

Children's Services: Re-procurement of Services

Joint Report of the Chief Officer for Community, Public Health, Environment and Prosperity and the Chief Officer for Children's Services

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendation: that Cabinet approves a six-week consultation on three options for children's services provision following the end of the current five-year contract on 31st March 2018, and receives a further paper at its meeting on 8 March 2017 to decide on the preferred option for the County Council.

1. Context

1.1 This paper describes the current contractual arrangements for Integrated Children's Services with Virgin Care Limited, and explains why Cabinet is requested to approve a consultation on options prior to decision-making in March.

1.2 While it is not anticipated that there will be any substantive change in service provision as a result of any of these options, the nature of the commissioning arrangements will be changing after 31st March 2018 as a result of the expiry of the current contract with Virgin Care Limited. Following advice from the Council's legal team, Cabinet is advised to undertake a consultation on the options prior to coming to a decision. The commissioning partners are committed to continue their strong working arrangements both as a commissioning partnership for children, young people and families, and strategically as part of the Devon Children, Young People and Families Alliance.

2. Background

2.1 In April 2013, Devon County Council and NHS Devon (Devon Primary Care Trust) entered into a 3+1+1 year (five year maximum) contract for the delivery of integrated children's services with Virgin Care Limited via a pooled budget arrangement. The services are currently commissioned from this pooled budget with Northern, Eastern and Western Devon Clinical Commissioning Group acting on behalf of the commissioning partners as the Co-ordinating Commissioner.

2.2 The intention of the commissioners at that time was to bring together three main elements of existing services for children:

- Public Health Nursing services and the mandated National Child Measurement Programme (health visitors and school nurses)
- Specialist Child and Adolescent Mental Health services (CAMHS)
- Specialist Children with Additional Needs services (for those with complex needs such as physical and learning disability)

2.3 On 1st April 2013, there were significant structural changes to the public sector which meant that the original two-partner commissioning arrangement became much more complex. NHS commissioning then became the responsibility of three commissioning partners – NHS England, Northern, Eastern and Western Devon Clinical Commissioning Group (NEW Devon CCG) and South Devon and Torbay Clinical Commissioning Group. Devon County Council became two commissioning partners: People Social Care Commissioning and Public Health Devon, following the transfer of public health responsibilities to the local authority on 1st April 2013. In summary, from 1st April 2013, the original commissioning arrangement had increased from two to five commissioners. A further change occurred on 1st October 2015 when, nationally, the responsibility and budget for commissioning 0-5 years Public Health Nursing transferred from NHS England to local authority public health teams.

2.4 The pooled budget has a total value of almost £35 million per annum and the five-year contract with Virgin Care Limited is from 1st April 2013 to 31st March 2018. The contract ends at this point and because it has already been extended twice, it cannot be extended again under national regulations.

2.5 In terms of Devon County Council's current financial contribution to the pooled budget:

- Social Care currently invests approximately £3.5 million in specialist children's services.
- Public Health Devon is the sole investor of approximately £11.9 million in 0-19 Public Health Nursing services.

2.6 Public Health Devon's investment is from the Public Health Grant, which is for the delivery of Public Health England's national specification for a 0-19 service and is currently subject to a mandate (via a statutory instrument) for the five universal checks between 0 and 5 years of age. The service forms part of the Director of Public Health's responsibilities made under section 6C of the NHS 2006 Act, inserted by section 18 of the 2012 Act. This funding currently represents 41% of the total ring-fenced Public Health Grant for 2016-17 from Public Health England.

2.7 NHS England has advised that for its two areas of commissioning responsibility, childhood immunisations and the Child Health Information System (CHIS), it will be making alternative arrangements from 1st April 2018.

2.8 As part of the public health transition arrangements set out by the Government, Child Health Information Systems are planned to become a local authority public health responsibility from 2020.

2.9 It should be noted that the Government's intention in transferring the responsibility for Public Health Nursing services to the local authority as part of the public health transition arrangements was to ensure that local authorities were able to better align their social and health care responsibilities for children, young people and families and to ensure that all children have the best start in life.

