

CABINET

11 JULY 2023

GATEWAY 1 PROCUREMENT COMMENCEMENT: HEALTH VISITING AND SCHOOL NURSING SERVICE

Portfolio Holder: Councillor Teresa Murray, Deputy Leader of the Council

Report from: James Williams, Director of Public Health

Report Author: Catherine Wilson, Project Manager Public Health

Summary

This report seeks permission to commence the procurement of the Health Visiting and School Nursing Service (0-19) Contract. This Gateway 1 report has previously been considered by the Procurement Board and is recommended to the Cabinet for approval.

This report was originally considered by Cabinet on 13 June 2023, however, it contained incorrect information about the preferred procurement procedure. This report corrects those errors and is therefore re-submitted to the Cabinet for approval.

Procurement Overview

Total Contract Value (estimated): £5,031,000 pa

Proposed Contract Term: 5 years +1+1

1. Background Information

1.1. Budget and Policy Framework

1.1.1. The Health and Social Care Act 2012 sets out local authorities' responsibility for improving the health of their local population, and the Council's statutory responsibility for delivering and commissioning public health services for children and young people aged 5-19 years – delivered principally through a school nursing service. Further regulations under the Act came into force on 1 October 2015 to additionally transfer responsibility for children's public health commissioning for 0-5 year olds from NHS England to the Council. These additional services are delivered through health visiting services. Local authorities receive funding through the Public Health Grant to deliver this work.

- 1.1.2. In February 2023, Medway Council signed a memorandum of understanding with the Department for Education and Department of Health & Social Care to become part of the national Family Hubs and Start for Life Programme. Medway is committed to delivering on the requirements of the Programme Guide, including provision of 0-19 Public Health services, Health Visiting services and Early Language and Home Learning Environment support for 3 & 4 year olds.
- 1.2. Background Information and Procurement Deliverables
 - 1.2.1. Health Visiting and School Nursing are universal services, this means that all families in Medway are able to access and obtain the services they need regardless of circumstances that they are entitled to as part of the Healthy Child Programme.
 - 1.2.2. The Healthy Child Programme (HCP) is the prevention and early intervention public health programme that lies at the heart of the universal service for children and families and aims to support parents at this crucial stage of life, promote child development, improve child health outcomes and ensure that families at risk are identified at the earliest opportunity.
 - 1.2.3. The Health Visiting Service carries out five mandated contacts with at least 90% of the 0-5 population (which in Medway is approx. 17,000 children). The contacts are carried out at key stages of the child's development (antenatal, post birth, 6-8 weeks, 10-12 months and 2-2.5 years) and check the child's physical and mental development as well as providing mental health assessments for mothers. This way any conditions can be identified early and addressed. By providing timely preventative support for children and families, this work reduces escalations and additional burdens on more acute health and social care services.
 - 1.2.4. The School Nursing Service also conducts a series of developmental checks and health screens and provides important health input for child protection work. Reducing the universal nature of these services will mean an increase in levels of child protection, demand on social care and potentially a reduction in Key stage 1 results.
 - 1.2.5. The Healthy Child Programme in Medway is currently led and delivered in partnership with other agencies as part of the integrated children's community health services. All children, young people and their families receive a comprehensive flexible needs-led offer and underpinned by the principles and vision of an integrated community children's health service in Medway.
 - 1.2.6. The key services currently included:
 - Integrated Public Health Nursing 0-19 (currently Health Visiting and Nursing for Children of School age) to lead delivery of the Healthy Child Programme to families including fathers and co-carers. (The structure and any age related breakdown within this area will be determined through the procurement process)

- Vulnerable Parents Pathway, Safeguarding and Specialist Health Visitors
- National Child Measurement Programme (NCMP) in both YrR and Yr6
- Infant Feeding Coordinator and Network
- Oral Health promotion across the whole 0-19 age range
- Tongue Tie Service (Funded via the ICB)

1.3. Urgency of Report

- 1.3.1. The most recent contract arrangement expired on 31st March 2023. In consultation with the Procurement Board, a 9 month extension was granted, recommending that a new contract should be in place by 1st January 2024. The timescale for this procurement process is very tight with around six months to conduct the re-tendering process and mobilise the service. A rapid decision is critical to maintaining this vital service for the children and families of Medway.

