Reason for Decision
This report requests approval to award the contract for the delivery of Oldham's Early Years Offer and School Nursing Service from 1st April 2016 to 31st March 2019.

Executive Summary

The Council currently commissions 16 children’s centres that are delivered on a district basis across Oldham. The transfer of 0-5 Public Health responsibilities and associated commissioning duties to the Council has provided the opportunity to fully integrate the health visiting and children’s centres services to create a single service for under 5’s, within the current construct of a district delivery model.

On 23rd February 2015 Cabinet approved the new integrated delivery model for Oldham Early Years Offer from April 2016. The new integrated delivery model for Oldham has been developed and aligned to the Greater Manchester new delivery model for Early Years, an approach that Oldham was already testing and was instrumental in shaping from the start. The model will ensure the delivery of the 8 stage assessment process, the associated intervention pathways and the direct link to the Early Help Offer.

The challenge is to reduce Council spend whilst still maintaining the outcome led vision for all Oldham’s young children which will see them ‘Ready to Learn’ whilst also addressing the currently poor Public Health outcomes for children.

In addition we aligned commissioning and procurement arrangements for 5-19 public health functions (School Nursing) to the Early Years Offer, by arranging them in to ‘lots’ enabling a consistent approach across 0-19 services.
An open tender exercise was carried out during summer 2015 to secure a provider for Oldham’s Early Years Offer and School Nursing Service. It is intended the contract will commence on 1st April 2016 until 31 March 2019. An option to extend for a period of two year would be included.

We organised the services into ‘lots’ whereby suppliers could bid for one or both.

Lot 1 – Early Years Offer (0-5)
  Health Visiting (HCP)
  Children’s Centres
  Family Nurse Partnership (FNP)
  Oral Health

Lot 2 – School Nursing (5-19)

**Recommendation**

That approval is given to award the contract for delivery of the Oldham’s Early Years Offer and School Nursing Service to the preferred bidder for the period 1st April 2016 to 31st March 2019 with an option to extend for a maximum further period of two years.
Oldham’s Early Years Offer and School Nursing Service – Contract Award

1. Background

1.1 The Council currently commissions 16 children’s centres that are delivered on a district basis across Oldham. The transfer of 0-5 Public Health responsibilities and associated commissioning duties to the Council has provided the opportunity to fully integrate the health visiting and children’s centres services to create a single service for under 5’s, within the current construct of a district delivery model.

1.2 On 23rd February 2015 Cabinet approved the new integrated delivery model for Oldham Early Years Offer from April 2016. The new integrated delivery model for Oldham has been developed and aligned to the Greater Manchester new delivery model for Early Years, an approach that Oldham was already testing and was instrumental in shaping from the start. The model will ensure the delivery of the 8 stage assessment process, the associated intervention pathways and the direct link to the Early Help Offer.

1.3 The service entitles families with young children from conception to 5 years to a set of universal and targeted evidence based services, through the 8 stage integrated assessment model and corresponding pathway of intervention. The proposed model builds on the statutory elements of the health visiting service, Healthy Child Programme and children’s centres.

1.4 The challenge is to reduce Council spend whilst still maintaining the outcome led vision for all Oldham's young children which will see them ‘Ready to Learn’ whilst also addressing the currently poor Public Health outcomes for children.

1.5 The transformational element of this project comes in the integration of a number of key functions (described in 2.1.1 and 2.1.2); namely health visiting and children’s centres, to create a single service to achieve agreed and improved information sharing within the integrated model thus reducing duplication of services. As a result we are able to align contribution and accountability for key performance indicators within a single performance framework.

1.6 As Oldham went to market to procure the integrated Early Years Offer, Greater Manchester (GM), Public Health England and NHS England signed the Memorandum of Understanding to secure a unified public health leadership system for GM. A major programme of work to embody the public health leadership system was a focus on early years. This is in essence what Oldham aspired to achieve by commissioning an integrated model.

