we work towards a needs based solution for the public health grant from 2016-17 to help Local Authorities deliver the best possible outcomes for children. We estimate this will cost £2.8m and will involve additional money for Local Authorities in 2015-16.

11. The Department of Health will make available £2m additional funding to cover funding for Local Authority commissioning costs for 2015-16 to address concerns raised about this issue.

12. Concerns relating to Commissioning for Quality and Innovation (CQUIN) payment framework and inflationary pressures have been addressed, adding £5m since the 12 September 2014 return.

13. The allocation to local government for 2015-16 is therefore expected to be £425m in total. This will allow Local Authorities to deliver the full scope of NHS England's existing commissioning obligations.[2]

14. This Baseline Agreement Exercise is now a further opportunity for Local Authorities to review their proposed allocations ahead of finalising them early in the New Year. We are asking Local Authorities to carefully consider the allocations and issues raised, and to notify the Department of any further adjustments that can be evidenced. We are aiming for allocations to be jointly agreed between Local Authorities and NHS England. The emphasis is on local resolution of issues of concern, though advice and support through the process will be available from Public Health England and the Regional Oversight Groups who can offer sector led support. If we do not hear from Local Authorities by 16 January 2015, we will assume they do not have any significant concerns. This is set out later in the document (Next Steps – Responding to the Baseline Agreement Exercise).

[2] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/192978/27_Children_s_Public_Health_Services__pregnancy_to_5__VARIATION_130422_-_NA.pdf

Background

Healthy Lives, Healthy People: Our strategy for public health in England

15. On 30 November 2010, the Government published the White Paper *Healthy Lives, Healthy People: Our strategy for public health in England,*[3] which set out a bold vision for a reformed public health system.

16. Alongside the strategy document, we published consultation documents, which provided more detail on the funding and commissioning routes for public health services, and proposed how we might create a public health outcomes framework.

- *Healthy Lives, Healthy People: consultation on the funding and commissioning routes for public health.*[4]

- *Healthy Lives, Healthy People: transparency in outcomes, proposals for a public health outcomes framework.*[5]

17. The consultation was carried out at both the national and local level and continued until 31 March 2011. Over 2000 responses were received across the different consultations.

18. In response to the consultation the Government published *Healthy Lives, Healthy People: Update and Way forward.*[6] It set out the Government's intention to transfer responsibility for public health and power to the local level, allowing local public health services to be shaped to meet local needs, but also set out the intention to prescribe certain services that must be commissioned or provided by Local Authorities where a greater degree of uniformity of delivery may be required.

19. It was agreed that commissioning of children's public health services from pregnancy through to 5 years would transfer in 2015, providing NHS England sufficient time to deliver on the Government's commitment to raise the number of health visitors and support improved stability of the system before the transfer of services. In 2014 it was agreed that some elements of the Healthy Child Programme (HCP), described in the 'Mandated Services' section of this document, would be prescribed for 18 months to further support a stable transfer.

---

[3] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/216096/dh_127424.pdf

[4] http://webarchive.nationalarchives.gov.uk/20130107105354/http:/www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_123114.pdf

[5] http://webarchive.nationalarchives.gov.uk/20130107105354/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_123113.pdf

[6] https://www.gov.uk/government/publications/healthy-lives-healthy-people-update-and-way-forward

The public health grant

20. In January 2013 the Department allocated ring-fenced public health grants to Local Authorities for 2013-14 and 2014-15 to deliver their new public health responsibilities from April 2013.

21. On 9 September 2014 the government announced public health allocations for Local Authorities for 2015-16 and details of the health premium incentive scheme. Before taking into account the impact of the 0-5 programme transfer, the total allocation to Local Authorities for 2015-16 will remain at £2.79 billion (current 2014-15 level) with minor adjustments following the agreed baseline update and will continue to be ring-fenced for use exclusively on public health measures.

22. For 2015-16, the public health grant will additionally include a half year's cost of delivering the 0-5 children's public health services which are being transferred to Local Authorities.

23. From April 2016, the public health grant will include all public health responsibilities transferred to Local Authorities from 1 April 2013 including 0-5 public health services based on advice from the Advisory Committee on Resource Allocation (ACRA).

Improving health visitor numbers

24. The Government has committed to improving the health outcomes for children, families and their communities by increasing the number of full time equivalent (FTE) health visitors by 4,200 and implementing an expanded, rejuvenated and strengthened health visiting service by April 2015. The *Health Visitor Implementation Plan 2011-15 – 'A Call to Action', published in February 2011,*[7] sets out how this extra capacity will contribute to improved public health outcomes and better personalised care for all families with children under 5.

Commissioning 0-5 public health services

25. From 1 October 2015, Local Authorities will take over responsibility from NHS England for commissioning (i.e. planning and paying for) public health services for children aged 0-5. It is not a transfer of the workforce, who will continue to be employed by providers. 0-5 public health services include commissioning of the Healthy Child Programme including delivery of the health visiting service and FNP targeted services for teenage mothers.

26. The **Healthy Child Programme** is the universal clinical and public health programme for children and families from pregnancy to 19 years of age (and up to age 25 for young people with Special Educational Needs and Disability [SEND]). The HCP, led by health visitors and their teams, offers every child a schedule of health and development reviews,

[7] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213759/dh_124208.pdf

screening tests, immunisations, health promotion guidance and support for parents tailored to their needs, with additional support when needed and at key times.

27. The **Health Visiting Service** comprises four tiers, which assess and respond to children's and families' needs:

- **Community Services** - linking families and resources and building community capacity.

- **Universal Services** - primary prevention services and early intervention provided for all families with children aged 0-5 as per the HCP universal schedule of visits assessments and development reviews.

- **Universal Plus Services** - time limited support on specific issues offered to families with children aged 0-5 where there has been an assessed or expressed need for more targeted support.

- **Universal Partnership Plus Services** - offered to families with children aged 0-5 where there is a need for ongoing support and interagency partnership working to help families with continuing complex needs.

28. Our aim is to ensure future commissioning supports sustainable health visiting services. We are using the model of '4, 5, 6'. This is, the four levels of health visiting service, the five elements we intend to mandate (described later in this document), leading to the six high impact areas:
- transition to parenthood and the early weeks;
- maternal mental health (perinatal depression);
- breastfeeding (initiation and duration);
- healthy weight, healthy nutrition (to include physical activity);
- managing minor illness and reducing accidents (reducing hospital attendance/admissions); and
- health, wellbeing and development of the child age 2 – two year old review (integrated review) and support to be 'ready for school'.

29. The **Family Nurse Partnership** is a targeted, evidence-based, preventive programme for vulnerable first time young mothers. It is important to note that FNP is a licensed programme and therefore has a well-defined and detailed service model, which must be adhered to. Structured home visits, delivered by specially trained family nurses, are offered from early pregnancy until the child is two. Participation in the FNP programme is voluntary. When a mother joins the FNP programme, the HCP is delivered by the family nurse. The family nurse plays an important role in any necessary safeguarding arrangements alongside statutory and other partners to ensure children are protected.

30. The transfer of 0-5 commissioning will join-up public health services for children and young people aged 5-19 that are already delivered by Local Authorities (and up to age 25 for young people with SEND). This will enable joined up commissioning from 0 to 19 years old, improving continuity for children and their families.

31. The following commissioning responsibilities will remain with NHS England:
    - Child Health Information Services (CHIS) (to be reviewed in 2020); and
    - the 6-8 week GP check (also known as Child Health Surveillance).

Mandated services

32. The potential for mandating elements of the HCP was set out in *Healthy Lives, Healthy People: Update and Way forward.*[8]

33. Subject to Parliamentary approval, the Government intends to mandate the following universal elements of the 0-5 Healthy Child Programme:

    - antenatal health promoting visits;
    - new baby review;
    - 6-8 week assessment*;
      * *Health Visitor or Family Nurse led check. The GP led 6-8 week check will continue to be commissioned by NHS England through Primary Care Commissioning.*
    - 1 year assessment; and
    - 2-2½ year review.

    Evidence shows that these are the key times to ensure that parents are supported to give their baby/child the best start in life, and to identify early those families who need extra help.

34. Regulations will be drawn up and we will continue to engage with key partners ahead of these being laid before Parliament.

35. Again subject to Parliamentary approval, the aim is that regulations are in place which provide a 'sunset clause'[9] at 18 months. A review within 12 months, involving Public Health England, will inform whether the sunsetting needs to be amended.