2. Procurement Dependencies and Obligations

2.1. Project Dependency

- 2.1.1. This service currently sits under a single service specification for both ICB and Medway Council commissioned Children's Health Services. The ICB has not made a decision with regard to their contracted services. There may be efficiencies lost if this contract goes to a new provider.

2.2. Statutory/Legal Obligations

- 2.2.1. Local Authorities have a statutory obligation to "take such steps as it considers appropriate for improving the health of the people in its area" (s2B National Health Service Act 2006 ("NHS Act 2006") as amended by s12 Health and Social Care Act 2012). This includes "providing services or facilities for the prevention, diagnosis or treatment of illness" (s 2B (3) (c) NHS Act 2006) including the Council's statutory responsibility for participating in the National Child Measurement Programme and the provision of public health services for children and young people aged 5-19 years. In 2015 the principal Regulations were amended by 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 (SI 2015/921) ("the 2015 Regulations") to prescribe steps that local authorities must take to provide or secure the provision of universal health visitor reviews, to carry out a policy intention to ensure that elements of the Healthy Child Programme, led by health visitors, should be provided in a universal fashion. Such services are funded from the ring-fenced Public Health Grant and are overseen by the Director of Public Health.

2.3 Risk

- 2.3.1. The tendering of this service has been added to the corporate risk register. Any procurement process brings inherent risk to the workforce as staff feel unsettled and may seek employment elsewhere. The risk in relation to this contract is higher due to a national shortage of qualified health visitors and school nurses. North Kent for example are currently carrying a 50% vacancy rate in health visiting with a stable contract in place i.e. no current plans to go out to market. Staff would not have to travel far to move to a known NHS provider. Going to market may have an impact on vacancy rates and therefore the ability to deliver services such as mandated Health Visitor checks. Commissioners will work with providers to minimise any potential impact.
- 2.3.2. Failing to maintain a service would have significant impact, including failing to meet the local authority's legal obligation to provide these services, wide ranging detrimental impacts to the health and wellbeing of children and families, increased pressures on acute health services and social care along with the associated reputational risk.
- 2.3.3. The service feels that going out to procure at this time is high risk, but as the extension has only been agreed until 31 December 2023 and the national provider selection regime is not yet active no other options are currently available.

3. Business Case

3.1. Procurement Project Outputs / Outcomes

As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
Pre Mobilisation			
1. Service not destabilised and no significant changes to staff vacancy rates	Regular meetings with current provider to address any emerging concerns. Responses to staff consultation by provider	Public Health	Throughout the process

2. Innovation and value for money achieved – and can be delivered by prospective providers	No. of providers engaging with invitation to tender process Service specification will deliver post-mobilisation outcomes.	Procurement team, Public Health	During bid evaluation
During Mobilisation			
3. Ensure alignment with wider children's health services provision	Reviewed as part of procurement process with weighted scoring (and will form part of delivery plan) Stakeholder conversations and ensuring alignment with wider children's health services	Procurement Team and Public Health Public Health	During bid evaluation Throughout mobilisation period
Post Mobilisation			
4. Successful transition to new supplier with minimal disruption	Mobilisation plan reviewed as part of procurement process. Facilitated meetings with provider	Procurement Team and Public Health	Monitoring meetings, frequency tba
5. Ensure appropriate workforce is in place	Workforce plan to be reviewed as part of procurement process. Review workforce plan and address risks and issues as part of monitoring meetings	Procurement Team and Public Health Public Health	Monitoring meetings, frequency tba As above

6. Ensure service is appropriately configured to deliver KPIs.	Delivery Plan to be reviewed as part of procurement and mobilisation process.	Procurement Team and Public Health Team	Monitoring meetings, frequency tba
	KPIs to be monitored as part of monitoring arrangements	Public Health	As above

3.2. Procurement Project Management

3.2.1. The management of this procurement process will be the responsibility of the Category Management Team.

3.3. Post Procurement Contract Management

3.3.1. The management of any subsequent contract will be the responsibility of the Children's Commissioning Lead (Universal Services).

