BARNSLEY METROPOLITAN BOROUGH COUNCIL

This matter is a Key Decision within the Council's definition and has been included in the relevant Forward Plan.

Joint Report of the Director of Public Health and Executive Director (People) to Cabinet

20th April 2016

FUTURE COMMISSIONING OF THE 0-19 YEARS HEALTHY CHILD PROGRAMME

1.0. Purpose of the Report

1.1 To update Cabinet following the paper and verbal update made on 23rd March 2016 regarding the proposed service model concerning the 0-19 Years Healthy Child Programme.

2.0. Recommendations

2.1 That Cabinet:

(a) Notes the decision taken by the South and West Yorkshire Partnership NHS Trust Board to exit the current contracts for the 0-19 Years Healthy Child Programme, namely the Health Visiting and School Nursing contracts.

(b) Approves the recommendation to extend current contracts for Health Visiting and School Nursing to 30th September 2016 allowing for safe transition of the service.

(c) Supports Option 3, the 'in house' service delivery option, transferring staff from the NHS to the Council for an interim period while longer term options are assessed and considered.

(d) Supports a gateway review in three months and corresponding report back to Cabinet.

3.0. Introduction to the Report

3.1 At its meeting on 13th January 2016, Cabinet noted the position regarding the 0-19 Years Healthy Child Programme (HCP), the failure of the procurement exercise in 2015 and the various options described within the paper to secure continued service provision for the borough. Cabinet approved Option 4 within the paper which described a proposal to develop a partnership arrangement with South and West Yorkshire Partnership NHS Trust (SWYPFT) which would result in a newly designed service model for the provision of the 0-19 HCP in the Borough.

4.0 Service Model Principles

4.1 The service model principles described in the 13th January Cabinet report remain in place. In brief, the challenges to future public health funding will mean that future commissioning of a service model should be formulated in accordance with the following:

- Built on strong needs assessments.
- A service designed to achieve improvements in quality, efficiency and value for money.
- Positive engagement of children and young people in their healthcare and the development and delivery of services.
- High quality care and effective targeting of resources to meet specific needs and address health inequalities.

5.0 Current Position

5.1 Following the 13th January Cabinet decision, senior colleagues from Barnsley MBC and SWYPFT met on a weekly basis to further the partnership approach to developing the new 0-19 service. The meetings addressed the service delivery model, system leadership and interdependencies, finance and legal considerations. In addition, four workshops took place with wider, strategic and operational representation from both organisations. The workshops focussed on the service delivery model, the staffing numbers and ratios, staff skill mix and deployment and the scope of service provision.

5.2 On the 29th March 2016, the SWYPFT Board agreed the recommendation from the SWYPFT Executive Committee that the organisation should exit the Health Visiting and School Nursing contracts held with Barnsley MBC. This was confirmed to the Council on 30th March. SWYPFT state that this decision was based on clinical and managerial assessment of the sustainability of the service going forward within the financial envelope as described in the 13th January Cabinet paper.

5.3 As described in the 23rd March Cabinet paper, the Council has actively investigated the feasibility of Option 3, outlined in the 13th January Cabinet report. This 'in house' option allows the existing contracts for Health Visiting, School Nursing, FNP and National Child Measurement Programme to run their course until 31st March 2016 (school nursing and NCMP 31st May 2016) and following a short contract extension to allow for service transition, then the Council manage 'in-house' provision of the entire 0-19 HCP.

5.4 In the January Cabinet paper this option was a default position rather than a preferred option. This paper therefore revisits all four presented options and based on a revised assessment confirms that the recommendation to Cabinet is Option 3, 'in house' provision of 0-19 HCP.

6.0 Procurement Options

6.1 The 13th January Cabinet paper outlined in detail the four possible options for the provision of the 0-19 HCP. The first two options required a procurement process to be undertaken. The latter two options were non-procurement options. Below is a brief updated position against each option:

6.2 Option 1: Immediately approach and re-procure a revised 0-19 HCP Service

6.3 Following detailed investigation and discussion it was concluded that the potential length of the contract to be offered may have inhibited tenders from suitable providers and there was a significant risk that this option would result in a failed procurement.

