



Cabinet
24 August 2015

**Report from the
Chief Operating Officer**

For Action

**Agreement to novate 0-5 children's public health
commissioning 2015/16 contract from NHS England**

1.0 Summary

- 1.1 The responsibility for commissioning of 0-5 children's public health services will transfer from NHS England (NHSE) to local authorities on 1st October 2015. NHSE London currently holds a contract for health visiting and Family Nurse Partnership (FNP) services for Brent with London North West Healthcare Trust (LNWHT). This contract has a six month value of £2,563,000.
- 1.2 The Council will receive an increase in its public health grant to reflect the transfer of commissioning responsibility. On 29th July the Department of Health (DH) published the 2015/2016 allocation for Brent as £2,763,000. This allocation will cover the six month period 1st October 2015 to 31st March 2016.
- 1.3 Earlier provisional and draft financial allocations published by DH were challenged by Officers as not being adequate to cover the cost of the current service.
- 1.4 The signing of the 2015/16 contract between NHSE London and LNWHT for health visiting and FNP services has been significantly delayed, as has the publication of the final DH financial allocation to Brent Council for these services. This has prevented the Council being able to agree a contract novation at an earlier date. However there is now in place an agreed and signed contract which can novate and DH have indicated their intent to publish an increase to the Brent public health grant which will cover the costs of this contract.
- 1.5 The allocation is in excess of the contract value because it includes an allocation for the costs of commissioning by the Council and for a previously agreed growth in health visitor numbers.

2.0 Recommendation

Cabinet is recommended to give its approval to:

Novate the NHS England contract with London North West Healthcare Trust for 0-5 children's health services for health visiting and FNP services with effect from 1st October 2015 from NHS England to Brent Council for its remaining term of 6 months to 31st March 2016.

3.0 Detail

- 3.1 The responsibility for commissioning the Healthy Child programme 0-5 children's public health services is transferring from NHS England to the Local Authority on 1st October 2015¹. Brent's health visiting and FNP ("Healthy Child Programme 0-5") services are currently provided by London North West Healthcare Trust under a contract with NHSE London with an annual value of £5,126,000 (half year value £2,563,000). The resource for the commissioning of these services will be part of the Public Health grant which DH have indicated will be increased in year by £2,763,000 for the six months 1st October 2015 to 31st March 2016.
- 3.2 The Council is already the commissioner for school nursing services ("Healthy Child Programme 5-19"). This gives the Council the opportunity in the future to join up the commissioning of the Healthy Child programme for children 0-5 years with that for 5-19 year olds.
- 3.3 Cabinet agreed a reprocurement of the inherited NHS contract for school nursing during 2014/15 and at its December meeting approved the award of contract for school nursing to Central London Community Health (CLCH) until 31st March 2017 with the potential for two one year extensions thereafter.
- 3.4 The new local authority responsibility for commissioning of 0-5 children's public health services provides opportunities in the future to achieve synergies with other Council responsibilities for the early years.
- 3.5 From 1st October 2015, local authorities will be under a legal duty to secure the provision of the five mandated elements of the Healthy Child Programme 0-5. These are:
- antenatal health promoting visits;
 - new baby review;
 - 6-8 week assessment (the 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.
- 3.6 The Department of Health ("DH") have recognised that the NHS is not currently achieving 100% against these mandated elements referred to in para. 3.5 above and that local authorities can only be required to maintain the

¹ By virtue of the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) and Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) (Amendment) Regulations 2015

performance they inherit. However, DH expects that local authorities will aspire to raise performance.

