

Approval to extend and vary the 0-19 Public Health Integrated Nursing Service contract (DN336699).

Date: 22nd February 2023

Report of: Consultant in Public Health

Report to: Director of Public Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report seeks approval to extend and vary an existing contract with Leeds Community Healthcare NHS Trust (LCH) for the 0-19 Public Health Integrated Nursing Service (PHINS).

PHINS delivers the nationally mandated five Universal Health Reviews (before a child is 3 years old), the National Child Measurement Programme, oral health promotion programmes and the annual oral health survey.

After a negotiated procedure procurement exercise, the contract was awarded to Leeds Community Healthcare NHS Trust (LCH) for a period of four years with the option to extend for two years plus two years. The service began on 1st April 2019, and the initial contract period will therefore expire on 31st March 2023.

Recommendations

The Director of Public Health is recommended to:

- a) approve an extension of four years to the existing contract with LCH for the 0-19 PHINS contract, reference DN336699, with effect from 1st April 2023 to 31st March 2027 with a value of £11,751,391 per annum; a total of £47,005,564 over the four year extension period. The extension is permitted within the contract's original terms.
- b) vary the contract to mitigate the risks to both parties if the pay award increases differ from the levels used to calculate the cost of delivering the contract.

What is this report about?

- 1 The extension and variation of the contract with LCH for the 0-19 PHINS contract for a four year period in accordance with Contracts Procedure Rule (CPR) 21.2 (contract extensions) and 21.7 (contract variations).

- 2 A review has been undertaken to inform the decision-making process around extending the contract and has concluded that the service is performing well, is of high quality and represents value for money. It continues to meet the original contract aims and objectives to provide a strategically important service that meets the Council's ambitions.
- 3 The amount of funding needed to deliver the service for the four year extension has increased due to predicted NHS wage inflation. Negotiations between the Council and LCH have resulted in an agreement that the service can continue to be delivered at an average annual cost of £11,751,391 (£47,005,564 in total). This has been achieved through a combination of additional Public Health funding and a revised staffing structure which LCH is confident can continue to deliver the service but has reduced the staffing costs.
- 4 The costings are based on predicted annual wage increases of 7%, 3%, 3% and 3% over the 4 years of the extension. The contract will be varied to protect both parties if the actual pay awards differ from these levels.

What impact will this proposal have?

- 5 This proposal will allow the continued delivery and development of a service that plays a vital role in achieving positive outcomes for Leeds children and their families.
- 6 The service brings together three previously separate services (Health Visiting (0-5), School Nursing (5-19) and Oral Health Promotion) into a single delivery contract. The 0-19 PHINS model and specification reflect the vision to integrate services further both structurally and functionally in order to achieve best outcomes.
- 7 Through local leadership of the Healthy Child Programme the service plays a critical role in:
 - Improving health outcomes and reducing health inequalities by ensuring interventions reach vulnerable children, young people and their families, using a universal proportionate approach.
 - Safeguarding children and young people, ensuring timely identification of risk and proactive engagement in safeguarding activity.
 - Providing high quality, evidence-based and accessible services with a focus on prevention of ill health and provision of early interventions.
- 8 The service delivers the nationally mandated five Universal Health Reviews (before a child is 3 years old), the National Child Measurement Programme, oral health promotion programmes and the annual oral health survey.
- 9 The service is delivered city wide and works on the principle of progressive universalism. The four inter-related tiers of service include community, universal, universal plus and universal partnership plus. All families (from pregnancy to nineteen years) benefit from the community and universal levels of service, whereas universal plus (short-term early/additional help) and universal partnership plus (long-term multidisciplinary support, for example for families experiencing social disadvantage or illness/disability), are accessed following assessment for any identified additional need.
- 10 The contract extension will ensure the continuity of the 0-19 PHINS, for Leeds families who will continue to benefit from a high quality, well performing and value for money service that supports the Council's future ambitions. It will allow the service to progress with the innovations that form part of the specification that needed to be put on hold while the service effectively responded to the changing health environment resulting from the Covid pandemic.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

11 The service remains strategically important, contributing to the delivery of key health and wellbeing outcomes for children, young people and their families, including:

- Best City Ambition – in relation to the Health and Wellbeing pillar of ensuring children in all areas of the city have the best start in life and enjoy a healthy, happy and friendly childhood.
- The Leeds Children and Young People’s Plan (2018-2023) sets out the city vision for Leeds to be the best city in the UK and the best city for children and young people to grow up in. The service contributes to the outcomes and priorities to ensure the best start in life for all children, providing early help - the right conversations in the right place at the right time, providing a stronger offer to improve social, emotional and mental health (SEMH) and well-being, and at all times considers Think Family Work Family.

12 The service operates from a number of sites across the city to ensure easy access for families, and therefore minimising the need to travel and encouraging the use of public transport. This helps to reduce carbon emissions and environmental pollution which contributes to city actions to better manage air quality. In response to the Covid pandemic the service adapted where possible and developed a hybrid offer for the group-based programmes and breastfeeding support, offering both virtual and face to face provision. Following learning from the pandemic the service plan to maintain a virtual offer where this has proved popular and improved accessibility for local families – this will further increase this impact.

