

11 January 2023		ITEM: 14 Decision: 110637
Cabinet		
Public Health Contract – Healthy Families Service		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Deborah Arnold – Deputy Leader and Cabinet Member for Adults and Health		
Accountable Assistant Director: Andrea Clement, Assistant Director, Public Health		
Accountable Director: Dr Jo Broadbent, Director of Public Health		
This report is: Public		

Executive Summary

This report outlines the commissioning intentions of the Council’s Public Health team by seeking to extend the Healthy Families Contract of which value is above the threshold requiring approval by Cabinet. It also seeks to re-tender this contract following this extension.

The Integrated 0-19 Healthy Families Service encompasses Health Visiting, School Nursing, targeted support and a range of health interventions for children and young people as a part of the Brighter Futures Offer. It also includes several mandated elements such as the National Child Measurement Programme (NCMP) and child health reviews. The service consistently meets its performance targets and is solely funded by the Public Health Grant.

A twelve month extension of the existing contract followed by a re-procurement exercise for subsequent years is considered a prudent option from both a continuity and efficiency standpoint. Due to the need to make a cost saving on this contract, the twelve month extension (September 2023 to August 2024) will be at a 6.5% reduction to the current contract value.

The proposed reduction in service associated with this cost reduction will come from the 5-19 element of the service, specifically some of the health improvement and awareness raising of health issues in schools. It is key to note that the number of school nurses will not reduce under this proposal.

1. Recommendation(s)

That Cabinet:

- 1.1 Approve a second extension (of twelve months) of the Healthy Families Contract at a 6.5% reduction to the current contract value (£4,306,454) for September 2023 – August 2024.**
- 1.2 Agree that Officers proceed with the further development of the service specification of the Healthy Families Service ready for September 2024.**
- 1.3 Agree that Officers proceed on a proposed joint consultation by Public Health and Children’s Services through the Family Hub Transformation work to secure stakeholder and public approval to the re-design of the service specification of the Healthy Families Service.**
- 1.4 Subject to the outcome of the consultation exercise and in consultation with the Portfolio Holders, agree to proceed to tender for the Healthy Families up to a total maximum value of £4.3million per annum for 5 years+1+1.**
- 1.5 Agree Delegated Authority to award the Healthy Families Service Contract to the Director of Public Health in consultation with the Portfolio Holders for Education and Health.**

2. Introduction and Background

- 2.1 The Council’s public health team are seeking to extend a commissioned service contract whose value exceed the threshold for approval by Cabinet.
- 2.2 Public Health services are funded through the Public Health Grant. This is a grant from DHSC which is ring-fenced for public health functions, outlined in the grant conditions. As such the Public Health Grant is separate from the Council’s General Fund and has prescribed usage. The Healthy Families Service is funded solely from the Public Health Grant.
- 2.3 The Integrated 0-19 Healthy Families Service encompasses Health Visiting, School Nursing, targeted support, and a range of health interventions for children and young people as a part of the Brighter Futures Offer.
- 2.4 The current provider is NELFT with whom Public Health entered a contract in September 2017 for an initial 5-year period until August 2022. In 21/22, the contract was extended for an additional year (September 2022 – August 2023) due to the COVID-19 pandemic impacting on capacity to initiate re-procurement activity. As services resume business as usual and continue to catch up following on from the significant disruption resulting from pandemic there is now a need to extend the contract for a further twelve months (to August 2024) and re-tender the service thereafter.
- 2.5 The Public Contract Regulations (2015) are due to change, and the Provider Selection Regime¹ is due to come into effect imminently however these have

¹ The NHS Provider Selection Regime (PSR) will be a new set of rules for arranging healthcare services in England. The aim of the Provider Selection Regime is to give decision makers a more flexible process for deciding who should provide healthcare services, to make it easier to integrate services and enhance collaboration, and to remove the bureaucracy and cost associated with the current rules.

not yet been published and hence the impact of these changes is currently unknown. Extending the contract for an additional year would allow time for the Provider Selection Regime to come into force, be embedded into practice and the impact monitored. However, a competitive tendering process remains a valid procurement option under the Provider Selection Regime, and in most cases procurement would preference a competitive process so the market can be tested, and we can more clearly evidence value for money.