3.3.2. To ensure the needs of the requirement are met and continuously fulfilled post award, the following KPIs will be included in the tender and will form part of any subsequent contract.

#	Title	Short Description	%/measurement criteria
1.	The percentage of eligible families who receive antenatal, new birth, 6-8 week and 9-12 month visits	A range of checks to assess the child's development, provide support and advice for parents and assess the mother's physical and emotional wellbeing.	90%
2.	The percentage of eligible families who receive 2-2½ year visit	Health & development review covering: General development including speech, social skills and behaviour, hearing and vision. Growth, healthy eating and keeping active. Managing behaviour and encouraging good sleeping habits Tooth brushing and going to the dentist. Keeping your child safe Vaccinations	83%
3.	Proportion of children aged 2-	ASQ-3 is an ages and stages questionnaire that can help to	90%

	2.5yrs receiving ASQ-3 as part of healthy child programme	identify developmental delays across a range of social, communication and co-ordination factors. Identifying developmental delays early allows for support to be in place to increase school readiness	
4.	The percentage of mothers that initiated breastfeeding at birth, who maintain breastfeeding at 6-8 weeks	Based on those children identified at new birth visit as being breast fed, who continue to be breast fed at 6-8 weeks.	75%
5.	The percentage of children in the relevant school years who are measured for NCMP	The National Child Measurement Programme (NCMP) is part of the government's approach to tackling child obesity. Children in Year R and Year 6 are measured and families complete a health & lifestyle questionnaire.	95%
6.	Numbers of active referrals of overweight/obese children referred into the healthy weight service	Children identified as being over healthy weight during the NCMP are referred to Medway Council's Public Health Healthy Weight Programmes.	Increasing year on year (22-23 figure was 1670)
7.	The percentage of responsible parents/carers at the 6-8 week visit percentage of actual smokers who are referred into the stop smoking service at the 6-8 week visit,	Percentage of mothers who are CO tested positive smokers who are referred to stop smoking services	45%
8.	Number of Early Help Assessments completed	Child Health Team completing and submitting Early Help Assessments	Increasing number year on year – precise metric tbc
9.	Attendance at case conference meetings	Percentage of attendance at case conferences for cases known to MCH staff and where invite received in line with MSCB procedure / timeframes	95%

4. Market Conditions and Procurement Approach

4.1. Market Conditions

- 4.1.1. The market for this contract is likely to be limited. Medway Community Healthcare have been successfully delivering the existing contract in Medway since 2018. Kent Community Health Foundation Trust deliver the equivalent service in Kent. The tender process used to award the contract in 2018 was a competitive dialogue with a 2-stage tender process. Providers were selected on initial scoring to be taken through to the second stage following a range of discussions with potential providers to shape the service specification and KPIs. Five providers bid initially with four taken through to competitive dialogue. Of these only two bid in the last stage with two withdrawing on the basis of contract value being too low.
- 4.1.2. There has been no uplift to the contract for four years, until the government provided the Integrated Care Board with the NHS pay award funding to disseminate to both NHS and Public Health contracted providers for 2022-23. Medway commissioners supported Thurrock with a benchmarking exercise. The seven CIPFA comparator areas (Thurrock, Medway, Swindon, Peterborough, Milton Keynes, Warrington and Bolton) showed the cost per head of Public Health Nursing ranged from £60.42 per head to £118.94. Medway's current figure is £68.52 per head indicating that it is at the lower end of the funding scale. While this offers competitive value for money to the taxpayer, commissioners consider it unlikely that the re-tender will attract providers from out of the region.
- 4.1.3. A significant challenge to any prospective providers will be the national shortage of Health Visitors and School Nurses. An article published in August 2022 by the Institute of Health Visiting shows that the number of Health Visitors has dropped to an all-time low since 2015 with current data (August 2022) recording 7,030 Health Visitors (this figure includes Health Visitors employed by non-NHS establishments), a 37% drop in workforce since 2015 and lower than levels when the government implemented a call to action in 2010 to recruit more Health Visitors.
- 4.1.4. We have worked with our regional leads in the Office for Health Inequalities and Disparities (OHID), to understand the regional picture. A survey carried out by OHID at the end of 2021 indicated that there were vacancy rates of between 10 and 30% in the region, with one area reporting a 50% vacancy rate in Health Visiting teams and another reporting 50% in School Nursing (SN). OHID are relaunching the survey this year as there are indications the picture has worsened.