1.7 The incumbent provider of child health services in Oldham, Pennine Care Foundation Trust, includes a shared management structure for Health Visiting and School Nursing Services. Disaggregating the services at this time poses a risk to service continuity and puts cost pressures on the provider which may impact on frontline delivery. Therefore we aligned commissioning and procurement arrangements for 5-19 public health functions (School Nursing) to the Early Years Offer, by arranging them in to ‘lots’ enabling a consistent approach across 0-19 services, as outlined and approved by Cabinet in January 2015.

2. Procurement

2.1 An open tender exercise commenced on 1st June 2015 for Oldham’s Early Years Offer and School Nursing Service. The contract will commence on 1st April 2016 until 31 March
2019. An option to extend for a period of up to two years may be exercised on an annual basis. The maximum funding annual envelope was:

Lot 1 - £6,189,424
Lot 2 – £1,000,000

Providers were able to tender for individual lots or both and were required to demonstrate effectively their ability to meet service requirements.

**2.1.1 Lot 1 – Early Years Offer**

The service will provide universal access to a range of health and developmental assessments complemented by evidence based interventions delivered to fidelity for families with children under 5. The public health outcomes framework and children’s centre inspection framework clearly identify a range of outcomes that are significant for the 0-5 age range.

The overarching aim of this commission is to create the ‘**Right Start Core Service**’; a single service with a single set of performance outcomes whereby the ultimate aim is that ‘**children are developing well and ready for school**’. The service will deliver the following functions:

- **Function One:** Delivery and co-ordination of a range of Early Childhood Services on a district/locality basis with designated children’s centres providing the ‘shop front’ for the service.
- **Function Two:** Delivery of the Healthy Child Programme (0-5).
- **Function Three:** Delivery of the Children’s Centre Core Purpose.
- **Function Four:** Delivery of Oldham’s Right Start assessment model and associated interventions.
- **Function Five:** Delivery of the Family Nurse Partnership targeted intervention, for vulnerable teenage parents.
- **Function Six:** Co-ordination and delivery of Council’s Oral Health Plan for under 5s.

**2.1.2 Lot 2 – School Nursing Service**

The service will ensure children, young people and their families have access to a core programme of preventative health care (Health Child Programme 5-19), with additional care based on need.

The overarching aim of this commission is to ‘**improve the health and wellbeing of children and young people and reduce health inequalities**’.

- **Function One:** Delivery of the Healthy Child Programme (5-19) via the School Nursing role.
- **Function Two:** Delivery of the National Child Measurement Programme across Oldham.
Function Three: Deliver immunisation Services for children and young people aged 5-19 years (this will be co-commissioned with NHS England (GM Area Team- GMAT) but forms an integral part of the service).

Function Four: Development of a health plan for each school.

In addition there is an expectation that the provider will develop a traded service function to enable delivery of the wider Healthy Child Programme (5-19).

2.2 The contract period will be initially for three years for the period from 1st April 2016 to 31st March 2019, with an option to extend for a period of up to two more years. A maximum funding envelope was set to enable a contribution to council savings targets across both lots. The rationale for this was a combination of the need to make significant efficiencies with the belief that an integrated service could bring better value for money.

2.3 It should be noted that whilst the two incumbent children’s centre providers engaged with the market event that preceded the main procurement and saw the merit in the new model; they subsequently ruled themselves out of the procurement process. TUPE may apply to staff currently employed by these providers.

2.4 There were two submissions for the tender, both bidders for both ‘lots’.

2.5 The remaining bid was put thorough for full evaluation on the basis it met the criteria for interview, was within the maximum funding envelope and had passed the required clinical scrutiny carried out by Oldham Clinical Commissioning Group (CCG) as part of the agreed and identified procurement process.