[8] https://www.gov.uk/government/publications/healthy-lives-healthy-people-update-and-way-forward

[9] A provision in a Bill or regulations that gives them an 'expiry date' once passed into law. 'Sunset clauses' are included in legislation when it is felt that Parliament should have the chance to decide on its merits again after a fixed period.

36. In designing the mandation regulations, our intention is to ensure that expectations of Local Authorities will be made very clear. Local Authorities will only be expected to take a reasonable approach to continuous improvement and the regulations are not intended to place any additional financial burden outside of the funding agreed for the second half of 2015-16 in the forthcoming financial settlement.

37. Work is ongoing to agree what information will be available to Local Authorities covering performance levels of the delivery of the mandated universal elements of the Healthy Child Programme at the point of transfer on 1 October 2015. We are clear that any ask of Local Government will be no greater than the ask of the NHS at the point of transfer.

Determining Local Authority allocations

Funding for 0-5 public health services

38. NHS England will continue to commission 0-5 public health services until 30 September 2015 and Local Authorities will assume responsibility for commissioning services from 1 October 2015.

39. Therefore the allocated budget for 2015-16 for 0-5 children's public health services will be split in half, with NHS England retaining that needed to commission services for the first six months of the year, as per the arrangements set out in the Section 7A agreement between DH and NHS England, and Local Authorities receiving money to commission services for the final six months.

40. The principles of 'lift and shift' have been used to determine the allocations for 2015-16, i.e. we have identified the scope of existing NHS obligations under service specification 27 of the Section 7A agreement between the Department and NHS England and funding relating to this will provide the main basis for local authority allocations to support contracts which are in place and a safe mid-year transfer. Ministers have decided to provide a floor such that no local authority is funded to a level below a spend per head (0-5) of £160 (based on full year allocations and calculated according to weighted costs), which is described in greater detail below (see also Annex 3).

41. From 2016-17 the allocations are expected to move towards a distribution based on population needs. The fair shares formula will be based on advice from the ACRA.

42. The Secretary of State for Health in exercise of the powers conferred by section 31(4) of the Local Government Act 2003 determines that the 0-5 public health grant for commissioning of 0-5 children's public health services will be paid to Local Authorities subject to the same conditions set out in the public health ring fenced allocations to Local Authorities in 2015-16. These grant conditions are expected to be published by Christmas. For information the existing grant conditions (for 2014-15) can be found here.[10]

Fair funding

43. The ACRA was established in September 1997 as the successor body to the Resource Allocation Group (RAG) and the Resources Allocations Working Group established in 1976. It is an independent committee consisting of GPs, public health experts, NHS managers and academics who make recommendations on the preferred relative distribution of resources to the Secretary of State for Health and NHS England.

[10] Link to existing grant conditions: https://www.gov.uk/government/publications/ring-fenced-public-health-grants-to-local-authorities-2013-14-and-2014-15

44. The aim of ACRA is to provide advice to the Secretary of State and NHS England on the relative distribution of CCG and public health resources. ACRA has an extensive work programme, which is driven by a remit letter from the Secretary of State.

45. ACRA has established various expert subcommittees which undertake specific technical pieces of work and report back to ACRA.

46. The public health grant allocation formula will need to be revised from 2016-17 onwards to take account of the transfer of 0-5 responsibilities. This has been included in the ACRA work programme along with their work on sexual health and substance misuse. ACRA plan to run an engagement exercise on overall changes to the public health grant formula starting in the New Year, of which 0-5 will be a part.

Data collection methodology

47. NHS England has led the process to determine how much money they are currently spending on commissioning of 0-5 services public health services to ascertain what will transfer to Local Authorities on 1 October 2015.

48. NHS England and Local Authorities were asked to submit their second return by 12 September 2014, following an initial return completed by NHS England at the end of June. The second return refined the numbers and disaggregated costs by local authority. NHS England was asked to get sign off from Local Authorities to demonstrate that local agreement had been reached. Sharing of information across commissioners was expected using the principles of open book accounting.

49. This process has informed changes to NHS England's funding and the proposed local authority allocations set out in Annex 1 of this document.

Issues raised

50. Through the data collection exercise a number of issues have come to light. We have worked to refine and address these as far as possible ahead of publishing this engagement document. There were three concerns that were raised by a large number of areas and where we have made adjustments to the return as shown in Annex 2:

- **CQUIN:** 0-5 Transfer Programme Board took the decision that where CQUIN is an integral part of how providers meet 0-5 costs, then it should be included as part of the transfer and where services remain with NHS England, it should be excluded. A number of adjustments to the allocations have been made to ensure they are more in line with this principle. This amounts to £4.4m in total (half year).

- **Inflation:** The guidance to the returns proposed that 2014-15 prices should apply in 2015-16 unless there was a good reason to do otherwise (i.e. assume that inflationary pressures are offset by efficiencies). This assumption is consistent with

how the Department is setting the Section 7A total for NHS England as a whole, i.e. there is no difference between how we are treating local government compared to how we would have treated NHS England if they had commissioned the services for the full year. Where local areas were assuming a bigger saving by imposing a net tariff deflator, this saving has been added back into the numbers for the relevant Local Authorities. This isn't to say that the saving cannot be delivered or should not be sought, but at this point there is enough uncertainty over this to justify a more cautious approach to setting the allocations. This equals £0.7m in total (half year).

- **Commissioning costs:** Local Authorities have a concern that they will face higher commissioning costs than NHS England because of the increase in the number of commissioning organisations. In recognition of this, DH is adding to commissioning costs identified by NHS England from central resources by £2m for 2015-16.

51. In some cases subsequent to the September returns we worked with the FNP National Unit and NHS England Area Teams to improve FNP numbers. This resulted in some changes to allocations as a whole.

52. NHS England will be able to provide detail to individual Local Authorities where adjustments have been made to the numbers for locally specific reasons. The biggest of these adjustments is to reflect updates where discussions on contract rebasing have moved on.

53. We know that a number of Local Authorities are concerned about their baseline funding position and ability to maintain the services level in 2016-17 and beyond. Some issues relate to local contracting disputes, others to historic issues with block contracts and the 2013 transfer, and others to issues about spend relative to need.

54. There will continue to need to be ongoing local dialogue about any contractual disputes and wider concerns including issues related to overheads.

55. We have asked ACRA to do a needs based formula from 2016-17 as part of the wider public health grant, but as Local Authorities may move incrementally to the formula position over several years, we understand that the starting point matters.

56. Our initial analysis, on a spend per head basis, informed our decision to support Local Authorities by putting in a minimum funding floor. We propose that Local Authorities will receive a minimum allocation of at least £160 per head of 0-5s adjusted spend in 2015-16 (based on full year cost of commissioning); please see Annex 3 for more information on how we have calculated the minimum allocation. We recognise that this is not a full analysis of all possible factors, which is where we will look to ACRA to advise.

57. We think that an adjusted figure of £160 per head provides a reasonable costing figure to begin to help address the Local Authorities falling at the bottom of the spend per head distribution. This is a first step to support these Local Authorities whilst we work towards a needs based solution for the public health grant from 2016-17 to help Local Authorities deliver the best possible outcomes for children. We recognise that this will not address all needs based issues, nor is it a full funding formula. This is a positive step to ameliorate potential inequalities so that no child is disadvantaged before the work that ACRA does as part of the wider public health (for more information on our work on this please see Annex 5).

58. Additional money has been identified to fund this floor which is estimated to cost around £2.8m for 2015-16. However, this figure will vary as a number of the potentially affected Local Authorities are still working through contracting issues with NHS England.

59. We have considered and rejected the following options:

- to take no action for 2015-16 and continue with the transfer using only 'lift and shift' principles. We modified this option with the introduction of a floor for local authorities with the lowest spend per head which will think is a step towards addressing inequalities as described above.

- to redistribute money from other Local Authorities in 2015-16 to those at the bottom. We rejected this option to ensure that we maintained a stable transfer and because we recognised that they may be issues around inequalities that we might inadvertently worsen without having the benefit of ACRA's work.

60. On commissioning costs, we propose adding to commissioning costs identified by NHS England from central resources. We suggest that every local authority is allocated £15,000 in 2015-16. On a full year basis this is £30,000 or half a whole time equivalent of commissioning resource. This is extra funding is a judgement based on advice from our Programme Board about the extra commissioning costs Local Authorities are likely to face. This money will form part of the overall public health grant.

Resulting allocations

61. The refinements we have made to the numbers have led to the proposed local authority allocation set out in Annex 1 of this document.

