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Southend-on-Sea Borough Council

Department of the Chief Executive

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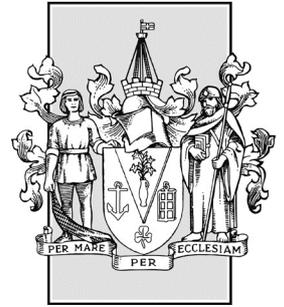
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Dear Councillor

CABINET - MONDAY, 29TH JANUARY, 2018

Please find enclosed, the report of the Deputy Chief Executive (People) below which was considered as an urgent additional item at meeting of the Cabinet held on Monday, 29th January, 2018.

Agenda No Item

664. **0-5 Service - Contract Extension**

Yours faithfully

Tim Row
Principal Democratic Services Officer

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Southend-on-Sea Borough Council

Report of Deputy Chief Executive (People)

To
Cabinet
on

29th January 2018

Report prepared by: Jon Gilbert, Interim Commissioner &
Nick Faint, Integrated Commissioner

Agenda
Item No.

Minute Item

Extension of 0-5s Service; and Options for an Integrated Children's Service

People Scrutiny Committee
Executive Councillor: Councillor Salter
A Part 1 Agenda Item

1 Purpose of Report

The purpose of this report is;

- 1.1 To provide an update for Cabinet to note regarding the commissioning of children's services for Southend Borough Council (SBC), including the value for money and outcomes delivered by the 0-5 Service; and
- 1.2 To request that Cabinet approve an exception to tender for the contract with Essex Partnership University NHS Foundation Trust (EPUT) for the provision of the 0-5 Service by a period of 12 months to 31 March 2019.

2 Recommendations

Cabinet is recommended to;

- 2.1 Note the current commissioning arrangements for children's services for Southend, including the value for money and outcomes delivered by 0-5 Service; and
- 2.2 Approve the exception to tender for the 0-5s service which will facilitate the extension of the contract with EPUT for the 0-5 Service by a period of 12 months to 31 March 2019.

3 Background and Context

Commissioning Responsibilities

- 3.1 Commissioning responsibilities for children's services is split across a number of commissioners, including

- Local Authorities – Public Health
 - Health visiting services (0-5 years)
 - School nursing service (5-19 years)
- Local Authorities – Children’s Services
 - Early years
 - Social care
 - Children’s centres
 - Education setting
- Clinical Commissioning Groups
 - Community Paediatric Services
 - Children’s Community Services

3.2 Responsibility for commissioning health visiting services for children aged 0-5 years in Southend transferred to SBC from NHS England following a restructure. The delivery of these services is mandated nationally within the Healthy Child Programme (0-19) which includes the aims of:

- helping parents develop and sustaining a strong bond with children;
- encouraging care that keeps children healthy and safe;
- protecting children from serious disease, through screening and immunisation;
- reducing childhood obesity by promoting healthy eating and physical activity;
- identifying health issues early, so support can be provided in a timely manner; and
- making sure children are prepared for and supported in all child care, early years and education settings and especially are supported to be ready to learn at two and ready for school by five.

3.3 Following the transfer of commissioning responsibilities, SBC put in place an interim contract with the incumbent provider (EPUT) for the delivery of the 0-5 Service for 2016/17.

3.4 This interim contract provided time for SBC to conduct a service review to assess the outcomes and value for money being delivered by the 0-5 Service and to recommend improvements to the service.

Outcomes of 0-5 Service

3.5 The review confirmed that EPUT achieved SBC’s quarterly performance targets for the delivery of each of the five mandated, universal health visitor reviews. EPUT also exceeded England averages for the period assessed, and either exceeded or delivered broadly in line with the averages across the East of England during the same period.

- 3.6 The service focused on six areas which are known to have the highest impact on the future outcomes for children¹. EPUT met SBC's targets for the majority of these metrics, although areas for improvement were identified in relation to certain areas (e.g. breastfeeding). Targeted support was provided to first time teenage mothers who required this support through EPUT's Family Nurse Partnership service and this was shown to have a significant positive effect on the breastfeeding outcomes for those families and in terms of smoking cessation.
- 3.7 Overall, it is considered that the 0-5 Service is meeting and, in some cases, exceeding the required outcomes.