6.4 The cost of change, transitioning from the current service model to the new model was seen as a barrier by a number of providers. Finance stated that to mitigate risk, it was possible to have tendered for the running costs of the service as per the funding envelope with a negotiated element around the costs of change which could have been picked up as a one off cost of change by the Council.

6.5 In addition, Finance identified that if the new tender under this option was to commence in October 2016 there was a risk that in the intervening period the current provider would have sought to maintain the current funding position for that period. The risk might have costed up to an additional £0.500m.

6.6 Option 2: Develop an interim arrangement with current provider and revisit the market to procure a revised 0-19 HCP Service

6.7 This option considered procuring a 0-19 HCP from **1st April 2017** through working with the market to develop a service model. This option required an agreement with the incumbent service provider to extend the current contract until a new contract based on a revised service model was capable of being delivered. SWYPFT have confirmed they wish to exit the current contracts as soon as it practicable, therefore this option is unlikely to be feasible. For this reason the strengths and risks described in the previous paper have not been revisited here and this option is disregarded.

7.0 Non-procurement based Options

7.1 Given the issues and risks associated with the above procurement options, consideration was also given to further options for the future of the services.

7.2 Option 3: 'In-House' 0-19 HCP to be delivered by Barnsley MBC

7.3 This option was not initially the recommended option in the 13th January Cabinet paper, however in the interim period considerable investigation and consideration has been given to this option, including further consultation with CCG partners. Significant potential benefits have been identified with the bringing of these services 'in house'.

7.4 Due to the risks related to the procurement of a new service as indicated above, this option would ensure service continuity via the existing specifications based on an 'in-house' service and the transition of existing services from SWYPFT to Barnsley MBC. This option would involve extending the existing contracts for Health Visiting and School Nursing for a short period of time, up to 30th September 2016 at the latest. This contract extension would ensure that the staff are transferred from the NHS to the Council and services continue to be provided safely throughout transition, with the Barnsley MBC 0-19 HCP commencing 1st October 2016 at the latest.

7.5 This option would enable the 0-19 HCP to better align with the priorities established in the Borough's Public Health Strategy and to explore links with other Barnsley MBC services such as Early Years and Youth Justice Services.

7.6 In considering this option, the capacity required in terms of the transition and then in ongoing service management has not been underestimated. During the transition process a significant amount of support will be required internally to address issues such as IT, information security and governance, estates, HR, clinical governance and so on. Internally colleagues from across the Council are actively engaged and working with Public Health on developing the work streams as described above.

7.7 Since the 13th January Cabinet report Public Health has investigated similar models and transition processes elsewhere such as York City Council in order to learn lessons and develop a comprehensive risk assessment and project plan. Public health has also sought expert external professional input from senior nurses at Public Health England and NHS England to provide external check and challenge to the process. In the 13th January paper it was identified that the Council would also need to bring in some additional resource to assist in undertaking the service design and reconfiguration. External expert support from a senior clinical manager with a track record in providing 0-19 clinical services has been identified to support the project management process.

7.8 Finance

From a finance perspective, this option involves the Council re-configuring the service to be delivered within the agreed recurrent resource envelope of £4.802m. Negotiations between the Council and SWYPFT have concluded that the contract extension is both affordable and acceptable. Regarding the transition, there may be an additional one off cost of change which the Council may incur and finance colleagues are working closely with public health in order to arrive at a more detailed understanding and analysis of the requirements and costs to arrive at a more accurate financial position. Detail can be found at section 13 below and in Appendix A.

7.9 Negotiations with the current provider revealed higher than anticipated overhead and surplus costs. BMBC commissioners challenged SWYPFT to revisit this level of overhead, which was felt to inhibit the development of a sustainable service offer that maximised resources to frontline delivery. An advantage of bringing the service in to the delivery of the Council is that overhead costs are, to an extent, already accounted for. The Council are committed to avoiding redundancies as far as possible and this option should allow for a more efficient and sustainable offer to be developed, safeguarding more jobs and allowing for more flexibility in utilising resources to frontline delivery.