62. We are aware that we will not have resolved every issue of concern, and there is further work to do in some areas to reach local agreement. That is a key objective of this engagement exercise. Some of the key issues on which we are aware that further local discussion is needed include:

- **Contract rebasing:** in a number of areas 0-5 children's public health services have been part of a wider block contract. Separating out and agreeing a value specifically for 0-5 has proved challenging in some areas, in particular in London. These may not be resolved by January and require ongoing dialogue.

- **Division of allocations between Local Authorities in an NHS England Area Team:** In some areas there appears to be no fundamental disagreement over the Area Team quantum as a whole, but a concern about how that total has been divided up between the Local Authorities within the Area Team.

63. There are some concerns that are being raised that do not relate to the 2015-16 allocation exercise. These include cost pressures into 2016-17 such as pay (where DH cannot give a view on 2016-17 funding onwards until the outcome of the next Spending Review is known), and concerns that the current distribution does not reflect need (where we will move Local Authorities to a fair shares distribution over time, based on advice from ACRA on the public health grant allocation formula).

Transitional contract arrangements

64. The key consideration for national stakeholders in the transfer of commissioning responsibilities for 0-5 children's public health services is to ensure a stable transition process which will maintain service continuity and support the continued development of the service. As part of this transition, it will be important that clear and robust contractual arrangements are in place.

65. NHS England has published part one of its contracting guidance, for those contracts which expire before 31 March 2015, and will shortly publish the second part for those contracts which expired after the 30 September 2015. The guidance will support their teams on the approach they should take locally to help secure a stable transition; this guidance will also be of interest to Local Authorities and is available here.[11]

66. Local Authorities are asked to confirm to NHS England by 22 January 2015 their preferred approach to contracting for 2014-15 and where appropriate sign a deed of novation.

67. The Department is fully supportive of an approach that puts in place contractual arrangements with providers which will secure a stable transition during 2015-16.

[11] http://www.england.nhs.uk/nhs-standard-contract/

Next steps

Responding to the Baseline Agreement Exercise

68. We ask that Local Authorities review their proposed allocations, set out in Annex 1 of the Baseline Agreement Exercise, ahead of the Department setting allocations early in the New Year.

69. We are asking Local Authorities to carefully consider the allocations and issues raised. Through the process we have asked that Local Authorities and NHS England, as receivers and sender, work closely to develop a shared understanding that allocations reflect the cost of the services provided. The emphasis is on local resolution of issues of concern, though advice and support through the process will be available from Public Health England and the Regional Oversight Groups who can offer sector led support.

70. To reiterate, the aim of this exercise is to support the 'lift and shift' of commissioning funding in October 2015. Apart from the introduction of a floor, we will look to the ACRA process to address issues of relative need.

71. If you would like more information about the allocations (as set out in the table in Annex 1), in the first instance please contact your NHS England Area Team (see Annex 4 for a list of NHS England Area Team contacts), who will have the supporting detail and who we are asking to provide all relevant information to Local Authorities on an open book basis.

72. We expect that local agreement will be sufficient to resolve any outstanding queries. However where there is disagreement that the 'lift and shift' allocation correctly reflects current spend on 0-5 services, Public Health England Centre Directors and local PHE children's leads, through local networks, can assist in the process of facilitating agreements by gathering local intelligence and identifying and supporting resolutions. The Regional Oversight Groups may also be able to offer sector led support to help reach resolution.

73. Please write to the Department informing us of any factual errors in the figures or any changes that you have jointly agreed as a result of local discussions or as a result of escalation procedures to get to resolution. We encourage you to first use the escalation procedure and we will be looking for evidence that both Local Authorities and NHS England are content with any proposed changes.

74. If, after escalation, you still have concerns about the proposed allocation, please respond to the following email address 0-5Transfer-Funding@dh.gsi.gov.uk. If we do not hear from Local Authorities by 16 January 2015, we will assume that Local Authorities do not have any significant concerns.

Department of Health – next steps

75. The Department ultimately will need to take a decision on allocations, but view it as important that Local Authorities have an opportunity to comment before they are finalised.

76. Once responses to this exercise have been analysed and final agreements have been reached, DH aims to issue final allocations by the end of January 2015.

77. It is possible that further central adjustments may be made to the numbers following this process. However, in areas where there is already a high degree of agreement over the numbers – as there are in many parts of the country – or outstanding issues can be resolved quickly, these figures provide a good degree of certainty on which to finalise contracts with providers.

78. We recognise that further issues may be identified by local areas after the allocations are issued in the run up to the transfer. As set out in the finance principles document in the summer, we do not propose to re-open 2015-16 public health grant allocations. We would look to areas to locally agree and make adjustments to allocations. These would then be formalised as part of setting 2016-17 allocations. This mirrors the approach we have taken to correct issues in the original public health baseline allocations.

Annex 1 – Transfer of 0-5 children's public health commissioning to Local Authorities, proposed allocations

Area Team	**Local Authority**	**Proposed Allocation** (£'000)
Arden, Herefordshire & Worcestershire	Coventry	2,324
Arden, Herefordshire & Worcestershire	Herefordshire, County of	1,198
Arden, Herefordshire & Worcestershire	Warwickshire	3,184
Arden, Herefordshire & Worcestershire	Worcestershire	3,337
Bath, Gloucester, Swindon & Wiltshire	Bath and North East Somerset	1,387
Bath, Gloucester, Swindon & Wiltshire	Gloucestershire	3,141
Bath, Gloucester, Swindon & Wiltshire	Swindon	1,472
Bath, Gloucester, Swindon & Wiltshire	Wiltshire	2,584
Birmingham and the Black Country	Birmingham	11,224
Birmingham and the Black Country	Dudley	2,453
Birmingham and the Black Country	Sandwell	3,175
Birmingham and the Black Country	Solihull	1,393
Birmingham and the Black Country	Walsall	2,146
Birmingham and the Black Country	Wolverhampton	2,198
Bristol, North Somerset, Somerset & South Glos	Bristol, City of	3,799
Bristol, North Somerset, Somerset & South Glos	North Somerset	1,636
Bristol, North Somerset, Somerset & South Glos	Somerset	3,931
Bristol, North Somerset, Somerset & South Glos	South Gloucestershire	1,655
Cheshire, Warrington & Wirral	Cheshire East	2,353
Cheshire, Warrington & Wirral	Cheshire West and Chester	2,107
Cheshire, Warrington & Wirral	Warrington	1,467
Cheshire, Warrington & Wirral	Wirral	2,522
Cumbria, Northumb, Tyne & Wear	Cumbria	2,599
Cumbria, Northumb, Tyne & Wear	Gateshead	1,987

Area Team	**Local Authority**	**Proposed Allocation** (£'000)
Cumbria, Northumb, Tyne & Wear	Newcastle upon Tyne	2,749
Cumbria, Northumb, Tyne & Wear	North Tyneside	1,674
Cumbria, Northumb, Tyne & Wear	Northumberland	2,547
Cumbria, Northumb, Tyne & Wear	South Tyneside	1,392
Cumbria, Northumb, Tyne & Wear	Sunderland	2,750
Derbyshire and Nottinghamshire	Derby	3,094
Derbyshire and Nottinghamshire/Greater Manchester	Derbyshire**	5,140
Derbyshire and Nottinghamshire	Nottingham	5,319
Derbyshire and Nottinghamshire/ South Yorkshire and Bassetlaw	Nottinghamshire**	5,815
Devon, Cornwall and the Isles of Scilly	Cornwall	3,670
Devon, Cornwall and the Isles of Scilly	Devon	4,509
Devon, Cornwall and the Isles of Scilly	Isles of Scilly	37
Devon, Cornwall and the Isles of Scilly	Plymouth	2,573
Devon, Cornwall and the Isles of Scilly	Torbay	1,493
Durham, Darlington & Tees	County Durham	4,894
Durham, Darlington & Tees	Darlington	1,215
Durham, Darlington & Tees	Hartlepool	761
Durham, Darlington & Tees	Middlesbrough	1,398
Durham, Darlington & Tees	Redcar and Cleveland	1,117
Durham, Darlington & Tees	Stockton-on-Tees	1,403
East Anglia	Cambridgeshire	3,861
East Anglia	Norfolk	6,893
East Anglia	Peterborough	1,563
East Anglia	Suffolk	4,206
Essex	Essex	10,981
Essex	Southend-on-Sea	1,355
Essex	Thurrock	1,956
Greater Manchester	Bolton	2,835

