

## Cabinet

17<sup>th</sup> December 2014



### **Transfer of 0 - 5 commissioning responsibilities for Health Visitors and Family Nurse Partnership**

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#### **Report of Corporate Management Team**

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**Cllr. Lucy Hovvels, Portfolio holder for Safer and Healthier Communities**

**Cllr. Ossie Johnson, Portfolio holder for Children and Young People's Services**

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#### **Purpose of the Report**

- 1 The purpose of this report is to update Cabinet on the progress regarding the transfer of 0-5 commissioning responsibilities (health visitors and family nurse partnership) to local government.

#### **Background**

- 2 Since 1 April 2013, NHS England has been responsible for commissioning the Healthy Child Programme (HCP) for 0-5 year olds, which is delivered by health visitors and the family nurse partnership. As of 1 October 2015, the commissioning responsibility for these service areas will transfer to public health teams in local government. This transition marks the final part of the overall public health transfer to local authorities from the NHS following implementation of the Health and Social Care Act 2012.
- 3 Nationally the process is being led by a '0-5 Healthy Child Programme task and finish group'. The national group includes representation from NHS England, Public Health England, the Local Government Association (LGA), the Society of Local Authority Chief Executives (SOLACE), the Association of Directors of Public Health (ADPH), the Association of Directors of Children's Services (ADCS), and the central government department for Communities and Local Government.
- 4 The national group is supported by six work streams, these are: finance, mandation, local authority and NHS preparedness, communication, information and IT.
- 5 To aid in the transfer process, the 0-5 Healthy Child Programme task and finish group has issued a timetable with key dates for the transition process.

<b>Date</b>	<b>Action</b>	<b>Update</b>
June 2014	NHS England Area Teams were requested to share information on existing contracts and funding, and seek engagement from local authorities and	NHS England notified us that the overall contract value (2014/15) for County Durham and Darlington is £10.8m.

	providers to help establish funding baselines.	
July 2014	Local authorities and area teams were asked to submit joint information on funding ahead of indicative funding baselines for 2015/16 being identified and shared with local authorities for a period of local authority engagement in the autumn.	Received request 1 August. Meeting with NHS England on 28 August to discuss return. Submission 12 September. DPH signed off contract allocation but wrote to national team to highlight areas of concern
September-October 2014	22 September: Regional preparation events.	Public Health Consultant and Head of Commissioning attended  Nothing new shared at this stage
October 2014	Local authority consultation on funding allocations.	Publication of local funding allocations has been delayed due to issues raised from joint financial submissions
December 2014	Local government funding settlement published including 0 to 5 part year funding (i.e. from October 2015).	Final allocations for local authorities will be published early in the New Year
January 2015	Light touch self-assessment to be completed by each area to highlight any remaining areas of concern and barriers which need to be resolved at national / local level to enable a safe transfer.	
March 2015	Target date for expansion of Health Visitor numbers and Family Nurse Partnership places.	
1 October 2015	Transfer of commissioning responsibility from NHS England to local authorities.	

### Current position – National perspective

6 There has been communication from the national task and finish group regarding mandated functions, contract transfer and financial allocations.

Key points are:

- a) For 2015/16 the transfer of commissioning responsibilities is to be effectively a 'lift and shift'. Government has offered two options for contract transfer, the first option being a novation of the NHS contract

and the second being a split contract during 2015/16 whereby the first six months will be an NHS contract and the second six months will be a local authority contract.

- b) Government has issued guidance regarding its plans for mandation. It is proposing (subject to parliamentary approval) to mandate five 'universal touch points':
- a. Antenatal health promoting visits;
  - b. New baby review;
  - c. 6-8 week assessments;
  - d. 1 year assessment;
  - e. 2-2½ year old review.
- c) Government is planning to undertake a review at 12 months of the impact of the mandation, and has a 'sunset clause' at 18 months to enable Parliament to discuss the impact of the changes. The government believes that mandation will help ensure that the recent increases in health visitor capacity will be secured and will continue, as well as ensuring the best outcomes for children and families.

Government has indicated that it expects the regulations to be in place by May 2015. There is an understanding that the draft regulations will be made available for comment in advance of parliamentary approval.

- d) As Government intends a stable service for 2015/16, there is no change in its commitment to deliver 4,200 additional health visitors. There will also be limited changes to the section 7a agreement, which outlines the functions which are delivered by health visitors.
- e) Following data collection exercise in September a number of local authorities raised concerns focusing on three main areas: CQUIN, inflation and commissioning costs. Due to the necessity to review these three areas there has been a delay in receiving proposed local authority funding allocations. The funding allocation proposals are now due early in 2015.
- f) **CQUIN payment:** The 0-5 Transfer Programme Board took the decision that where CQUIN (Commissioning for Quality and Innovation) is an integral part of how providers meet 0-5 costs, then it should be included as part of the transfer and where services remain with NHS England, it should be excluded. A number of adjustments to the proposed allocations have been made to ensure they are in line with this principle. Area teams will shortly be able to provide this information to local authorities.
- g) **Inflation:** The guidance sent out with the returns proposed that 2014-15 prices should apply in 2015-16 unless there was a good reason to do otherwise. This assumption is consistent with how the Department is setting the Section 7A total for NHS England as a whole and a number of adjustments to the proposed allocations have been made in line with this principle. Where local areas were assuming a bigger saving by imposing a net tariff deflator, this saving has been added back into the numbers for the relevant local authorities.