13 Over the last few years, significant work has been undertaken to achieve a level of integration between Health Visiting and Children’s Centres. Many practitioners across the city work in partnership to deliver interventions as part of the local integrated Early Start Offer. A recent report from the Institute of Health Visiting highlighted the importance of investing in an infrastructure of support for the First 1001 Days in order to avoid costly late interventions, this in turn helps ensure we better manage our use of resource intensive (and high footprint) health and care services.

14 The service specification requires that LCH undertakes to meet all legislation, guidance and good industry practice in environmental management and the objectives of the Council’s sustainability policies. Officers from Adults and Health work with the provider through the established contract management process to ensure the service is proactively seeking to minimise its carbon footprint and thereby support the Council in achieving its ambition to be carbon neutral by 2030.

15 LCH has a sustainability plan and works collaboratively with staff, patients, public and other organisations to tackle climate change.

What consultation and engagement has taken place?

Wards affected:

Have ward members been consulted?

Yes

No

16 Consultation has taken place with the Executive Member for Public Health and Active Lifestyles, Director of Public Health, Public Health Programme Board, Chief Officer (Public Health - Children & Families), Procurement and Commercial Services (PACS) and the provider.

What are the resource implications?

17 The cost of the contract extension (£47,005,564) will be met by Public Health revenue funding and there is provision within the Public Health budget for this. This funding consists of:

- a) £10,779,200 per annum original contract amount (total £43,116,800).

- b) £750,000 per annum Agenda for Change funding (total £3,000,000).
 - c) Up to a maximum of £222,191 per annum Public Health contingency funds (total £888,764). This element will only be used in the event that neither LCH nor the Council receive additional Agenda for Change funding to cover pay increases.
- 18 Due to the current financial situation facing local authorities, officers in Adults and Health undertake regular reviews of all upcoming contract decisions and have concluded that this extension should go ahead at the increased value and for the full four years available.

What are the key risks and how are they being managed?

- 19 NHS pay awards being higher than budgeted: The costings are based on predicted annual wage increases of 7%, 3%, 3% and 3%. The contract will be varied to protect both parties if the actual pay awards differ from these levels.
- 20 Low staffing levels: As per the current contract, a financial adjustment will be made if there is more than a 5% vacancy on any monthly workforce report, with the Council retaining the difference (between 5% and the vacancy level) for any unspent staffing costs for each month until LCH can demonstrate that staffing is above the 5% threshold (KPI 16).
LCH will continue the proactive recruitment and retention work which they began during the initial contract period.
- 21 Appropriate governance arrangements are in place to identify and mitigate identified risks including regular contract management meetings, performance and quality meetings, overview of contract risk and reporting to the Public Health Programme Board.

What are the legal implications?

- 22 The extension of the contract is a direct consequence of the Key Decision (D47529) and as such is not a key decision or subject to call in and will be treated as a Significant Operational Decision.
- 23 Extending and varying the contract in this manner is permitted under the original contract terms.
- 24 There are no grounds for treating the contents of this report as confidential with the Council's Access to Information Rules.
- 25 Although there is no overriding legal obstacle preventing the extension of this contract under CPR 21.2 and varying it under CPR 21.7, the contents of this report should be noted. In making their final decision, the Director of Public Health should be satisfied that the course of action chosen represents best value for the Council.

Options, timescales and measuring success

What other options were considered?

- 26 The option of not extending the contract and ending delivery is not possible as this would result in the Council breaching its statutory and mandated responsibilities.
- 27 There was the option of not extending the contract and reprocurring the service. However, the contract review has determined that there remains a clear and demonstrable need for the provision and there are no grounds for procuring a replacement service, since the current contract is performing well, is of good quality and provides value for money.
- 28 Reducing the scope of the service was considered but was rejected on the basis that the majority of the service relates to mandatory provision. Any reduction to the parts of the service which

support the mandated elements would have a detrimental effect on the health and wellbeing of children and their families and on the wider health service infrastructure. It would not result in significant savings.

How will success be measured?

29 The Service is subject to a robust Performance Management Framework which includes a number of Key Performance Indicators and other service delivery outcomes. The performance management framework will be subject to review on an annual basis to reflect changes in demand and performance.

30 Contract management meetings are held between the Council and LCH on a quarterly basis, or more frequently if required. They cover topics such as service delivery and development, performance, finance, safeguarding, contract issues, and compliments and complaints.

What is the timetable and who will be responsible for implementation?

31 The contract extension will begin on 1st April 2023 and end on 31st March 2027. Officers from Adults and Health Commissioning and from Procurement and Commercial Services (PACS) will be responsible for ensuring that the necessary contractual paperwork is in place.

Appendices

- Equality, Diversity, Cohesion and Integration Screening.

Background papers

- None.