Area Team	**Local Authority**	**Proposed Allocation** (£'000)
Greater Manchester	Bury	1,806
Greater Manchester	Manchester	5,441
Greater Manchester	Oldham	2,164
Greater Manchester	Rochdale	2,299
Greater Manchester	Salford	2,444
Greater Manchester	Stockport	2,426
Greater Manchester	Tameside	1,771
Greater Manchester	Trafford	1,642
Greater Manchester	Wigan	2,761
Hertfordshire and the South Midlands	Bedford	1,285
Hertfordshire and the South Midlands	Central Bedfordshire	1,893
Hertfordshire and the South Midlands	Hertfordshire	8,173
Hertfordshire and the South Midlands	Luton	2,099
Hertfordshire and the South Midlands	Milton Keynes	2,079
Hertfordshire and the South Midlands	Northamptonshire	5,016
Kent & Medway	Kent	10,816
Kent & Medway	Medway	2,608
Lancashire	Blackburn with Darwen	1,880
Lancashire	Blackpool	1,551
Lancashire	Lancashire	9,034
Leicestershire and Lincolnshire	Leicester	4,288
Leicestershire and Lincolnshire	Leicestershire	3,202
Leicestershire and Lincolnshire	Lincolnshire	4,166
Leicestershire and Lincolnshire	Rutland	195
London	Barking and Dagenham	2,410
London	Barnet	2,592
London	Bexley	1,720
London	Brent	2,307
London	Bromley	1,901

Area Team	Local Authority	Proposed Allocation (£'000)
London	Camden	2,121
London	City of London	60
London	Croydon	2,723
London	Ealing	2,410
London	Enfield	2,330
London	Greenwich	3,574
London	Hackney	4,024
London	Hammersmith and Fulham	1,996
London	Haringey	1,897
London	Harrow	1,577
London	Havering	1,372
London	Hillingdon	2,137
London	Hounslow	1,935
London	Islington	1,813
London	Kensington and Chelsea	1,342
London	Kingston upon Thames	1,112
London	Lambeth	4,652
London	Lewisham	3,790
London	Merton*	1,476
London	Newham	4,644
London	Redbridge	2,112
London	Richmond upon Thames	1,334
London	Southwark	3,464
London	Sutton*	1,280
London	Tower Hamlets	3,540
London	Waltham Forest	2,794
London	Wandsworth*	2,704
London	Westminster	2,242
Merseyside	Halton	1,410

Area Team	Local Authority	Proposed Allocation (£'000)
Merseyside	Knowsley	1,593
Merseyside	Liverpool	4,845
Merseyside	Sefton	2,216
Merseyside	St. Helens	1,582
North Yorkshire and The Humber	East Riding of Yorkshire	1,478
North Yorkshire and The Humber	Kingston upon Hull, City of	2,718
North Yorkshire and The Humber	North East Lincolnshire	1,299
North Yorkshire and The Humber	North Lincolnshire	1,078
North Yorkshire and The Humber	North Yorkshire	2,535
North Yorkshire and The Humber	York	938
Shropshire and Staffordshire	Shropshire	1,474
Shropshire and Staffordshire	Staffordshire	5,330
Shropshire and Staffordshire	Stoke-on-Trent	1,811
Shropshire and Staffordshire	Telford and Wrekin	1,262
South Yorkshire and Bassetlaw	Barnsley	2,549
South Yorkshire and Bassetlaw	Doncaster	3,450
South Yorkshire and Bassetlaw	Rotherham	2,150
South Yorkshire and Bassetlaw	Sheffield	3,724
Surrey & Sussex	Brighton and Hove	2,111
Surrey & Sussex	East Sussex	3,500
Surrey & Sussex	Surrey	6,528
Surrey & Sussex	West Sussex	5,582
Thames Valley	Bracknell Forest	774
Thames Valley	Buckinghamshire	3,022
Thames Valley	Oxfordshire	4,333
Thames Valley	Reading	1,446
Thames Valley	Slough	1,546
Thames Valley	West Berkshire	919

Area Team	**Local Authority**	**Proposed Allocation** (£'000)
Thames Valley	Windsor and Maidenhead	957
Thames Valley	Wokingham	930
Wessex	Bournemouth	1,818
Wessex	Dorset	2,267
Wessex	Hampshire	8,843
Wessex	Isle of Wight	1,226
Wessex	Poole	1,287
Wessex	Portsmouth	2,013
Wessex	Southampton	2,103
West Yorkshire	Bradford	6,133
West Yorkshire	Calderdale	2,028
West Yorkshire	Kirklees	3,007
West Yorkshire	Leeds	4,993
West Yorkshire	Wakefield	3,267

*Further discussions are underway in these areas which may impact these figures

**Local Authorities which cross two Area Team boundaries

Annex 2 – Transfer of 0-5 children's public health commissioning to Local Authorities, breakdown of proposed allocations

				Proposed adjustments					
Area Team	**Local Authority**	**12/9 return**	**Latest Area Team position**	**CQUIN**	**Net inflation**	**Other*** **	**Minimum floor adjustments**	**Commission-ing costs**	**Proposed allocation**
		All figures are half year, £000s							
Arden, Herefordshire & Worcestershire	Coventry	2,253	2,253	56	0	0	0	15	**2,324**
Arden, Herefordshire & Worcestershire	Herefordshire, County of	1,154	1,154	29	0	0	0	15	**1,198**
Arden, Herefordshire & Worcestershire	Warwickshire	3,092	3,092	77	0	0	0	15	**3,184**
Arden, Herefordshire & Worcestershire	Worcestershire	3,241	3,241	81	0	0	0	15	**3,337**
Bath, Gloucester, Swindon & Wiltshire	Bath and North East Somerset	1,346	1,346	0	26	0	0	15	**1,387**
Bath, Gloucester, Swindon & Wiltshire	Gloucestershire	3,126	3,126	0	0	0	0	15	**3,141**
Bath, Gloucester, Swindon & Wiltshire	Swindon	1,238	1,433	0	24	0	0	15	**1,472**
Bath, Gloucester, Swindon & Wiltshire	Wiltshire	2,528	2,528	0	41	0	0	15	**2,584**
Birmingham and the Black Country	Birmingham	9,112	11,209	0	0	0	0	15	**11,224**
Birmingham and the Black Country	Dudley	2,225	2,438	0	0	0	0	15	**2,453**
Birmingham and the Black Country	Sandwell	2,599	3,160	0	0	0	0	15	**3,175**
Birmingham and the Black Country	Solihull	1,287	1,378	0	0	0	0	15	**1,393**
Birmingham and the Black Country	Walsall	1,951	2,131	0	0	0	0	15	**2,146**
Birmingham and the Black Country	Wolverhampton	1,922	2,183	0	0	0	0	15	**2,198**
Bristol, North Somerset, Somerset & South Glos	Bristol, City of	3,152	3,152	79	0	554	0	15	**3,799**

Area Team	Local Authority	12/9 return	Latest Area Team position	Proposed adjustments: CQUIN	Net inflation	Other***	Minimum floor adjustments	Commission-ing costs	Proposed allocation
		All figures are half year, £000s							
Bristol, North Somerset, Somerset & South Glos	North Somerset	1,451	1,581	40	0	0	0	15	**1,636**
Bristol, North Somerset, Somerset & South Glos	Somerset	3,418	3,503	88	0	326	0	15	**3,931**
Bristol, North Somerset, Somerset & South Glos	South Gloucestershire	1,369	1,369	34	0	237	0	15	**1,655**
Cheshire, Warrington & Wirral	Cheshire East	2,269	2,269	68	0	0	0	15	**2,353**
Cheshire, Warrington & Wirral	Cheshire West and Chester	2,051	2,051	41	0	0	0	15	**2,107**
Cheshire, Warrington & Wirral	Warrington	1,416	1,416	35	0	0	0	15	**1,467**
Cheshire, Warrington & Wirral	Wirral	2,445	2,445	61	0	0	0	15	**2,522**
Cumbria, Northumb, Tyne & Wear	Cumbria	2,476	2,538	0	46	0	0	15	**2,599**
Cumbria, Northumb, Tyne & Wear	Gateshead	1,892	1,939	0	33	0	0	15	**1,987**
Cumbria, Northumb, Tyne & Wear	Newcastle upon Tyne	2,620	2,685	0	49	0	0	15	**2,749**
Cumbria, Northumb, Tyne & Wear	North Tyneside	1,590	1,630	0	29	0	0	15	**1,674**
Cumbria, Northumb, Tyne & Wear	Northumberland	2,426	2,487	0	45	0	0	15	**2,547**
Cumbria, Northumb, Tyne & Wear	South Tyneside	1,321	1,354	0	23	0	0	15	**1,392**
Cumbria, Northumb, Tyne & Wear	Sunderland	2,618	2,683	0	52	0	0	15	**2,750**
Derbyshire and Nottinghamshire	Derby	3,079	3,079	0	0	0	0	15	**3,094**
Derbyshire and Nottinghamshire/Greater Manchester	Derbyshire**	5,120	5,120	5	0	0	0	15	**5,140**
Derbyshire and Nottinghamshire	Nottingham	5,304	5,304	0	0	0	0	15	**5,319**
Derbyshire and Nottinghamshire/South Yorkshire and Bassetlaw	Nottinghamshire**	5,782	5,782	18	0	0	0	15	**5,815**