4.2. Procurement Options

- 4.2.1. The following is a detailed list of options considered and analysed for this report:

- 4.2.2. **Option 1 – Do nothing:** The current contract will end on 31 Dec 2023 and Medway will not have a Health Visiting and School Nursing service. The Council would be failing to meet its statutory obligations. Residents would have to attend services out of area and the council would be billed by those areas where the activity took place. Failure to support children and families will cause untold distress to the individuals concerned and result in additional strain on other service areas such as GP Surgeries, Medway Maritime Hospital Emergency Room, Medway Council's Early Help and voluntary sector services such as Homestart and Family Action. Failure to maintain the service would also see an impact on Medway's schools who are facing significant challenges with children whose development and / or mental health has been impaired by the experience of the Covid-19 pandemic.
- 4.2.3. The cessation of this service with the concomitant impacts would pose significant reputational risk to Medway Council. It would also seriously impede Medway's ability to meet the demands of the national Family hubs and Start for Life Programme.
- 4.2.4. **Option 2 – Extend the current contract:** The service is performing well, is well regarded by partner agencies, and delivering good value for money. In 2020 the government included the option for health services not to go out to market at the end of contract but to extend the contract using a provider selection regime, whilst this contract appears to meet the requirements for this, the PSR is not yet legally a tool we can use and there are no remaining extensions built into the existing contract.
- 4.2.5. **Option 3 – Open Procedure procurement:** An Open Procedure procurement would enable all potential providers to bid for the opportunity as well as provide the greatest assurance of mobilising the new service in time.

4.3. Procurement Process Proposed

- 4.3.1. An Open Procedure is proposed as set out in Option 3 (4.2.5.) above.
- 4.3.2. A Provisional timetable is outlined below:
- Gateway 1 - July Cabinet
 - Tender - mid July to mid August
 - Evaluate, presentation, moderate – late August to early September.
 - Gateway 3 - September PB
 - Gateway 3 - 26 September Cabinet
 - Mid-October – standstill ends.
 - Signing of contracts and mobilisation period – late October – December (23)
 - Go live 1st January 2024
- 4.3.3. It is recommended that the contract length be a 60 month term with the option to extend for two further 12-month periods by mutual

agreement. This is comparable to the current contract and has provided good levels of service improvement and stability.

4.4. Evaluation Criteria

- 4.4.1. Officers propose to evaluate bidders against the following quality criteria within the tender. All tenders will be asked to explain fully how they intend to deliver the service(s) within the constraints and budgets.
- 4.4.2. 80% quality / 20% price award criteria split will be used to highlight the need for effective services to be implemented to demonstrate educational impact.
- 4.4.3. Whilst not finalised at this stage, officers propose to evaluate bidders against the following quality criteria within the tender.