- 3.7 In determining the funding allocation to local authorities for the new commissioning duties, DH's position is that the financial allocation should be on a "lift and shift" principle i.e. Councils should receive an increase to their public health grant to cover inherited commitments. These commitments would include both the existing contracts and also any commitment by DH to increase health visitor numbers in line with the "Call to Action". The "Call to Action" was a commitment by the Coalition Government to increase the numbers of health visitors and to fund this increase.
- 3.8 Unfortunately the publication of the final DH financial allocation to Brent for the Healthy Child Programme 0-5 children's public health services has been considerably delayed.
- 3.9 Following negotiations between the Council and the current commissioner NHSE London on the accurate identification of "lift and shift" costs, DH have informed the DPH that Brent's final allocation for 0-5 children's public health services will be £2,763,000.
- 3.10 The expectation in "lift and shift" was that the 2015/16 contract for the Healthy Child Programme 0-5 children's public health services between the current commissioner (NSHE London) and the provider (LNWHT) would be a roll over of historic agreements. However 2015/16 contract negotiations between NHSE London and LNWHT have not been straightforward and it was only in July that NHSE London was able to provide the Council with an electronic version of the signed contract to be novated from 1st October 2015.
- 3.11 The "lift and shift" approach to the transfer of commissioning responsibilities during 2015/16 taken by DH means Brent will inherit a resource allocation based upon historic activity rather than need. DH have signalled an intent to move towards funding based on population needs. The implications of this for Brent are not yet clear as the funding formula has not been finalised.
- 3.12 The novation of the existing contract will safeguard continued service delivery of the "as is" service. However, from Autumn 2015 following novation, Officers will review the service, with families and partners, to determine how it may need to develop to meet the Council's requirements, including the need for greater efficiencies, and how in future the service may best meet the evolving needs of Brent's preschool children.

4.0 Financial Implications

- 4.1 The final 6 month allocation from DH for period 1 October 2015 to 31 March 2016 (£2,763,000) is sufficient to fund the novation of the existing remaining 6 month contract (£2,563,000) with the current provider London North West Healthcare Trust (LNWHT). The existing contract has an annual value of £5,126,000.
- 4.2 Included in the final 6 month allocation is the funding for existing contracts and also any commitment by DH to increase health visitor numbers in line with the

“Call to Action”.

- 4.3 The future funding implications are not yet clear, as the 6 month’s funding in 15/16 is based on historic activity with an established provider and the 16/17 is not yet known. The future activity and service will be scrutinised to project if the funding allocation is sufficient, with a plan for continued service delivery in place before the end of the novation period.

5.0 Legal Implications

- 5.1 The Council from 1st October 2015 will be under a legal duty to commission the Healthy Child Programme 0-5 pursuant to the *Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) and Local Authority (Public Health, Health and Wellbeing Boards and Health Scrutiny) (Amendment) Regulations 2015* (“the Principal Regulations”).
- 5.2 The Healthy Child Programme 0-5 is currently commissioned by NHS England with a provider, London North West Healthcare Trust, for the period 2014 – 2016. Historically, this contracting arrangement was by way of a block contract agreement covering 3 geographical areas (namely, Brent, Ealing and Harrow Councils). However, in order for existing contracts to be novated by individual boroughs, NHSE London for 2015/16 agreed and executed separate contracts for each local authority whereby permitting novation of the relevant contract, should a local authority elect to do so as opposed to negotiating and executing its own new contract with the provider for the remaining six (6) months.
- 5.3 As referred to within the body of the report, Officers have now reached agreement with NHSE London with regards to the true ‘lift and shift’ costs of delivering the Healthy Child Programme 0-5 in the borough, which has been forwarded to DH to agree and publish Brent’s final in year allocation.
- 5.4 Members are being asked to give its approval to the novation to the Council of the contract executed by NHSE London with the provider, London North West Healthcare Trust for the remaining six (6) month term effective from 1st October 2015 to 31st March 2016. Should Members be minded to agree such novation, it is on the basis of the Council executing a deed of novation which will transfer the original contract to the council without amendment. Prior to the expiration of the novated contract, Officers should be in a position to identify a plan for the continued provision of services post March 2016.

6.0 Diversity Implications

The specifications within the contract will not change and therefore the provider will ensure continued equity of delivery.

7.0 Risk Management Implications

The potential for disruption in service delivery due to change in commissioners etc. would be minimal as the Council has agreed its funding

allocation and has elected to novate the existing NHSE London contract with the same provider. Thereby, on the face of it, there should be a seamless transfer of the service within the borough.

Contact Officers

Dr Melanie Smith
Director of Public Health
020 8937 6227
melanie.smith@brent.gov.uk

LORRAINE LANGHAM
Chief Operating Officer