7.10 Legal

The Councils TUPE obligations are referred to in paragraph 14.1. There are provider obligations in the current contracts, to cooperate and to help manage transferring employee costs, which would help the transition, but these would do little to reduce the scale of the challenge of this option.

8.0 Option 4: To seek to establish a partnership arrangement with SWYPFT

8.1 This proposal, previously the recommended option and supported by Cabinet, is no longer viable.

9.0 Next Steps

9.1 The current position, SWYPFT's decision to exit the contracts and the proposed 'in house' option have been discussed with Barnsley Clinical Commissioning Group as a key stakeholder and they have confirmed their support should there be a need to implement the 'in house' option described above.

9.2 Communications have also gone out to all stakeholders to ensure they are fully briefed of the current position. This also includes sharing information with service users and residents of the borough, so that they are reassured of continued and safe service delivery.

9.3 A detailed project plan is in development. Barnsley MBC and SWYPFT leads for each of the key work streams (HR, IT, Estates and so on) have begun to scope what will be required in terms of resource and staff time in order to successfully bring the staff and service from the NHS into the Council. Should Cabinet approve the recommendation to bring the service 'in house' formal notification to SWYPFT and key stakeholders will take place and the transition plan will be deployed.

10.0 Conclusions and Recommendation

10.1 Notes the decision taken by the South and West Yorkshire Partnership NHS Trust Board to exit the current contracts for the 0-19 Years Healthy Child Programme, namely the Health Visiting and School Nursing contracts.

10.2 Approves the recommendation to extend current contracts for Health Visiting and School Nursing to 31st August 2016 allowing for safe transition of the service.

10.3 Supports Option 3, the 'in house' service delivery option, transferring staff from the NHS to the Council for an interim period while longer term options are assessed and considered.

10.4 It is imperative that deadlines and milestones are adhered to in order to deliver the new service model. Cabinet is therefore asked to support a gateway review in three months which will be reported back to Cabinet.

11.0 Implications for Local People and Service Users

11.1 The implications for local people and service users remain as described in the 13th January Cabinet report.

12.0 Legal and Procurement Implications

12.1 No procurement implications identified.

13.0 Financial Implications

13.1 As set out under Section 7, if approved the recommended option (Option 3) will require the Council to re-configure the service whilst at the same time remaining within the available resource. The total available funding from 2016/17 onwards is £4.802m per annum.

13.2 It is expected that through service reconfiguration from 2017/18 the in-house service will be delivered within a resource envelope of £4.300m. The remaining sum of £0.502m - freed up through the cessation of the Family Nurse Partnership programme - offers the potential to support service financial pressures in the current year in addition to contributing to the commissioning of a wider range of interventions in future

years for teenage pregnancy prevention and support for vulnerable young people

13.3 The Council has agreed service extension contracts with SWYPFT for the next 6 months to September 2016 in in order to ensure service continuity throughout the transition of the service to the Council. These costs of the extended contract comprise the following:

- **1 April to 30 June 2016**: 3 month contract continuation costing £1.211m (including a one-off transition cost allowance).

- **1 July to 30 September 2016** – a contract extension option up to the end of September costing £0.374m per calendar month.

13.4 Assuming the above contract runs to September 2016 the Council will effectively be required to deliver a service in-house for 6 months within the remaining funding envelope of £2.467m.

13.5 It should be noted that figures previously shared by SWYPFT in relation to the current cost of the service included a significant amount of organisational overheads (in the region of £1.2m). The extent of these overheads will not be required in-house. As a result the current estimates suggest that the Council could deliver the transferred service from within the available resources until the service has been reconfigured.

13.6 It must be noted there are some potential risks in terms of this that cannot be fully quantified until work to reconfigure the service has been completed.