#	Question	Weighting (%)	Purpose
1.	Describe how your model will meet the needs of Medway's children (including KPIs) within the financial envelope?	30	Provide an understanding of how the organisation would deliver the required outcomes of the contract within the budget.
2.	Describe how your model will work alongside wider children's health services to ensure the most seamless journey for children.	15	Ensure the provider is considering the child and parent /carer experience and creating a co-ordinated approach to address holistic needs of children and their families.
3.	How will you ensure strong working relationships are maintained with colleagues in social care to safeguard the wellbeing of vulnerable children?	10	To ensure that the provider is thinking about how the service will work with Medway's Children's Services and Medway Safeguarding Children Partnership. To ensure the service makes a significant contribution to Medway's Early Help strategy.
4.	How will you measure and evidence the impact of the service on people's lives?	10	To ensure that the provider is able to evidence that the service is having a positive impact on people's lives and making a significant contribution to the improving the lot of more vulnerable children.

5.	What experience does your organisation have of delivering 0-19 public health services?	10	To assess the provider's track record and credibility.
6.	How will you ensure that the needs of Medway's diverse communities including underserved groups will be met by this service?	10	To provide assurance that the provider will address issues of equality and diversity and ensure that no one is disadvantaged.
7.	Describe how your organisation will support the roll out of the Family Hubs and Start for Life Programme in Medway?	10	To provide insight into how the providers see themselves contributing to this agenda.
8.	Describe the social value your organisation will add to the Medway system.	5	Look beyond the financial cost of a contract to consider how the services they deliver will improve the economic, social and environmental wellbeing across Medway

5. Consultation

5.1. The intention is to work with colleagues and partner agencies to further develop KPIs and operational aspects of the specification. These agencies will include; Public Health, Children's Services as well as partner agencies such as Medway Maternity Service, Early Years settings, schools, parent and carer groups such as the Maternity Voices Partnership and Medway Parents & Carers Forums as well as voluntary sector agencies such as Family Action and Homestart.

6. Service Implications

6.1. Financial Implications

6.1.1. The procurement will be funded by the Public Health Grant paid to local authorities for the delivery of these services.

6.2. Legal Implications

6.2.1. The statutory basis for this service is set out in paragraph 2.2. above.

6.2.2. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.

6.2.3. The process described in this report complies with the Public Contracts Regulations 2015 and Medway Council's Contract Procedure Rules.

6.3. TUPE Implications

6.3.1. TUPE applies to this requirement as there is an existing provider in place delivering this service - Medway Community Healthcare.

6.4. Procurement Implications

6.4.1. This project will be managed by the Category Management Team. Through conversations to date, officers are in agreement with the approach to market to ensure compliance with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

6.5. ICT Implications

6.5.1. There are no further IT implications resultant of this Gateway 1 paper.

7. Social, Economic & Environmental Considerations

7.1. The broad area Social Values the procurement would seek are:

- Social: Healthier, Safer and more Resilient Communities.
- Jobs: Promote local skills and Employment

8. Recommendation

8.1. Cabinet is recommended to approve the procurement commencement of the Health Visiting and School Nursing service as per the preferred option identified in paragraph 4.2.5.

9. Suggested reasons for decision

9.1. There is a limited number of providers able to deliver said service and therefore the recommended process will ensure all suitable providers are able to access and bid for the opportunity.

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Appendices

None

Background Papers

The following documents have been relied upon in the preparation of this report:

Description of Document	Location	Date
Health & Social Care Act 2012	https://www.legislation.gov.uk/ukpga/2012/7/contents/enacted	
Family Hubs & Start for Life Programme Guide	https://www.gov.uk/government/publications/family-hubs-and-start-for-life-programme-local-authority-guide	August 2022
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	https://www.legislation.gov.uk/uksi/2015/921/contents/made	
Guidance to Support the Commissioning of the Healthy Child Programme 0-19: Health Visiting and School Nursing Services	https://www.gov.uk/government/publications/healthy-child-programme-0-to-19-health-visitor-and-school-nurse-commissioning	January 2016 / Updated March 2021
Health visiting and school nursing service delivery model (guidance for Local Authorities)	https://www.gov.uk/government/publications/commissioning-of-public-health-services-for-children/health-visiting-and-school-nursing-service-delivery-model	May 2021