

Item No.	Classification: Open	Date: 27 November 2023	Decision Taker: Cabinet Member for Health and Wellbeing
Report title:		Gateway 3 – Contract extension request for delivery of 0-19 (25 for SEND) Children’s Community Public Health Services	
Ward(s) or groups affected:		All Wards	
From:		Strategic Director of Children and Adult Services	

RECOMMENDATION

1. That the Cabinet Member for Health and Wellbeing approve an extension of the 0-19 (25 for SEND) Children’s Community Public Health Services contract with Guys and St Thomas’s NHS Foundation Trust (GSTT) to a total value of £3,384,526 (incl 1.8% uplift of £59,844) for a period of up to 6 months from 1 April 2024.

BACKGROUND INFORMATION

2. 0-19 (25 for SEND) children’s community public health services cover provision of health visiting (from birth to under 5’s) and school nursing (from age 5 to 19/25) services across Southwark. This satisfies the council’s responsibilities to deliver children’s public health services under the Health and Social Care Act 2012.
3. The service is funded from the Public Health grant, currently valued at £6.6m per year. The provision of these services supports the council’s ambition around reducing health inequalities, ensuring every child has the best start to life and supporting children and their families to fulfil their potential.
4. The current contract expires on 31 March 2024 with an option of extending by up to 6 months (i.e. until 30 Sep 2024).
5. Until March 2023, the contract had been part of a Section 75 agreement with Southwark Integrated Care System (ICS) when the contract was novated to Southwark Council’s Public Health. It is noted that GSTT is a significant partner within Partnership Southwark and the wider South East London Integrated Care System, providing a wide range of community, secondary and tertiary health services to Southwark residents.

6. Since the introduction of the service specification, associated Key Performance Indicators and management information returns the council have worked with the provider to agree the contract terms and reporting requirements.
7. There have been no material changes in the service specification or delivery model of health visiting and school nursing services across Southwark, since 2015.

KEY ISSUES FOR CONSIDERATION

Key Aspects of Proposed Variation

8. The nature of the variation is to extend the current contract for up to six months to a total contract value of £3,384,526.

Reasons for Variation

9. Since the work started to novate the contract from March 2023 there have been a number of significant changes across the system. The reason for the novation was a joint decision between the ICB and the council as Southwark was funding the service, it therefore made sense to novate this across so the council would have commissioning control of the service directly.
10. The introduction of the Family Hubs approach, complementing the council's local ambitions for the delivery of Early Help and preventative provision more clearly defines the role of 0-19 (25 for SEND) community health services within a cross system multi-agency partnership.
11. This extension provides an opportunity to further review the service specification, and work with the provider on revised KPIs within this. The extension to the contract would therefore allow changes to be implemented which ensure that Southwark children and their families are provided a service which is up to date, tailored to their needs, and able to fully report on its activities to provide assurance and evidence of effectiveness.

Future Proposals for this Service

12. The variation will be for 2024/25, which will enable the council to continue building the foundations for future service delivery and affording it the time the partnership requires to meet the ever changing needs of Southwark's residents.
13. Southwark colleagues are working with the provider to assess future commissioning intentions for the service from 2024/25 onwards. The procurement of the new contract will be conducted in accordance with the requirements of the new Provider Selection Regime which comes into force from 1 January 2024

Alternative Options Considered

14. Alternative options considered are outlined in the table below.

Option	Advantages	Disadvantages	Decision
Decommission service entirely	<ul style="list-style-type: none"> None 	<ul style="list-style-type: none"> Lack of service provision not acceptable as this is a statutory service. 	Not acceptable
Insourcing	<ul style="list-style-type: none"> Would enable increased control over service delivery and enhanced transparency regarding cost of delivery. 	<ul style="list-style-type: none"> Specifically trained and experienced staff would be required that GSTT have available but the LA does not. A lengthy process which recalls significant service disruption to what is a statutory service obligation to the council. 	Not acceptable