Value for Money & Service Improvement

- 3.8 The review provided a catalyst for service improvement and EPUT submitted proposals to reconfigure the service for 2017/18 which allowed efficiency savings of £212,000 to be made during that period. These proposals included plans to centralise EPUT's staff base while maintaining locality working. The proposals were accepted by SBC and implemented during 2017. As a result, the efficiency savings were made in full to value of the contract and the 0-5 Service is delivered within the reduced budgets available for 2017/18.
- 3.9 In addition, the review highlighted areas where greater integration could be achieved with other services and a number of improvements have been made following this. These are;
- 3.9.1 EPUT has agreed to co-locate a health liaison officer within SBC's Children' Services First Contact team, as part of the contract for the 0-5 Service. This allows information to be shared more quickly between core agencies (social care, police and health) and allows decisions to be made on a better informed basis. This in turn improves the safeguarding outcomes for children and families in Southend. This 'HLO service' has been provided from December 2017 and will run on a pilot basis until 31 March 2018.
- 3.9.2 Similarly, EPUT's contribution to the Multi-Agency Risk Assessment Team (MARAT) service has been incorporated into the 0-5 Service. This multi-agency team includes members from police, children's and adult social care, Early Help Services, and Independent Domestic Violence Advocate Service. EPUT's involvement further improves the safeguarding outcomes for families in Southend by improving multiagency risk assessment and increasing safety.
- 3.10 Additional levels of integration with other commissioned services were highlighted in the review. However, it would not be possible to pursue these further without the proposed extension to the contract for the 0-5 Service. This is explained further at Section 4 onwards.
- 3.11 Considering the service changes and improved levels of integration made to the 0-5 Service following the review and considering the efficiency savings made

¹ Transition to parenthood, early weeks; Maternal (perinatal) mental health; Breastfeeding; Healthy weight; Managing minor illnesses and reducing incidents; Health, wellbeing and development of child aged 2 and support to be 'ready for school'. These six high impact areas are prescribed in national guidance.

during 2017-18, it is considered that the 0-5 Service delivers good value for money.

4 Exception to Tender and extension to the 0-5 Contract

4.1 As stated above, SBC put in place an interim contract with EPUT for the delivery of the 0-5 Service for 2016/17. Following the service review, the contract was extended by 12 months in line with the terms of the contract, in order for EPUT to make the efficiency savings envisaged by the service review. The contract has an annual value of £2,459,856. This contract will expire on 31 March 2018.

4.2 The contract with EPUT for the 0-5 Service now covers the following services:

- Health Visitors
- Family Nurse Partnership
- Health support for MARAT (Specialist Health Liaison & Safeguarding)
- Health support for Children's Services First Contact team – pilot (Health Liaison Officer Service)

Proposal

4.3 It is proposed that SBC should grant an exception to tender for the 0-5 Service and should extend that contract until 31 March 2019.

4.4 It is proposed all the services currently within the contract for the 0-5 Service (see paragraph 4.2) would be covered by this extension.

4.5 The proposed extension would allow SBC to consider commissioning a 0-5 Service which integrates closely with other children's services ("Integrated Children's Service"). As part of its statutory obligations, SBC is required to commission a health visitor service (i.e. 0-5 Service) and a school nursing service (i.e. 5-19 Service). However, beyond this, opportunities exist to integrate these services with other SBC services (e.g. Early Help, Children's Centres, Children's Services First Contact, MARAT) and with services commissioned by SCCG (e.g. Community Paediatrics and Community Children's Services).

4.6 The use of Integrated Children's Services is being explored and adopted by many commissioners across England. It can provide a way of delivering a more effective and integrated service, with improved pathways across the various component services and with other related services.

4.7 SBC has been exploring various configurations that could be adopted for an Integrated Children's Service. However, it is clear that it will not be possible to consider the full range of options without aligning the expiry dates of those contracts. The proposed extension to the contract for the 0-5 Service would align the expiry date of the 0-5 Service with those of the other children's services commissioned by Southend Clinical Commissioning Group (SCCG). This should enable those SCCG services to be more readily considered as part of exploring opportunities for an Integrated Children's Service.