Area Team	Local Authority	12/9 return	Latest Area Team position	Proposed adjustments: CQUIN	Net inflation	Other***	Minimum floor adjustments	Commission-ing costs	Proposed allocation
		All figures are half year, £000s							
Devon, Cornwall and the Isles of Scilly	Cornwall	3,566	3,655	0	0	0	0	15	**3,670**
Devon, Cornwall and the Isles of Scilly	Devon	4,385	4,494	0	0	0	0	15	**4,509**
Devon, Cornwall and the Isles of Scilly	Isles of Scilly	22	22	0	0	0	0	15	**37**
Devon, Cornwall and the Isles of Scilly	Plymouth	2,495	2,558	0	0	0	0	15	**2,573**
Devon, Cornwall and the Isles of Scilly	Torbay	1,442	1,478	0	0	0	0	15	**1,493**
Durham, Darlington & Tees	County Durham	4,686	4,803	0	76	0	0	15	**4,894**
Durham, Darlington & Tees	Darlington	1,152	1,181	0	19	0	0	15	**1,215**
Durham, Darlington & Tees	Hartlepool	717	735	0	12	0	0	15	**761**
Durham, Darlington & Tees	Middlesbrough	1,329	1,362	0	22	0	0	15	**1,398**
Durham, Darlington & Tees	Redcar and Cleveland	1,058	1,084	0	18	0	0	15	**1,117**
Durham, Darlington & Tees	Stockton-on-Tees	1,333	1,367	0	22	0	0	15	**1,403**
East Anglia	Cambridgeshire	3,753	3,753	93	0	0	0	15	**3,861**
East Anglia	Norfolk	6,714	6,714	164	0	0	0	15	**6,893**
East Anglia	Peterborough	1,548	1,548	0	0	0	0	15	**1,563**
East Anglia	Suffolk	4,168	4,168	23	0	0	0	15	**4,206**
Essex	Essex	10,905	10,905	61	0	0	0	15	**10,981**
Essex	Southend-on-Sea	1,337	1,337	3	0	0	0	15	**1,355**
Essex	Thurrock	1,897	1,897	44	0	0	0	15	**1,956**
Greater Manchester	Bolton	2,750	2,750	70	0	0	0	15	**2,835**
Greater Manchester	Bury	1,741	1,741	50	0	0	0	15	**1,806**
Greater Manchester	Manchester	5,291	5,291	136	0	0	0	15	**5,441**
Greater Manchester	Oldham	2,089	2,089	60	0	0	0	15	**2,164**

				Proposed adjustments					
Area Team	**Local Authority**	**12/9 return**	**Latest Area Team position**	**CQUIN**	**Net inflation**	**Other*** **	**Minimum floor adjustments**	**Commission-ing costs**	**Proposed allocation**
		All figures are half year, £000s							
Greater Manchester	Rochdale	2,221	2,221	64	0	0	0	15	**2,299**
Greater Manchester	Salford	2,369	2,369	61	0	0	0	15	**2,444**
Greater Manchester	Stockport	2,351	2,351	60	0	0	0	15	**2,426**
Greater Manchester	Tameside	1,712	1,712	44	0	0	0	15	**1,771**
Greater Manchester	Trafford	1,580	1,580	48	0	0	0	15	**1,642**
Greater Manchester	Wigan	2,679	2,679	67	0	0	0	15	**2,761**
Hertfordshire and the South Midlands	Bedford	1,245	1,245	25	0	0	0	15	**1,285**
Hertfordshire and the South Midlands	Central Bedfordshire	1,841	1,841	37	0	0	0	15	**1,893**
Hertfordshire and the South Midlands	Hertfordshire	7,989	7,989	169	0	0	0	15	**8,173**
Hertfordshire and the South Midlands	Luton	2,053	2,053	32	0	0	0	15	**2,099**
Hertfordshire and the South Midlands	Milton Keynes	2,046	2,046	18	0	0	0	15	**2,079**
Hertfordshire and the South Midlands	Northamptonshire	4,715	4,896	105	0	0	0	15	**5,016**
Kent & Medway	Kent	10,801	10,801	0	0	0	0	15	**10,816**
Kent & Medway	Medway	2,601	2,530	63	0	0	0	15	**2,608**
Lancashire	Blackburn with Darwen	1,795	1,795	45	25	0	0	15	**1,880**
Lancashire	Blackpool	1,480	1,480	37	19	0	0	15	**1,551**
Lancashire	Lancashire	8,673	8,673	217	129	0	0	15	**9,034**
Leicestershire and Lincolnshire	Leicester	4,169	4,169	104	0	0	0	15	**4,288**
Leicestershire and Lincolnshire	Leicestershire	3,110	3,110	78	0	0	0	15	**3,202**
Leicestershire and Lincolnshire	Lincolnshire	4,050	4,050	101	0	0	0	15	**4,166**
Leicestershire and Lincolnshire	Rutland	176	176	4	0	0	0	15	**195**
London	Barking and Dagenham	2,501	2,395	0	0	0	0	15	**2,410**

				Proposed adjustments					
Area Team	**Local Authority**	**12/9 return**	**Latest Area Team position**	**CQUIN**	**Net inflation**	**Other*** **	**Minimum floor adjustments**	**Commission-ing costs**	**Proposed allocation**
		All figures are half year, £000s							
London	Barnet	2,077	2,111	0	0	0	466	15	**2,592**
London	Bexley	1,595	1,705	0	0	0	0	15	**1,720**
London	Brent	2,293	2,292	0	0	0	0	15	**2,307**
London	Bromley	1,887	1,801	0	0	0	85	15	**1,901**
London	Camden	1,957	2,106	0	0	0	0	15	**2,121**
London	City of London	0	0	0	0	45	0	15	**60**
London	Croydon	2,708	2,708	0	0	0	0	15	**2,723**
London	Ealing	2,282	2,281	0	0	0	114	15	**2,410**
London	Enfield	2,208	2,207	0	0	0	109	15	**2,330**
London	Greenwich	3,425	3,559	0	0	0	0	15	**3,574**
London	Hackney	4,056	4,054	0	0	-45	0	15	**4,024**
London	Hammersmith and Fulham	1,880	1,981	0	0	0	0	15	**1,996**
London	Haringey	1,782	1,882	0	0	0	0	15	**1,897**
London	Harrow	1,108	1,107	0	0	0	455	15	**1,577**
London	Havering	929	928	0	0	0	429	15	**1,372**
London	Hillingdon	2,271	2,122	0	0	0	0	15	**2,137**
London	Hounslow	1,827	1,826	0	0	0	94	15	**1,935**
London	Islington	1,786	1,798	0	0	0	0	15	**1,813**
London	Kensington and Chelsea	1,367	1,327	0	0	0	0	15	**1,342**
London	Kingston upon Thames	1,102	1,097	0	0	0	0	15	**1,112**
London	Lambeth	4,434	4,637	0	0	0	0	15	**4,652**
London	Lewisham	3,776	3,775	0	0	0	0	15	**3,790**