Identified risks for the Variation

15. The risks considered are outlined in Table 2 with mitigating actions.

Table 2. Risks considered

Risk No.	Risk Identified	Likelihood	Impact	Mitigation
1	Service interruption	Low	V. high	Ensure clear transition plan in place including deliverables seen and ratified by all stakeholders.
2	Provider does not agree to contract extension	Low	V. high	The council is working closely with the provider to prevent this. It is unlikely the provider will not agree to the extension.
3	Risk of challenge	Low	High	Procurement and legal advice has been obtained and the extension is consistent with the Public Contracts Regulations 2015
4	Inflationary changes	High	Low	The council has made arrangements with finance colleagues to forecast for possible inflationary changes.

Policy framework implications

16. Legislation and guidance:

- a. The approval of the extension would continue to satisfy the council's responsibilities to deliver children's public health services under the Health and Social Care Act 2012.
- b. The proposal and revised service specification would contribute to meeting the council's responsibilities regarding Start for Life services as set out in the Family Hubs and Start for Life Programme Guide 2022. The proposal and revised service specification would contribute to meeting the council's responsibilities regarding Start for Life services as set out in the Family Hubs and Start for Life Programme Guide 2022.
- c. The equality impact assessment found no evidence to consider any group protected by the Equality Act 2010 to be disadvantaged through this proposal.

17. Council vision, principles and commitments:

- a. The review of the service specification, KPI's and management information returns as set out in this report upholds the council's values, commitments, priorities and promises to the residents of the borough.
- b. Specifically the proposal aims to provide a robust and effective community health service for all children and their families, conferring healthy life skills and providing support at key points to ensure all children have the opportunity to lead healthy lives.
- c. The proposal and revised service specification directly support, complement and represent implementation of Southwark's Strategic Policy SP3 "*A great start in life*" as well as SP5 "*tackling health inequalities*".
- d. The proposal and revised service specification directly contribute to ensuring Southwark's Public Sector Equality Duty.
- e. The proposal and revised service specification directly contribute to Southwark's 100% inclusion charter.

Contract management and monitoring

18. The revised service specification includes the requirement of a Monitoring and Oversight Board with responsibility for managing the contract and performance.
19. Annual performance reports to be presented in line with Contract Standing Orders.

Community, equalities (including socio-economic) and health impacts

Community impact statement

20. The extension will avoid a gap in service provision, which would cause significant negative impact on the health and wellbeing of the borough's children young people and their families.
21. The current provider is a key stakeholder in Southwark, committed to supporting our fairer futures promises. Doing this through a trust wide commitment to a London Living Wage, net zero climate change policy and being a key employer of Southwark residents.

Equalities (including socio-economic) impact statement

22. The review of the new specification and contract is likely to have a net benefit especially concerning inequalities through a continuous learning and improvement approach to identify and address any gaps or inequalities in service provision. This would be facilitated by better data collection, frequent analysis and improved oversight and assurance processes.

Health impact statement

23. The review of the specification and contract is likely to have a net benefit especially with regards to health of children (and their families), facilitated through a more tailored approach, and supported by a robust assurance and governance processes.

Climate change implications

24. There has not been an explicit assessment of the proposed variation and its contribution to climate change.
25. The specification does make it a requirement for the provider, where possible and appropriate, to *deliver the service in a place-based way* utilising areas where co-location can reduce the burden of travel for clients. This carries environmental benefits.

Social Value considerations

26. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the wellbeing of the local area can be secured.
27. The review of the new contract is likely to have a net benefit with a more tailored approach, more robust assurance and governance processes which would allow close monitoring and evaluation of activity to ensure positive impact.

Economic considerations

28. NHS organisations, by virtue of their size and industry, set their own policies and practices with respect to employment, procurement and sustainability.
29. The provider (GSTT) is one of the largest employers in London employing over 23,500 staff and due to its location; it is likely a major employer of Southwark residents.
30. The provider (GSTT) will continue to adhere to the London Living Wage commitments.