4.8 The options under consideration include:

- Jointly Commissioning an Integrated Children's Service (with Southend CCG) – to include 0-5 Service, 5-19 Service (optionally), Community

Children's Service and Community Paediatric Service (optionally) and other SBC children's services.

- Commissioning a 0-19 Service (SBC only) – to include the 0-5 Service and 5-19 Service. This service could be delivered in-house or externally tendered
 - Commissioning a 0-5 Service – this would be a like for like replacement.
- 4.9 The proposed extension to the 0-5 Service would provide SBC with a sufficient period of time to complete this evaluation and to run a comprehensive procurement process, with the successful bidder mobilising the new service to commence on 1 April 2019.
- 4.10 If the contract is not extended, it would be necessary for SBC to take the delivery of the 0-5 Service in-house. This would present a number of risks for the service:
- 4.10.1 A risk that staff within the service would be unsettled by this transition. There have been a number of recent changes made to this service and this would be a further significant change. The risk of unsettling staff would especially be the case if the expectation was that the service would be put out for tender again;
- 4.10.2 A risk that the service is disrupted due to pace required to transition the service in-house; and
- 4.10.3 A risk that financial savings made during 2017 would be lost.
- 4.11 It has not been possible to recommission the 0-5 Services to date as this would have put the agreed service changes and associated efficiency savings at risk; i.e. a service review was promptly undertaken in 2016 and recommended the service improvements and efficiency savings. These changes and associated efficiency savings (£212,000) were implemented during 2017.
- 4.12 In addition, it was not possible to commission a replacement service for the 12 month period that would be required in order to align this contract with the expiry dates of the contracts for the other children's services.

Process

- 4.13 As the contract for the 0-5 Service does not contain any option to extend the contract beyond 31 March 2018, this would require an exception to be granted by SBC's procurement team. SBC's procurement team has indicated that the risk of any challenge being made in relation to the extension would be minimal as there is a limited provider market and a strong business rationale for extending (see paragraph 4.5 onwards).
- 4.14 It is proposed that the market is notified of the extension via the publication of a VEAT notice (voluntary ex-ante transparency notice) via the OJEU system. By so announcing the intention to tender a more comprehensive set of services in due course, it is considered that potential providers are likely to support this approach, further reducing the risk of any challenge being made.
- 4.15 SBC's procurement team has recommended that this approach complies with the applicable EU procurement Law.
- 4.16 Any such extension would also require the agreement of EPUT. EPUT has confirmed that it would be willing to accept such an extension.

4.17 It is noted that a reduction of £94,770 in the public health budget had been scheduled for the 0-5 Service for 2018/19. However, to ensure service continuity during the 12 month extension period, it is proposed that funding levels should be maintained for the 0-5 Service. It is proposed that Public Health reserves should be used to bridge any shortfall (up to £94,770) in meeting the reduced public health budget. (This has been provisionally discussed with the s151 officer.) It should be noted that EPUT had already made savings for 2017/18 which totalled £212,000 on the previous year's expenditure. In light of these recent savings, we believe that the current contract provides good value for money.

5 Contribution to Council's Vision & Corporate Priorities for 2016/17

Healthy:

5.1 Improve the life chances of our residents, especially children, by working to reduce inequalities and social deprivation across our communities.

6 Financial Implications

6.1 None at this stage that are not noted in the above paper.

7 Legal Implications

7.1 None at this stage that are not noted in the above paper.

8 People Implications

8.1 None at this stage that are not noted in the above paper.

9 Property Implications

9.1 None.

10 Consultation

Equalities and Diversity Implications

10.1 None that are not noted in this paper.

Risk Assessment

10.2 None that are not noted in this paper.

Communication

10.3 None that are not noted in this paper.

Value for Money

10.4 None that are not noted in this paper.

Community Safety Implications

10.5 None that are not noted in this paper.

Environmental Impact

10.6 None that are not noted in this paper.