- h) **Commissioning Costs:** The Department will provide £2m extra funding to cover local authority commissioning costs for 2015-16. The baseline agreement exercise will set out more detail.
- i) From 2016/17 the allocations are expected to move towards a distribution based on population needs. The fair shares formula will be based on advice from the Advisory Committee on Resource Allocation (ACRA). The public health grant allocation formula will need to be revised from 2016-17 onwards to take account of the transfer of 0-5 responsibilities. This has been included in the ACRA work programme along with their work on sexual health and substance misuse. ACRA plan to run an engagement exercise on overall changes to the public health grant formula starting in the New Year.
- j) The Government has stated that it expects contracts to be broken down in line with how providers allocate their staff between Local Authority areas. Government believes that by splitting the contracts in this way it should ensure that Local Authorities get sufficient resources behind any contracts to meet their mandation obligations (which will be communicated when agreed). Guidance indicates that these splits are to be agreed locally between Local Authorities.

## **Current position – Local perspective**

### Governance

- 7 A regional group has been established to oversee the transition. This group is chaired by Rachael Shimmin. The purpose of this group is:
  - a. To take an overview of how transfer plans are progressing;
  - b. To feedback to a national ‘preparations’ group made up of PHE, LGA and NHS colleagues;
  - c. To disseminate key messages in connection with the transfer
  - d. To identify sector-led support where appropriate and manage a regional risk log.
- 8 A 0-5 implementation / transition group is in place for the County Durham and Darlington area, with representation from the two local authorities as well as NHS England who are the current commissioner and County Durham and Darlington Foundation Trust (CDDFT), the provider.
- 9 Alongside the external partnership group, a DCC project receiver board, chaired by the Director of Public Health County Durham, has been convened to manage the transfer. This group includes representation from public health, commissioning, finance, performance, contracting, human resources, and audit. The group is receiving legal support as required.
- 10 The Family Nurse Partnership (FNP) is a nationally licenced programme and is held to account by a local advisory board. All data for FNP is collated nationally and fed into the advisory board. The DCC public health lead is a member of the advisory board currently and will move into a co-commissioning role as of 1<sup>st</sup> April 2015. The FNP programme is currently operating at 80% capacity. Further information is available upon request.
- 11 The local health visitor trajectory is on an amber alert. The local trajectory for health visitor numbers is 171.9 whole time equivalent (wte) across Durham

and Darlington. As of October 2014 there were 170.94 wte in post due to the influx of recently qualified students. Whilst this is almost on target, workforce figures indicate approximately two health visitors are leaving the service every month and there are only eight student places at Teeside university to serve Durham and Darlington. This places a risk on achieving the trajectory ahead of transfer.

#### Communications work stream

- 12 In addition to papers being written for stakeholders/boards, DCC as the new commissioner and NHS England as the current commissioner, have made a commitment to meet all front line health visitor/FNP teams to talk about the transfer of commissioning and to listen to concerns and answer questions. These meetings will take place at three time points: December 2014, April 2015 and August 2015. There will also be briefings written for parents/families to reassure the population that the universal health visitor service will be maintained across County Durham.

#### Information / Data work stream

- 13 A regional event was held in September to discuss the information needs for local authorities. The following points were made at the event:
- There are no direct IT requirements arising from this transition
  - Child Health Information Systems (CHIS) and Child Health Record Departments (CHRD) will remain within the NHS, CHIS until at least 2020.
  - Commissioners will not require direct access to CHIS systems or CHRD
  - The FNP Information System exists and is fit for purpose, no changes are needed. Data is reported quarterly via the FNP Advisory Board which DCC sits on.
- 14 Further guidance documents are expected in November 2014 regarding a self-assessment tool to measure local authority's readiness for the transfer and an indicator guide containing Key Performance Indicators which can be used as an appendix in new contracts.

#### Financial Return

- 15 The joint finance return, completed on 12<sup>th</sup> September 2014, included a financial summary as well as a narrative commentary. This document will be used to establish the local authority allocations which will then be consulted upon in October 2014 through to December 2014.
- 16 The national task and finish group directed that the returns should be completed and approved by both the NHS England Area Team and the local authority. The return template:
- a) Included costs for the healthy child programme, health visitors and family nurse partnership in 2014/15 and 2015/16;
  - b) highlighted any other contracts which may transfer as part of the process;
  - c) identified the split of contract between local authorities (County Durham and Darlington)
  - d) highlighted risks and contract assumptions associated with our transfer;
  - e) Identified where local areas needed additional support.