Area Team	Local Authority	12/9 return	Latest Area Team position	Proposed adjustments: CQUIN	Net inflation	Other***	Minimum floor adjustments	Commission-ing costs	Proposed allocation
		All figures are half year, £000s							
London	Merton*	1,451	1,296	0	0	0	165	15	**1,476**
London	Newham	4,631	4,629	0	0	0	0	15	**4,644**
London	Redbridge	1,452	1,452	0	0	0	646	15	**2,112**
London	Richmond upon Thames	1,251	1,251	0	0	0	69	15	**1,334**
London	Southwark	3,394	3,449	0	0	0	0	15	**3,464**
London	Sutton*	797	1,170	0	0	0	95	15	**1,280**
London	Tower Hamlets	3,527	3,525	0	0	0	0	15	**3,540**
London	Waltham Forest	2,748	2,779	0	0	0	0	15	**2,794**
London	Wandsworth*	2,689	2,689	0	0	0	0	15	**2,704**
London	Westminster	2,131	2,227	0	0	0	0	15	**2,242**
Merseyside	Halton	1,361	1,361	34	0	0	0	15	**1,410**
Merseyside	Knowsley	1,543	1,543	36	0	0	0	15	**1,593**
Merseyside	Liverpool	4,713	4,713	117	0	0	0	15	**4,845**
Merseyside	Sefton	2,147	2,147	54	0	0	0	15	**2,216**
Merseyside	St. Helens	1,529	1,529	39	0	0	0	15	**1,582**
North Yorkshire and The Humber	East Riding of Yorkshire	1,452	1,485	0	0	-23	0	15	**1,478**
North Yorkshire and The Humber	Kingston upon Hull, City of	2,647	2,703	0	0	0	0	15	**2,718**
North Yorkshire and The Humber	North East Lincolnshire	1,283	1,284	0	0	0	0	15	**1,299**
North Yorkshire and The Humber	North Lincolnshire	1,068	1,063	0	0	0	0	15	**1,078**
North Yorkshire and The Humber	North Yorkshire	2,492	2,551	0	0	-31	0	15	**2,535**
North Yorkshire and The Humber	York	901	923	0	0	0	0	15	**938**
Shropshire and Staffordshire	Shropshire	1,459	1,459	0	0	0	0	15	**1,474**

Area Team	Local Authority	12/9 return	Latest Area Team position	Proposed adjustments: CQUIN	Net inflation	Other***	Minimum floor adjustments	Commission-ing costs	Proposed allocation
		All figures are half year, £000s							
Shropshire and Staffordshire	Staffordshire	5,315	5,315	0	0	0	0	15	**5,330**
Shropshire and Staffordshire	Stoke-on-Trent	1,796	1,796	0	0	0	0	15	**1,811**
Shropshire and Staffordshire	Telford and Wrekin	1,247	1,247	0	0	0	0	15	**1,262**
South Yorkshire and Bassetlaw	Barnsley	2,346	2,472	62	0	0	0	15	**2,549**
South Yorkshire and Bassetlaw	Doncaster	3,351	3,351	84	0	0	0	15	**3,450**
South Yorkshire and Bassetlaw	Rotherham	2,083	2,083	52	0	0	0	15	**2,150**
South Yorkshire and Bassetlaw	Sheffield	3,412	3,541	89	0	79	0	15	**3,724**
Surrey & Sussex	Brighton and Hove	2,096	2,096	0	0	0	0	15	**2,111**
Surrey & Sussex	East Sussex	3,485	3,485	0	0	0	0	15	**3,500**
Surrey & Sussex	Surrey	6,440	6,440	0	0	0	73	15	**6,528**
Surrey & Sussex	West Sussex	5,567	5,567	0	0	0	0	15	**5,582**
Thames Valley	Bracknell Forest	740	740	19	0	0	0	15	**774**
Thames Valley	Buckinghamshire	2,863	2,863	74	0	70	0	15	**3,022**
Thames Valley	Oxfordshire	4,213	4,213	106	0	0	0	15	**4,333**
Thames Valley	Reading	1,396	1,396	35	0	0	0	15	**1,446**
Thames Valley	Slough	1,493	1,493	38	0	0	0	15	**1,546**
Thames Valley	West Berkshire	882	882	22	0	0	0	15	**919**
Thames Valley	Windsor and Maidenhead	919	919	23	0	0	0	15	**957**
Thames Valley	Wokingham	892	892	23	0	0	0	15	**930**
Wessex	Bournemouth	1,781	1,781	22	0	0	0	15	**1,818**
Wessex	Dorset	2,224	2,224	28	0	0	0	15	**2,267**
Wessex	Hampshire	8,720	8,720	109	0	0	0	15	**8,843**

Area Team	Local Authority	12/9 return	Latest Area Team position	Proposed adjustments: CQUIN	Proposed adjustments: Net inflation	Proposed adjustments: Other***	Proposed adjustments: Minimum floor adjustments	Proposed adjustments: Commission-ing costs	Proposed allocation
		All figures are half year, £000s							
Wessex	Isle of Wight	1,182	1,182	30	0	0	0	15	**1,226**
Wessex	Poole	1,257	1,257	16	0	0	0	15	**1,287**
Wessex	Portsmouth	1,943	1,965	33	0	0	0	15	**2,013**
Wessex	Southampton	2,110	2,054	34	0	0	0	15	**2,103**
West Yorkshire	Bradford	5,969	5,969	149	0	0	0	15	**6,133**
West Yorkshire	Calderdale	1,964	1,964	49	0	0	0	15	**2,028**
West Yorkshire	Kirklees	2,919	2,919	73	0	0	0	15	**3,007**
West Yorkshire	Leeds	4,856	4,856	122	0	0	0	15	**4,993**
West Yorkshire	Wakefield	3,172	3,172	80	0	0	0	15	**3,267**
	Totals	**407,440**	**413,475**	**4,438**	**705**	**1,257**	**2,799**	**2,280**	**424,953**

*Further discussions are underway in these areas which may impact these figures

**Local Authorities which cross two Area Team boundaries

***Including rebasing, procurement and other adjustments

Annex 3 – Calculating the minimum floor

79. The methodology we have used to calculate the minimum floor is set out below:

- NHS England led the process to determine how much money they are currently spending on commissioning 0-5 public health services, to ascertain what will transfer to Local Authorities on 1 October 2015. The second return refined the numbers and disaggregated costs by local authority and we made some central adjustments, as described in this document. This was our starting point.

- The spend per head was calculated by dividing the allocations (set out in the initial returns) by the projected mid-year population figures from ONS, for persons aged under 5.

- To ensure that these figures are comparable at Local Authority level, the allocations were divided by the Market Forces Factor (MFF), which takes account of the differences in the cost of delivering services across the country. These are now known as the adjusted spend per head totals.

- The MFF used is from the public health exposition book: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/190643/Exposition_Book_Public_Health_Allocations_2014-15_April_2013.xlsx

- All Local Authorities which were found to have an adjusted spend per head of £160 or less were then levelled up to this level. All other Local Authority proposed allocations remain the same.

- The new proposed allocations (for those Local Authorities with an adjusted spend per head of less than £160) were then recalculated by multiplying the spend per head by the population figures. The MFF is then reapplied to give the final actual allocations amount. This figure has been compared to the original allocation submitted by the Area Team to see the uplift each Local Authority will receive.

80. We recognise that this is not a full needs based analysis, but the first step in supporting those Local Authorities falling at the bottom of the spend per head distribution, whilst we work towards a needs based solution for 2016-17, for which we will look to ACRA to advise.

Annex 4 – NHS England Area Team Contacts

NHS England Area Team	Name	Contact Information
Arden, Herefordshire & Worcestershire	Richard Yeabsley	richard.yeabsley@nhs.net
Bath, Gloucestershire, Swindon & Wiltshire	Julie Hughes	julie.hughes9@nhs.net
Birmingham & Black Country	Ben Cochrane	ben.cochrane@nhs.net
Bristol, North Somerset, South Glos	Lesley Woakes	lesley.woakes@nhs.net
Cheshire Warrington & Wirral	Julie Kelly	julie.kelly11@nhs.net
Cumbria, Northumberland, Tyne & Wear	Dr Claire Bradford	claire.bradford2@nhs.net
Derbyshire & Notts	Jacquie Williams	jacquie.williams@nhs.net
Devon, Cornwall & the Isles of Scilly	James Bolt	james.bolt@nhs.net
Durham, Darlington, Tees	Hilary Hall	hilary.hall1@nhs.net
East Anglia	Tracey Cogan	Tracey.cogan@nhs.net
Essex	Alison Cowie	alison.cowie2@nhs.net
Greater Manchester	Jane Pilkington	jane.pilkington1@nhs.net
Hertfordshire & South Midlands	Elaine Askew	elaine.askew@nhs.net

NHS England Area Team	Name	Contact Information
Kent & Medway	Trish Dabrowski	trish.dabrowski@nhs.net
Lancashire	Jane Cass	jane.cass@nhs.net
Leicestershire & Lincolnshire	David Giffard	david.giffard@nhs.net
Merseyside	Julie Kelly	julie.kelly11@nhs.net
North East London	Kenny Gibson Maggie Luck	Kenny.gibson@nhs.net Maggie.Luck@nhs.net
North West London	Kenny Gibson	Kenny.gibson@nhs.net
North Yorks and Humber	Gary Lusty	gary.lusty@nhs.net
Shropshire & Staffs	Rebecca Woods	rebecca.woods@nhs.net
South London	Kenny Gibson Johan Van Wijgerden	Kenny.gibson@nhs.net jvanWijgerden@nhs.net
South Yorkshire & Bassetlaw	Heather Marsh	heathermarsh@nhs.net
Surrey & Sussex	Fiona Harris	fiona.harris1@nhs.net
Thames Valley	Jonathan Smith	jonathan.smith12@nhs.net
West Yorks	Emma Wilson	emmawilson@nhs.net

Annex 5 – Wider considerations

81. The Public Sector Equality Duty (under the Equality Act 2010) requires that public bodies have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between different people when carrying out their activities. It covers a list of protected characteristics, including pregnancy and maternity. The Secretary of State also has a number of statutory duties under the NHS Act 2006, particularly the need to reduce health inequalities.