- 2.6 The Healthy Families Service is funded at a total cost of over £20 million during the initial 5-year contract period equating to £4 million per annum. Alongside the contract value, there has been expectation to pay NHS AfC uplift on the staffing establishment associated with this contract. For the entirety of this contract this has been £375,000 for the last 3 years of the contract and for 2021 to 2023 this is a total of £230,000, bringing the AfC uplift paid so far on this contract to a total of £1,355,833. We are currently not aware if this expectation will continue. We will work out a strategy to manage this in the future if so.
- 2.7 Should the contract be extended, there would be a requirement to reduce the contract value by 6.5% to balance the Public Health Grant. The Public Health Grant has been cut on a real terms per person basis over recent years and this trend looks set to continue. Additionally, department for Health and Social Care’s announcement of the pay award for NHS Agenda for Change staff in England included a consolidated flat rate increase of £1400 to all bands, except the top of band 6 and all of band 7 which will get 4%. The overall value of the award will be 4.75% of the total NHS wage bill. The inflationary uplift in the PH Grant was almost sufficient to cover a 3% AfC uplift on Public Health Contracts, but no other inflationary raises, and this is what Public Health have offered to our Providers for 22/23.
- 2.8 Negotiations are currently ongoing with the provider to scope service reduction proposals to meet the proposed cost reduction. It is likely that the service reduction will come from the health promotion elements of the School Nursing part of the Healthy Families Service. It is hoped that elements will be moved to the Family Hub Transformation work.
- 2.9 The value of the Healthy Families Services contract extension for twelve months until August 2024 will be £4,306,454. The below table outlines spend on this contract including the proposed twelve-month extension, NHS uplifts and a one-off mobilisation fund paid at the start of the contract.

Healthy Families Service - Cost	Year	Contract Value
One off start up monies	Sept 2017-Aug 2018	£360,000
Year 1	Sept 2017-Aug 2018	£4,000,000
Year 2	Sept 2018-Aug 2019	£4,000,000
Year 3	Sept 2019-Aug 2020	£4,000,000
Year 4	Sept 2020-Aug 2021	£4,375,000
Year 5	Sept 2021-Aug 2022	£4,375,000
Year 6 - Extension beyond contract period	Sept 2022-Aug 2023	£4,605,832
Year 7 - Extension beyond contract period with 6.5% proposed contract reduction	Sept 2023-Aug 2024	£4,306,454
Total		£30,022,286

3. Issues, Options and Analysis of Options

- 3.1 The Healthy Families Service comprises of both statutory functions and universal offer for children and young people.
- 3.2 There are several mandated elements of the Healthy Families service, which are:
- National Child Measurement Programme - Measurement of children's height and weight in reception year and Year 6, and provision of feedback of results and general advice/information to parents if requested.
 - Health and development reviews
 - Ante-natal health promoting visit
 - Newborn/14 day review
 - 6-8 weeks check
 - 9-12 month review
 - 2-2.5 year review
 - All pupils receive a comprehensive age-appropriate programme of PSHE
 - Responsibility for vision screening
 - Safeguarding responsibilities
- 3.3 The health visiting part of the service is currently provided to children aged 0 to 5 years and their families. It supports parents to focus on the needs and priorities of their baby and family during pregnancy, the first years of life and beyond. This service is provided to everyone who lives in Thurrock with various levels of support. As well as the five mandated visits, the service also provides several high impact programmes to help infant and families outcomes.
- 3.4 The school nursing part of the service is available for children, young people and their families of school age – usually from age 5-19 years. The service is also offered through various levels of support (similar to the health visiting part of the service). This also includes the National Child Measurement Programme (NCMP) which is a mandated element. This element has gone through significant changes in the past years following a service transformation in 2016. Additionally, the need to meet the 6.5% service reduction should the contract be extended would leave only a basic age 5-19 offer in place.
- 3.5 Initial and Review Health Assessments for Children Looked After (CLA) are holistic assessments that involve the review of health needs, the analysis and assessment of past medical history, missed health problems and missed screening opportunities. The initial assessments are commissioned by Thurrock CCG (this includes children placed in or out of the Thurrock area). The review assessments are commissioned as part of the Healthy Families service. The assessments of children and young people placed in Thurrock are completed by the service; out of area assessments are completed by the health provider in that local area with a reciprocal arrangement. The health