3. Pre-Procurement process

3.1 The process of pre-procurement formally commenced in June 2016. An independent chair was appointed and employed by South Devon and Torbay Clinical Commissioning Group (on behalf of NEW Devon Clinical Commissioning Group as the lead commissioner and the other three commissioning partners) to establish and chair a Pre-Procurement Board, the aim of which was to clarify intentions, begin collating the necessary finance and contractual data and, based on this, produce a set of recommendations on the approach to procurement. A market engagement event was held at Finlake on 17th November 2016 which was well attended by a range of stakeholders.

3.2 At its meeting on 7th December, the Pre-Procurement Board considered the position of each of the partners in relation to the procurement. It was recognised that further work was required by the two Clinical Commissioning Groups in relation to elements of the contract.

3.3 The Clinical Commissioning Groups, working with the other commissioning partners across the wider Devon footprint, intend to set out their strategic ambition for the system and how the procurement will enable this to be achieved. Over the next 6 months of the Sustainability and Transformation Plan (STP) process, priorities relating to children's services, alignment with the STP Acute Hospital Services Review and mental health programmes will be developed, alongside the reconfiguration of the Children's Partnership arrangements in Devon. An integrated children's delivery plan will then be developed to provide the strategic context for the re-procurement.

3.4 The Clinical Commissioning Groups have therefore proposed awarding a one-year interim contract to allow further work to be completed that will inform the procurement of a longer-term agreement that would commence on 1st April 2019.

3.5 DCC Procurement has confirmed that Public Health Devon is still able to meet the original timeline for the procurement of 0-19 Public Health Nursing Services due to its state of readiness. As per the original timeline, NHS England will also be consulting on its services and will re-procure to enable the new services to be in place from 1st April 2018. Recommendations will be made to Cabinet on the investment from Devon County Council's Children's Services at the Cabinet meeting on 15th March.

4. Options for 0-19 Public Health Nursing

4.1 Following discussion at the Pre-Procurement Board, three options have presented themselves:

1. To negotiate a 12 month interim contract for the provision of children's services to allow for a full procurement with a contract start date of 1st April 2019 and which incorporates 0-19 Public Health Nursing Services.
2. To proceed with the independent procurement of 0-19 Public Health Nursing services.

3. To transfer the 0-19 Public Health Nursing Service to Devon County Council from 1st April 2018, under the management of the Director of Public Health as the statutory Director, until such time as strategic discussions on the configuration of children's services have been completed and a decision made on future commissioning/provision arrangements.

4.2 Subject to Cabinet approval, a six-week consultation would be undertaken from 12th January 2017 to 22nd February 2017, with further consideration and a decision on the preferred option by Cabinet on 15th March 2017.

5. Legal Considerations

Legal advice is that a consultation on the options is required at this stage prior to Cabinet making a decision.

6. Risk Management Considerations

A risk assessment has been carried out of each of the three options.

7. Options/Alternatives

Included within this paper.

8. Public Health Impact

The Joint Health and Wellbeing Strategy is a relevant document, drawing together priorities from the Joint Strategic Needs Assessment. This report and the related documents emphasise the need for children to have the best start in life and that this can have an impact on a young person and adult's later health and wellbeing and thus this relates directly to other important health, social care and wellbeing outcomes such as mental health and health inequalities, as well as the detection and prevention of child safeguarding risks and reducing the risk of children going in to statutory care proceedings, both of which are the cause of significant costs to local authority social care and can have a life-long negative impact on children as they grow up. The prime purpose of the Public Health Grant is to ensure the delivery of the mandated elements of the grant as described in the statutory instrument, and the expectation of local authorities to deliver year-on-year improvements in the health of children and young people through the delivery of an effective 0-19 Public Health Nursing service.

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Local Government Act 1972: List of Background Papers

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Background Papers

Future Service Delivery Models – Risk Identification and Assessment Template for 0-19 Public Health Nursing Services

Children's Services: Re-procurement - Equality impact assessment for 0-19 Public Health Nursing Services

Public Health England and the Association of Directors of Public Health. Guidance on the ring-fenced public health grant conditions and mandated functions in England. Public Health England 2016; Gateway number 2016-253.