Social considerations

31. The provider (GSTT) is one of the largest employers in London employing over 23,500 staff and due to its location; it is likely a major employer of Southwark residents.
32. GSTT is ranked as one of the top NHS trusts in the country to work for by the NHS staff survey and are holders of the Investors in People Gold Standard award.

Environmental/Sustainability considerations

33. NHS organisations, by virtue of their size and industry, set their own policies and practices with respect to employment, procurement and sustainability.
34. GSTT are committed to delivering sustainable healthcare, being one of the first trusts in the country to implement combined heat and power systems and promote green transport through their community links.

Financial Implications

35. The total value of the proposed variation of £3,384,526 can be met solely from existing 0-19 Children's Community Public Health Services budgets allocated within the Public Health Grant for a further period of six months effective from 01 April 2024.
36. The total estimated contract cost excluding VAT:

	Cost
Original total cost	£6,649,364
Total value of any previous variations	£6,649,364
Value of proposed variation	£3,384,526
Revised total cost	£10,033,890

Legal Implications

37. Please see concurrent of the Assistant Chief Executive – Governance and Assurance.

Consultation

38. The provider is working in partnership with the council to review the service specification, KPI's and management information returns.

Other implications or issues

39. There are none.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

40. This report seeks approval of contract extension and variation for provision of the 0-19 Children's Services contract with Guys & St Thomas' NHS Foundation Trust (GSTT) for a further period of six months effective from 01 April 2024 and associated value of £3,384,526.

41. The value of the proposed variation is above the minimum threshold for services covered by the Light Touch Regime (LTR) as detailed in the Public Contracts Regulations 2015 (PCR2015). However, Regulation 72(1) (a) permits modification in those instances where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents:

(a) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses—

- (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and
- (ii) do not provide for modifications or options that would alter the overall nature of the contract or the framework agreement.

42. The report confirms that the variation will enable the council to continue review of its service requirements in order to enable development of future commissioning intentions for the service from 2024/25 onwards. The variation is also aligned with the council's Contract Standing Orders (CSO) which dictate that decision must be taken by the relevant cabinet member, after consideration by the council's corporate contracts review board (CCRB).

43. Headline options and risks associated with award are contained at the end of paragraph 15. It is recommended that the risk register itself is regularly

reviewed as a staple meeting agenda component for the new service model mobilisation and delivery phase, and updated accordingly.

44. Alignment with the Fairer Future Procurement Framework (FFPF) is evidenced, specifically via confirmation of London Living Wage (LLW) payment at paragraph 31 (GSTT pay staff working on the contract above minimum wage, inclusive of an inner London cost of living enhancement) and the content of paragraphs 20 – 35 more generally.
45. Proposed methodology for performance/contract monitoring is detailed within paragraphs 18 and 19, and confirms intended compliance with CSO re: production of an Annual Performance Report (APR) to be provided at departmental contract review board (DCRB) and CCRB.
46. The Community, Equalities and Health Impact Statements are set out in paragraphs 20 – 24.
47. The Climate Change, Social Value, Economic and Environmental / Sustainability statements are set out in paragraphs 25 – 35.

**Assistant Chief Executive – Governance and Assurance REF:
[SB13112023]**

48. This report seeks approval of a variation of an existing contract with Guys & St Thomas' NHS Foundation Trust for the provision of the 0-19 Children's Community Public Health Services contract for a period of up to 6 months from 1 April 2024.
49. In relation to services of this nature and value the Public Contracts Regulations 2015 permit contract modifications in certain limited defined circumstances, including (under Regulation 72(1) (a):-

where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses, which may include price revision clauses or options, provided that such clauses—

- (i) state the scope and nature of possible modifications or options as well as the conditions under which they may be used, and
- (ii) do not provide for modifications or options that would alter the overall nature of the contract or the framework agreement.

As noted in paragraph 4 it is confirmed that the terms of the contract make express provision for extension from 1 April 2024.