82. Following the formal consultation which started in December 2010: *Healthy Lives, Healthy People: Consultation on the funding and commissioning routes for public health* and an engagement exercise on ACRA's interim recommendations in June 2012, an equality analysis looking at local authority Public Health Grants for 2013-14 and 2014-15 was published in January 2013. It considered the equality impact of the agreed process for determining local authority public health grant allocations. 0-5 was considered in this context, although it was agreed that the transfer would happen later.

83. The transfer of 0-5 commissioning will join-up public health services for children and young people aged 5-19 that are already delivered by Local Authorities (and up to age 25 for young people with SEND). From 1 October 2015, the public health grant will include money for commissioning 0-5 children's public health services. During the transfer period, we have adopted the approach consulted on previously as part of the previous public health transfer and addressed in the impact assessment.

84. We have used the principles of 'lift and shift' to determine the proposed allocations (set out in this document) for 2015-16; i.e. we have identified the scope of existing NHS obligations under service specification 27 of the Section 7A agreement between the Department and NHS England and funding relating to this will provide the main basis for Local Authority allocations to support contracts which are in place and a safe mid-year transfer.

85. NHS England and Local Authorities have been working closely to agree how much funding should transfer in support of this transfer of responsibility. In determining the proposed Local Authority allocations published in this document, NHS England and Local Authorities considered the impact of the transfer. We have identified that it may have impacted on those within the 'pregnancy and maternity' protected characteristic group and/or led to potentially higher health inequalities. It is important to protect this group as care through pregnancy and the early years impacts upon health and healthcare needs throughout life.

86. Through the NHS England Area Team's returns, we identified:
    - Potential for commissioning costs to be higher in local authorities than they have been in NHS organisations because of the increase in the number of

commissioning organisations, which may have diverted funding from delivery of services, and potentially increased health inequalities.

- Inconsistencies in the treatment of CQUIN and inflationary measures across the proposed local authority allocations, which may have led to inequality in levels of service provided.

87. Our initial analysis on a spend per head basis confirmed variation in the level of spend per head across the country, which may impact on the levels of service which are able to be provided for 0-5s.

88. We have put in place mitigating actions, which include:
- inclusion of CQUIN where it is integral to how providers meet costs, applying 2014-15 prices in 2015-16, unless there was good reason to do otherwise;
- providing an additional £2m to cover additional local authority commissioning costs; and
- putting in place a minimum floor to the amount of resource on adjusted spend per head (0-5) of £160, below which no Local Authority should fall. This is a positive step for Local Authorities falling at the bottom of the spend per head.

89. It begins to help to ameliorate potential inequalities to ensure that no child is disadvantaged by the transfer.

90. These mitigations support our work to begin to reduce inequalities and are described more fully earlier in this document. They are a step along the way, as from 2016-17 we expect to move towards a distribution based on population needs as part of the wider public health grant which will consider inequalities and equalities issues, based on advice from ACRA.

91. We have considered what impact decisions about funding applications will have on families; especially the issues which the recently introduced families test require us to take into account. Supporting parents of young children is likely to strengthen the family unit, and will therefore have a positive impact on families.

92. A further period of engagement commences when we publish the Baseline Agreement Exercise, which will help to ensure that NHS England and Local Authorities are happy that proposed allocations (and consequently final allocations) reflect costs at the point of transfer. We are encouraging NHS England and Local Authorities to continue an open dialogue to identify and resolve issues locally.

This page is intentionally left blank

COMMISSIONING AND PROCUREMENT SUB COMMITTEE – 11 February 2015

Subject:	Approval of Crime and Drugs Partnership Funding Allocation Spend 2015/16
Corporate Director(s)/ Director(s):	Alison Michalska - Corporate Director Children and Adults Candida Brudenell - Strategic Director Early Intervention Christine Oliver / Tim Spink – Acting CDP Directors
Portfolio Holder(s):	Councillor Alex Norris, Portfolio Holder for Adults, Commissioning and Health
Report author and contact details:	Lucy Putland – Strategy & Commissioning Manager CDP 0115 8765732 lucy.putland@nottinghamcity.gov.uk Tim Clark – Finance Analyst 01158762711 Tim.clark@nottinghamcity.gov.uk

Key Decision	☒ Yes ☐ No	**Subject to call-in** ☒ Yes ☐ No	
Reasons: ☒ Expenditure ☐ Income ☐ Savings of £1,000,000 or more taking account of the overall impact of the decision		☒ Revenue ☐ Capital	
Significant impact on communities living or working in two or more wards in the City		☒ Yes ☐ No	
Total value of the decision: £11,969,000			
Wards affected: All		**Date of consultation with Portfolio Holder(s):** Councillor Chapman – 30/01/15 Councillor Collins – 03/12/14 Councillor Norris – 21/11/14	

Relevant Council Plan Strategic Priority:	
Cutting unemployment by a quarter	☐
Cut crime and anti-social behaviour	☒
Ensure more school leavers get a job, training or further education than any other City	☐
Your neighbourhood as clean as the City Centre	☐
Help keep your energy bills down	☐
Good access to public transport	☐
Nottingham has a good mix of housing	☐
Nottingham is a good place to do business, invest and create jobs	☐
Nottingham offers a wide range of leisure activities, parks and sporting events	☐
Support early intervention activities	☒
Deliver effective, value for money services to our citizens	☒

Summary of issues (including benefits to citizens/service users):

The purpose of this report is to seek authority to collate Public Health funding, Police and Crime Commissioner (PCC) Grant, funds from NHS England and partner contributions and allocate them to the Crime & Drugs Partnership (CDP) to act as the accountable body for the funding on behalf of all partners and grant delegated authority to the Strategic Director for Early Intervention to allocate funds. This will enable the continuation of commissioning responsibilities of the Crime and Drugs Partnership (CDP) and the continuation of services across substance misuse and reoffending, Ending Gang and Youth Violence, Hate Crime and domestic and sexual violence.

Allocation of resources from across these funding streams contributes to prevention and reduction of crime, violence and anti-social behaviour; and prevention of and recovery from problematic substance misuse in order to make Nottingham citizens safer, healthier, reduce reoffending and increase employment and engagement in treatment and education across the

cohort. The allocation of resources as set out within the exempt appendices will also deliver required savings for 2015/16. The report also seeks delegated authority to the Strategic Director for Early Intervention for approval to tender services, award contracts across a number of areas following a detailed review process and to secure best value for Nottingham Citizens.
Exempt information: **State 'None' or complete the following.** An appendix to the report is exempt from publication under paragraph 3 of Schedule 12A to the Local Government Act 1972 because it contains information relating to commercial confidentiality and, having regard to all the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
Recommendation(s):
1 To approve the anticipated expenditure of Public Health, Police and Crime Commissioner, NHS England and Partner Contribution funds by the CDP in 2015/16 as set out in exempt Appendix 1.
2 To delegate authority to the Strategic Director for Early Intervention to allocate funds for the above expenditure and to secure best value for Nottingham Citizens.
3 To delegate authority to the Strategic Director for Early Intervention to approve the outcome of tenders and award contracts to secure best value for Nottingham's citizens. (Appendix 2 tables 2A)
4 To delegate authority to the Strategic Director of Early Intervention to sign contracts arising from the tender process once the tender outcome is agreed (Appendix 2 tables 2A)
5 To approve dispensation from financial regulations 3.29 under corporate contract procurement rule 5.1.2 in respect of those contracts identified in exempt appendix 3 (Appendix 3 table 3A, 3B and 3C).
6 To approve dispensation and the extension of those contracts identified in exempt appendix 3 (Appendix 3 table 3C) to ensure service continuity while commissioning and tendering.