assessments are especially important as they present an opportunity to influence outcomes and reduce inequalities for CLA.

- 3.6 Furthermore, two posts are commissioned through the Healthy Families Service to supply specialist support to the Multi-Agency safeguarding Hub (MASH). This is working well to support the safeguarding of children and young people.
- 3.7 Thurrock Council's contract with NELFT for the delivery of the Healthy Families Service is due to expire on 31 August 2023. An extension to the contract is currently possible under Public Contracts Regulations.
- 3.8 In order to extend the contract length by twelve months approval would ordinarily be the remit of the Director of Public Health. However, given the high value of the contract extension, the decision for expenditure is a matter for Cabinet. There are currently three options for Cabinet to consider in this matter.
- 3.9 **Option 1: Do nothing – allow the Healthy Families Service contract to expire in August 2023**
- 3.10 The Council could allow the current contract with NELFT to expire, leaving the local authority with no Healthy Families Service provision for 2023/24. This would generate a significant saving in terms of spend on contract. However, the provision of a health visiting, and school nursing is vital in order to tackle the inequalities that exist for CYP in Thurrock. Additionally, the mandated elements of the service would cease to be provided and the Council would therefore be in breach of the law. Alongside the clear legal and reputational damage such a situation would generate, local people would also be denied access to vital public health services, including access to health visitors and school nursing.
- 3.11 **Option 2: Renew the Healthy Families Service contract with reduced contract spend until August 24 and re-commission the service with a revised contract spend and service specification from September 2024 for a period of 5+1+1 years and up to a maximum contract value of £4.3 million per annum.**
- 3.12 In extending the contract for a further twelve months the Council would ensure continuity in service delivery for local people and that the service continued to meet its statutory responsibilities. A reduced contract value for 2023/24 would inevitably lead to a reduction in the scope of the service the provider are able to offer. Negotiations over the service specification are in progress and it is likely that the reduction in service will come from the 5-19 element of the service. It is key to note that the number of school nurses will not reduce under this proposal – the reduction is likely to come from the following areas as outlined below:
 - Awareness sessions delivered by the Healthy Families Service team for health promotion – such as smoking cessation, oral health, sexual health

and healthy relations are proposed to cease with plans for the service to provide advice and signposting only. Alternative ways of delivering these health promotion activities and outcomes is being explored.

- Child sexual exploitation and risky behaviours awareness sessions will cease and advice and signposting to current provider Brooke/Provide will be provided. The service will continue to work in partnership with the Council and raise awareness i.e., LSCB, NSPCC, where appropriate.
- Healthy Lifestyles Missions, which is a child weight management intervention, will cease with advice and signposting provided only. Beezee Bodies will continue to deliver child weight management support.
- Supporting young people with low self-esteem through individual sessions will cease with advice and signposting provided only. School Nurses will continue to provide an emotional wellbeing offer for children and young people via schools and link with School Wellbeing Service
- Health Practitioner attendance to face-to-face drop-in sessions will cease with a digital alternative offered instead. Where digital poverty is identified, the service will offer alternative contact in addition to e-Drop in where required
- PSHE programme delivery will cease with a plan to work with schools, where possible, to identify and signpost to relevant resources.