50. The proposed contract variation is also consistent with the council's Contract Standing Orders, which reserve the decision in this matter to the relevant Cabinet Member, after consideration of the report by the Corporate Contract Review Board.

Strategic Director of Finance and Governance REF: [29PHHZ2023-24]

51. The Strategic Director of Finance notes the estimated value of £3,384,526 of this variation of an existing contract with Guys & St Thomas' NHS Foundation Trust for the provision of the 0-19 Children's Community Public Health Services contract for a period of up to 6 months from 1 April 2024.

52. There is sufficient budget within the existing 0-19 Children's Community Public Health Services budgets allocated within the Public Health Grant to fund the overall variation.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Health and Social Care Act 2012	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://www.legislation.gov.uk/ukpga/2012/7/contents/enacted		
Equalities Act 2010	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://www.legislation.gov.uk/ukpga/2010/15/contents		
Guidance: Family hubs and start for life programme: local authority guide	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy
https://www.gov.uk/government/publications/family-hubs-and-start-for-life-programme-local-authority-guide		
Southwark Council and NHS Southwark CCG Section 75 agreement (2013)	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://moderngov.southwark.gov.uk/documents/s42156/Appendix_1_Draft agreement under section 75 of the National Health Services Act 2006 relating to le.pdf		
The best start for life: a vision for the 1,001 critical days	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405

https://www.gov.uk/government/publications/the-best-start-for-life-a-vision-for-the-1001-critical-days https://www.gov.uk/government/publications/the-best-start-for-life-a-vision-for-the-1001-critical-days		
Guidance: Health visiting and school nursing service delivery mode	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://www.gov.uk/government/publications/commissioning-of-public-health-services-for-children/health-visiting-and-school-nursing-service-delivery-model		
School nursing: Looking after the health and wellbeing of school children	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://www.local.gov.uk/publications/school-nursing-looking-after-health-and-wellbeing-school-children https://www.local.gov.uk/publications/school-nursing-looking-after-health-and-wellbeing-school-children		
Evelina London Health Visiting Team	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Southwark health visitor advice line: 020 3049 8166
https://www.evelinalondon.nhs.uk/our-services/community/health-visiting-service/team-contacts.aspx		
The Southwark Plan (2019-2036)	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://www.southwark.gov.uk/planning-and-building-control/planning-policy-and-transport-policy/new-southwark-plan		
Southwark Public Sector Equality Duty	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://www.southwark.gov.uk/council-and-democracy/equality-and-diversity/equality-objectives		
Southwark 100% inclusion charter	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://moderngov.southwark.gov.uk/ielssueDetails.aspx?Ild=50029378&PlanId=0&Opt=3#A164280		

Gateway 3 – Variation Decision 0-19 Children’s Community Public Health Services Contract Variation	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://moderngov.southwark.gov.uk/documents/s112434/Report%20GW3%200-19%20Childrens%20Community%20Public%20Health%20Services%20Contract%20Variation.pdf https://moderngov.southwark.gov.uk/ielssueDetails.aspx?Id=50029378&PlanId=0&Opt=3		
Equality and health analysis – 0-19 Children’s Community Public Health Services Contract Variation	Public Health Directorate 1 st Floor, 160 Tooley Street, London SE1 2QH	Sangeeta Leahy 07756 214 405
https://moderngov.southwark.gov.uk/documents/s112435/Appendix%201%20Equality%20and%20health%20analysis.pdf https://moderngov.southwark.gov.uk/ielssueDetails.aspx?Id=50029378&PlanId=0&Opt=3		

APPENDICES

No	Title
None	

AUDIT TRAIL

Lead Officer	David Quirke Thornton Strategic Director of Children and Adult Services	
Report Author	Paula Hill, Head of Children and Young People’s Programme’s, Public Health	
Version	Final	
Dated	1 November 2023	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Director of Exchequer (for housing contracts only)	N/A	N/A

Cabinet Member	Yes	No
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		27 November 2023