1 REASONS FOR RECOMMENDATIONS

1.1 To ensure that the Public Health, Police and Crime Commissioner, NHS England and partner contributions funding allocations are utilised to commission and contract with services in an appropriate way and in accordance with the correct legislation.

1.2 To allow for relevant and necessary commissioning activity to continue in order to maintain service provision for citizens and meet identified local need, including meeting the recommendations from the Safe from Harm Review. Commissioning activity will also contribute to ensuring continued progress of the Health and Wellbeing Strategy, relevant Public Health Outcomes Framework targets, the Safer agenda and agreed 2020 targets.

1.3 To enable timely contract variations and allocations to be made to services in order to deliver continuation of services in 2015/16.

1.4 To allocate funding to deliver the required savings across the Public Health and Police and Crime Commissioner funding streams in 2015/16. To allow for commissioning and tendering activities to deliver efficiencies in subsequent years.

1.5 The Safe From Harm Review made recommendations for a joint commissioning approach for Domestic and Sexual Violence. It has been agreed that there will be a move to a lead commissioner approach with one commissioning organisation leading the commissioning of each specialist area on behalf of all other commissioners. This will reduce the number

of contracts and repetitious performance monitoring for providers. To progress this approach it is proposed that all commissioners will hand over their DSV contracts to the CDP for 1st April 2015 for management. Authority will be sought at a later date once full scope had been clarified.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 Indicative unconfirmed allocations to the CDP for 2015/16 include £8.5m from Public Health, £1.5m from the Police and Crime Commissioner, £0.3m from NHS England Prisons and £1.1m from partner contributions

2.2 **Exempt appendix 1 sets out anticipated expenditure against each funding stream.** Expenditure has been forecast following:

- Consultation and negotiation with providers
- Review of service areas to identify how best to deliver any savings required in 2015/16, including risk assessment, quality assurance and Equality Impact Assessment
- Establishing commissioning intentions for 2015/16 and anticipated values for services to be tendered in 2015/16

2.3 **Exempt appendix 2 sets out those service areas where tender is proposed in 2015/16** due to a need for either (or a combination of) service redesign, increased efficiency or the alignment of commissioning across partner commissioning agencies. The tables set out current contract values of services that are likely to be in scope and anticipated new contract value where known.

2.4 **Exempt appendix 3 sets out:**

- **Those services that require dispensations** due to tendering in year or a subsequent year (table 3A), and the need for continuation of services in the interim period.
- **Those services where current contracts are in place and existing arrangements can be maintained** or where allocations are being made to wider partnership contracts (table 3B)
- **Those services where approval is required to extend contracts** to allow for service continuity while tendering is ongoing (table 3C)

2.5 Legal and procurement teams have been consulted to ensure legal and procurement compliance.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Do nothing – Not to allocate funding for 2015/16. This is not considered an option due to the significant potential risk of an increase in crime and health harms.

3.2 To allocate funds in a different way. This has been considered as part of the work to review provision in order to deliver savings in 2015/16. Risk assessments, review of existing provision, and work with providers and partners have been used to consider how to allocate funds appropriately to remain within the available budget.

3.3 Not to deliver services within the available budget. This is not considered an option due to the significant pressures on the Local Authority budgets, including the Public Health budget.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 The value of the contracts included in this report, including the extension periods is £11.969m, further detail of the profile of this spend is included in the Exempt Appendix 4

4.2 Allocation of funds as set out in Exempt Appendix 1 will allow for savings to be delivered in 2015/16 which aligns to the requirements of the Medium Term Financial Plan (MTFP)

4.3 Re-tendering will deliver a more cohesive service, deliver against the recommendations of the needs assessment, and contribute to delivering savings in 2015/16 (exempt appendix 2).

4.4 Commissioning of the contracts in this report will ensure value for money is being achieved for services and the requirements of the MTFP are achieved. Before the contracts are awarded a review will need to be undertaken by Commissioning to ensure that the final award value aligns with the values in the Exempt Appendices.

4.5 This report only seeks approval to spend non-employee expenditure.

4.6 Chief Finance Officers Observations on Dispensation

Dispensation from financial regulations 3.29 and contract procedure rule 5.1.2 is supported for this service**.**
(Author Dee Fretwell Finance Analyst 02/02/15)

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL AND PROCUREMENT IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

Legal Implications

5.1 There are no significant legal issues with regard to the proposals set out in this report which are supported.

5.2 Each contract that is proposed to be transferred to the CDP as a result of the arrangements detailed in this report will have varying provisions with respect to contractual term and so will need to be considered in its own light.

5.3 With regard to the requests for dispensation, such can be granted for operational reasons and these are as set out in the report. On the basis that the individual contract values are relatively low, the extensions are for an interim period only to allow the commissioning to be undertaken, the risk to service users if there is a break in service, and the localised nature of the service, such dispensation is considered to be low risk to the Council. The request for extensions under this report to facilitate the service review, are therefore supported. However, clear planning must be put in place with regard to the commissioning review to ensure that the Council is in compliance with its duty to secure best value and any public procurement requirements moving forward. This will be addressed by the proposed redesign and commissioning of the services.

5.4 Advice will continue to be provided by both the Corporate Procurement and Legal Teams to ensure compliance with governance and procurement requirements. Legal Services

will assist as necessary with respect to the transfer of the existing contracts over to the CDP. These arrangements will need to ensure protection of the CDP with respect to its obligations and responsibilities as the accountable body of the funding, that funding will not be removed by partners during the contract term and that there are efficient break clauses included in the contracts. It is proposed to capture these arrangements under a detailed Memorandum of Understanding between the Partners.

5.5 Delivery of savings across the Public Health substance misuse budget beyond 2015/16 will be difficult unless redesign and recommissioning is undertaken.

(Author: Dionne Screaton, Solicitor, Contracts and Commercial Team, Legal Services 02/02/2015)

Crime and Disorder Implications

5.6 Should the budget be further reduced, risks may include people waiting longer for treatment (alcohol and drugs) with less likelihood of recovery. They may require more support with attached costs for recovery. The increase of illegal drug use and sales may impact on crime, particularly violence.

There may be increased costs to both Nottingham City Council and partners particularly health colleagues and police. One in five children are currently in care due to parents substance misuse, there is a potential for increase in these numbers should costs be reduced further.

Procurement Implications

5.7 There are no significant procurement concerns with the recommendations of included in this report. The CPU is providing full support for re-commissioning services as planned.

On discussion with the service area, dispensation to extend current Drug and Alcohol Services contracts to July 2016 is supported for operational reasons and this will facilitate an effective commissioning process. Likewise, dispensations to extend the CDP's Domestic Violence contracts are supported whilst a comprehensive review of this service area is undertaken. Following these reviews, contracts will be tendered in accordance with Contract Procedure Rules.

Extension by direct award of Supervised Consumption and Brief Alcohol Intervention contract is supported, where the intention is to advertise these contracts for other interested pharmacies and GPs to ensure transparency (there is no competition for provision of these services as all suitably qualified organisations may be awarded contracts).

(Author Dawn Cafferty: Procurement Category Manager - Leisure, Environment and Community Services 02/02/2015)

6 SOCIAL VALUE CONSIDERATIONS

6.1 Recommendations have been considered in line with the Public Services (Social Value) Act 2012. All services within this report aim to improve the social wellbeing of the client groups they target.

7 REGARD TO THE NHS CONSTITUTION

7.1 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 decisions relating to public heath functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 An EIA has been undertaken against those services which were identified as potential areas for efficiencies which is incorporated in the allocations contained within exempt appendix 1.

8.2 An Equality Impact Assessment is not required for those services where no efficiency savings are being made as recommendations in relation to agreement of spend for these services is to continue to extend existing provision (exempt appendix 1).

8.3 Risk Assessment and Equality Impact Assessments are being undertaken or will be undertaken (depending on the timescales for the tender) for those services to be tendered.

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

9.1 None

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 None

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1 Christine Oliver, Acting Director, Crime & Drugs Partnership
Dionne Screaton, Solicitor, Contracts and Commercial Team, Legal Services
Dee Fretwell, Finance Analyst, Children and Families, Strategic Finance
Dawn Cafferty, Procurement Category Manager, Corporate Procurement
Lucy Putland, Strategy and Commissioning Manager, Crime and Partnership
Tim Clark, Finance Analyst, Crime & Drug Partnership

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank

Document is Restricted

This page is intentionally left blank