- 3.13 It is proposed that a 6.5% reduction in contract value would be sufficient to ensure that service quality is maintained in priority aspects of the contract, and the service would continue to perform well against agreed performance metrics whilst balancing the Public Health grant. A deep dive and service review into the service is planned to be completed by the Public Health team in the last quarter of 2022/2023 and combined with the planned family hubs transformation work will lead to an updated service specification for recommissioning the service from 2024/25.
- 3.14 In extending the current contract for twelve months, this will enable time to recruit and bed in additional capacity within the Public Health team to lead a re-procurement process, and subsequently sufficient time to then deliver this commissioning undertaking leading to an optimised offer in the subsequent year. A full and complete re-commissioning process for a contract of this value would usually take at least 12 months including pre-tender service reviews and review by HOSC and COSC and post-award contract handover period. An extension of less than twelve months significantly increases the risk to the delivery of a thorough and robust procurement process should there be difficulty in recruiting additional resource to lead this work. It also increases the risk that meaningful engagement and consultation with relevant stakeholders and partners will be compromised should there be delays. The Public Health team will, as appropriate, draw on the resources available in the procurement and legal teams, Children's Services and other partners to ensure that this re-procurement is mobilised.
- 3.15 In recommissioning, it will allow the service to adapt to the newly updated Healthy Child Programme which describes changes to the delivery model for health visiting and school nursing service. This is specified as 'Universal in reach – Personalised in response' and supersedes the 4, 5, 6 levels of service

delivery. It aims to provide greater emphasis on the assessment of children, young people and family's needs and the skill mix to respond to these needs (PHE Healthy Child Programme guidance update, 2021). The following represent the proposed changes;

- (a) The language of the "4,5,6 model" has been removed and replaced with an increased emphasis on "personalised" care or tailored interventions as well as professional and clinical judgement, which underpins the professional autonomy of the health visitor and in response to individual or family need.
- (b) The inclusion of two additional universal contacts at 3-4 months and 6 months. These will provide important opportunities to address key public health priorities including, perinatal mental health, child development, breastfeeding, childhood obesity prevention, immunisation uptake and accident prevention.
- (c) Increased scope for "Emotional Health and Wellbeing Assessments" – alongside maternal mental health, these will now include fathers and babies. This includes a clear statement that, "Health visitors assess maternal mental health at all health visiting mandated reviews.
- (d) Health reviews for 5 – 19 or 24 if appropriate remains.

3.16 Given the above, the Healthy Families Service (HFS) contract, which utilises a model developed nearly 7 years ago, now requires a refresh particularly considering the Family Hubs Transformation programme and understanding gained through implementation and contract management of the service. Additionally, a benchmarking exercise has also been completed which showed that best value savings could be made.

3.17 The HFS which is the Start for Life element forms the foundation of the Family Hub Transformation programme. As such establishing an effective Family Hub programme will require some changes to the way in which some elements of the HFS interact with other services. Whilst some additional funding is available to undertake this transformation work and specifically to expand services which will form part of the family hub, the service provider will likely be required to make further changes within their current contract envelope (such as the location of some service delivery) which may be challenging within the required procurement time period. A procurement process represents an opportunity to re-design that model in line with this transformation work and available budget moving forwards.

3.18 **Option 3 – Re-commission the Healthy Families Service with a revised contract value and service specification for 2023/24**

3.19 The current contract with NELFT could be allowed to expire with a view to re-commissioning the Healthy Families Service from 1 September 2023. A revised service specification would be created and put out for tenders, with a contract value to be agreed in advance. If this contract value were reduced there is the likelihood that the service specification would also be reduced from that offered presently. However, there is potential for a provider from the open market to demonstrate cost effective ways of delivering a service with an

equivalent or increased specification from that seen now. The difficulty in achieving this outcome however is the limited time available before 1 September 2023. In the absence of an updated service review deep dive and service user engagement, any re-commissioning is unlikely to represent evidence-based commissioning. A full and complete re-commissioning process for a contract of this value would usually take at least 12 months including pre-tender service reviews and review by HOSC and COSC and post-award contract handover period. There is also a lack of resource available at this time for commissioning support within Public Health with no dedicated Public Health CYP resource as of the end of October due to a vacant post which is currently being recruited to.