## Local financial risks

A number of local financial risks have been highlighted in the commentary narrative:

- a) Financial allocations: The national financial allocation was due to be announced in December 2014 but has now been delayed until the New Year. This is due to the concerns raised from the local returns.
- b) The NHS England Area team is currently applying a 1.6% tariff deflator into the 2015/16 budget. This therefore means that the 15/16 budget is reduced compared to the 14/15 allocation. The risk to front line delivery is that the budget does not meet the demand for the service. *The latest guidance from Government indicates that where local areas have applied this formula the value is being added back in to financial allocations.*
- c) The NHS England Area team has been operating a CQUIN payment method to enhance the current contract at a value of 2.5% of the contract. This has been used historically to boost delivery. Within local government there is no CQUIN payment option. The budget for the CQUIN value is not currently earmarked to transfer across to the council to prevent the contract value being reduced by 2.5% and therefore creating a risk for front line delivery. *The latest guidance from Government indicates that the CQUIN payment will now be included in the local allocation.*
- d) The NHS England area team has undertaken an exercise to determine the percentage of time spent on commissioning health visitors and the family nurse partnership. The methodology used demonstrates 10% (0.5 days a week) of their time, across six local authority areas and three foundation trusts. Financially this equates to £18,000 between the six councils which, through a fair shares process, gives each local authority £3,000. This £3,000 will not cover the commissioning cycle support time to manage the 0 – 5 commission effectively. *The latest guidance from Government indicates that they will provide £2m extra funding to cover local authority commissioning costs for 2015-16. The baseline agreement exercise will set out more detail.*

The projected total contract value for County Durham, predicted by CDDFT provider and NHS England is £9,371,000.00 for 2015/16. This is made up of £8,713,000.00 for the health visitor service and £658,000.00 for the Family Nurse Partnership programme.

## Wider Risks associated with transfer

17 A full risk assessment has been produced as part of the project plan.

18 There are a number of key issues to highlight at this stage.

These are:

- a) Mandation: At this point in time, although we have received general information on mandation, we have limited clarity over the specific detail. Without the detail of the mandation, it limits our ability to plan

effectively. Over the longer term it could impact on our ability to integrate and align services.

- b) Contracting split: The current contract held by NHS England covers County Durham and Darlington. Guidance has indicated that the split of the contract is to be determined on the staffing levels currently working in each locality. The current staffing levels on the ground do not reflect the population need and leave County Durham in a slightly disadvantaged position financially.
- c) Timescale: Although a high-level timetable for the transfer of commissioning responsibilities has been provided by the national task and finish group, already the timetable is slipping. The project team is working locally with partners to ensure that progress and preparation takes place for the transfer of commissioning responsibilities on 1 October 2015.
- d) Specialist health visitors: As part of the current contract, a small number (estimated at 7 across County Durham and Darlington) of health visitors are working to the Clinical Commissioning Groups (CCG) to deliver a specialist role delivering continuing care across Durham and Darlington. These health visitors are included in the health visitor trajectory. Going forward there will need to be discussion regarding the commissioning responsibility for these staff and their delivery specification.

### **Next steps**

DCC is currently awaiting Information from the national team regarding the financial allocation and the self-assessment is also awaited.

In the interim, the council continues to make progress on the transfer with the current commissioner and provider to ensure a seamless transition and that services are protected. A key focus will be progressing the local communications plan to reassure staff and key stakeholders.

### **Recommendations**

19 Cabinet is requested to:

- note the updated position in relation to the transfer of 0-5 commissioning responsibilities.

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## **Appendix 1: Implications**

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### **Finance -**

The proposed allocation for County Durham and Darlington in 2015/16 is £11,674,000. It is anticipated that Durham County Council will receive £9,371,000 (80%) of this budget allocation, however discussions are ongoing nationally and locally regarding the financial allocation.

### **Staffing -**

Current staff will not be affected by the transfer of the commissioning responsibilities, however there are more general concerns regarding the recruitment and retention of health visitors in the county.

### **Risk -**

The transfer is being managed by a Durham County Council project board.

### **Equality and Diversity / Public Sector Equality Duty -**

Not applicable

### **Accommodation -**

It is anticipated that there will be no accommodation implications from the transfer and that staff will continue to be based within their existing locations.

### **Crime and Disorder -**

Not applicable

### **Human Rights -**

Not applicable

### **Consultation -**

There is a project board in place to enable consultation across the key partner organisations.

### **Procurement -**

The commissioning responsibilities will be transferring to the authority. It is anticipated that this will be a process of novation.

### **Disability Issues -**

Not applicable

### **Legal Implications -**

The project board is receiving legal advice as required.