13.7 Work is ongoing to identify any additional costs that may arise as a consequence of service transition (e.g. IT, premises related costs). Finance officers will continue to work closely with colleagues in public health to determine such costs.

13.8 It is assumed that any redundancy costs incurred following service reconfiguration will be funded from the corporate provision for employment policies.

13.9 The expectation is that this proposal will not have an impact on the medium term financial position as the reconfigured service will be done such that it is delivered within the available resource envelope. Financial implications are detailed at Appendix A

14.0 Employee Implications

14.1 The recommended Option 3 outlined above would amount to a service provision change under the TUPE Regulations which would oblige the Council to employ all of those SWYPFT employees who are assigned to the current contracts. Discussions are currently taking place with appropriate Council Officers in respect of the employee's terms and conditions including pensions provision.

15.0 Communications Implications

15.1 As described above, since receiving the notification from SWYPFT of their intention to exit from service provision, all key stakeholders have received a briefing in order to communicate in a timely manner.

15.2 As part of the transition plan, the existing Barnsley 0-19 HCP communications plan will be revisited and updated accordingly. This plan involves all key partner organisations

and ensures that the key messages are shared.

16.0 Consultations

16.1 The 13th January 2016 Cabinet paper described the extensive consultation that had taken place with children, young people and families, partner organisations and other stakeholders in order to assist in developing the service model.

16.2 The 23rd March Cabinet paper described the ongoing consultation and partnership work with SWYPFT and CCG colleagues in the development of the new service model.

16.3 Barnsley MBC Senior Management Team has been briefed and consulted with on a regular basis regarding the options for the future commissioning and delivery of the 0-19 years HCP, as outlined in the report.

16.4 As part of the Option 3 transition project plan, there is a detailed consultation action plan, which will ensure all key stakeholder views are captured and used to assist in the transition of the service and then the ongoing development of the service.

17.0 Key Policy Considerations

17.1 As described in 13th January Cabinet report.

18.0 Tackling Health Inequalities

18.1 As described in 13th January Cabinet report.

19.0 Climate Change and Sustainable Energy Act (2006)

19.1 There are no implications for the Act emerging through consideration of the report.

20.0 Consideration of Risks

20.1 Risks relating to Option 3 are described at 7.1 above. A number of mitigating actions have recently been put in place. These include securing project management to lead on the development and execution of the project plan; seeking time limited, external expert advice as a 'check and challenge' to the Option 3 recommendation; the development of a project steering group with the buy in of key internal stakeholders from People directorate, IT, Finance, Estates, HR, and so on .

21.0 Health and Safety Implications

21.1 There are no implications for the health and safety of the public or employees arising through consideration of this report.

22.0 Compatibility with the European Convention on Human Rights

22.1 As described in 13th January Cabinet report.

23.0 Promoting Equality, Diversity and Inclusion

23.1 As described in 13th January Cabinet report.

24.0 Reduction of Crime and Disorder

24.1 There are no implications for tackling crime, disorder or anti social behaviour emerging through considering the options submitted in this report.

25.0 Conservation of Biodiversity

25.1 There are no implications for the conservation of biodiversity through consideration of this report.

26.0 Glossary of Terms and Abbreviations

26.1 None applicable.

27.0 List of Appendices

27.1 Appendix 'A': Summary of Financial Implications.

28.0 Details of Background Papers

28.1 Background papers used in the compilation of this report are available to view by contacting the Director of Public Health, Barnsley MBC, PO Box 609, Barnsley, South Yorkshire S70 9GG

Officer Contacts:

Carrie Abbott, Service Director, Public Health, Barnsley MBC (Tel. No. (01226) 787412 or e-mail carrieabbott@barnsley.gov.uk

Richard Lynch (Head of Commissioning, Governance and Partnerships) People Directorate, Barnsley MBC (Tel. No. (01226) 773672 or e-mail richardlynch@barnsley.gov.uk

Financial Implications/ Consultation …… *(to be signed by senior Financial Services officer where no financial implications)*