4. Reasons for Recommendation

- 4.1 **Option 2** is recommended for the HFS Contract as this ensures continuity in the delivery of a service with good outcomes for children, young people and families whilst giving the Public Health, Children's Services and procurement teams the time required to complete the necessary due diligence activities and planning for a renewed offer from 2024/25. The alternative options would lead to either a breach of the Council's statutory requirements for children 0 – 5 and families, or the commissioning of a new service carried out with limited engagement and co-production with local people to understand the needs of local families.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 This report has been considered by Public Health Leadership Team, Adults Housing and Health Directorate Management Team and the Portfolio Holder for Adults and Health

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The Thurrock Health and Wellbeing Strategy 2022-26 contains to ensure all children and young people are able to achieve their potential through raising aspirations and reducing the disadvantage gap.
- 6.2 The Brighter Futures Strategy Strategic priority 2 states that children are able to access the services they need and be healthy, focussing on prevention and early intervention and the Healthy Families Contract is key to delivery of this.

7. Implications

7.1 Financial

Implications verified by: **Mike Jones**
Strategic Lead – Corporate Finance

Expenditure for Public health services remains ring-fence with the main grants, or any other specific funding allocation directly.

The three options with regards to the contract are detailed within the report.

The recommended option (2) includes a 6.5% reduction on the contract value in 2023/24, which represents the best options financially.

The alternative options of ending the existing Healthy Families Service contract would generate financial savings in the short term as spend on the service would effectively be reduced to zero. However, the medium to long-term impact of ceasing a statutory or mandated service is likely to outweigh any potential short-term benefit.

Re-commissioning the Healthy Families Service may generate some savings; however, this would depend upon the revised Service Specification and the tender market conditions.

Maintaining spend at present levels would represent the status quo position and will not support the council in achieving commitment to the financial transformation required. The implication of doing so may be lead to a reduction in the financial resources available for other contracts within the Public health grant.

Within the ring-fenced Public Health grant allocation, there is an identified funding allocation of £4.485m in 2022/23 pertaining to these works. The contract value set out in para 1.1 does not create an adverse budget variance to the public health grant and can be contained within the current allocation. The contract value detailed in this report is included as part of the 2023/24 overall draft public health budget distribution and represents a reduction in the amount allocated in the current financial year. This reduction will be reallocated within the wider draft public health grant allocation in 2023/24.

7.2 Legal

Implications verified by: **Kevin Molloy**

Contracts Solicitor

On the basis of the information in this report, the proposed strategy for variation and extension should comply with in particular Regulation 72 of the Public Contracts Regulations 2015 and the Council's Contract Rules. From the information provided a proposed further extension for the cost outlined should comply with the requirements laid out under regulation 72.1 (c). The Council's own requirements to comply with clause 14 of the Council's Procurement Rules will also need to be met.

The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed variation and tender exercises. Legal Services are on hand and available to assist and answer any questions that may arise.

Ending the contracts may see the Council breach its statutory responsibilities in terms of ensuring provision of all access to health visiting services, and breach the terms of the Public Health Grant in failing to provide a mandated service.

7.3 **Diversity and Equality**

Implications verified by: **Rebecca Lee**
Team Manager - Community Development and Equalities

Both services are universal and as such their existence or otherwise could be argued to impact upon all socio-demographic groups equally. However, the nature of the services is that in many cases those individuals at greatest risk of harm and who could be considered society's most vulnerable would be impacted mostly through any potential withdrawal or reduction in scope of the services.

7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

None

8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright)

None

9. **Appendices to the report**

None

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