2.6 Given the complexity of the integrated model, consideration was given to the bidder’s ability to play a major part in transition to the new model and maintain business as usual during the process. The results of the evaluation process are laid out below:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Technical Weighted Score</th>
<th>Price Weighted Score</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot 1</td>
<td>69</td>
<td>5</td>
<td>74</td>
</tr>
<tr>
<td>Lot 2</td>
<td>70</td>
<td>5</td>
<td>75</td>
</tr>
</tbody>
</table>

2.7 The preferred bidder, via The Chest, that the price submitted includes the cost for the service delivery model, which they envisage will include the transfer of the workforce. However they have suggested that given the TUPE lists are not finalised, they are not in a position to confirm the final price and redundancy liabilities until such time they have final lists. They would seek to enter negotiations with the incumbent providers and/or commissioners around TUPE and redundancy liabilities when the final TUPE list is available.

2.8 As a result of this tender process staff will transfer from the incumbent providers to the new contract maintaining local knowledge and expertise. It is likely a number of Oldham Council staff will also transfer to the new delivery model from 1st April 2016. The final number of Council staff will be known following completion of internal restructure processes within the Early Years and Education directorate.
3. Key elements of the preferred bidder Submission

3.1 The preferred bidder has experience of leading/being the accountable body for Sure Start Children’s Centres over a number of years. They evidenced a good knowledge of the expectations of Care Quality Commission, Ofsted and the Children’s Centre Statutory Guidance at interview.

3.2 The preferred bidder will be the sole provider bringing together all functions as required in a ‘single service’ and securing a unified public health leadership system within the model. As the preferred bidder will be the sole employer, information can be shared freely between the functions, where parent and young people have consented removing previously perceived barriers.

3.3 The integrated model starts at pregnancy and continues through the early years, childhood and the teenage years (0-19). The preferred bidder will deploy senior managers aligned to Oldham’s District model. The staff delivering all functions will form the 0-19 integrated team and be co-located wherever feasible in Oldham’s Children’s Centres.

3.4 The improved use of ICT has been a particular focus in the transformation of the service, the aim being to reduce the burden of paper recording and gathering intelligence. The provider has committed to implementing their electronic Integrated Digital Care Record (IDCR) within the first year of the contract. This will enable staff to use the mobile application giving them online and offline access to user records, no matter their location, including in service user homes or when in transit. Staff will use electronic ‘Think Pads’ in the course of their assessments and interventions with service users, gathering intelligence that will fed directly back to the client/child record. This will free up more time for practitioners to spend with children, young people and families in a face to face capacity and bring efficiency to the service.

3.5 The preferred bidder has Foundation Trust status and a spread of services already established across the GM footprint and Cheshire, with experience of transferring large numbers of staff into their organisation over the last four years.

3.6 Social value has also been taken into account in this tender process and the preferred bidder have committed to adopting an ‘asset based approach’ with the Oldham community, a model which resonates with Oldham’s Co-operative Values and preferred Oldham Public Health approach. This will be achieved by delivering ‘Making Every Contact Count’ and Royal Society of Public Health Level 2 programmes to individuals and groups to increase community capacity for improving Public Health outcomes.

4. Options/Alternatives

4.1 Option 1 - Award the contract for the delivery of the Early Years Offer and School Nursing Service to the preferred bidder for the period 1st April 2016 to 31st March 2019, following the tender evaluation process. Although the only bidder, the organisation meets the requirements of the process in respect of both quality and price.

4.2 Option 2 - Decide not to award the delivery of the Early Years Offer and School Nursing Service to the winning bidder, leaving the Council without a delivery organisation from April 2016. It should be noted that the services covered in this option are for the most part statutory and would potentially put the Council in breach of statutory requirements.

4.3 As a means of mitigating the risk outlined with Option 2 the Council could chose to extend the current contracts and begin a new procurement exercise. However this would mean
that savings identified for 2016/17 against these services would not be achieved as forecast.

5. Preferred Option

5.1 Option 1 - Award the contract for the delivery of the Early Years Offer and School Nursing Service to the preferred bidder for the period 1st April 2016 to 31st March 2019, following the tender evaluation process.

6. Consultation

6.1 Consultation on the various stages of the redesign has included multi agency partners, represented via the Early Years Programme Board and project group.

6.2 Current providers have piloted and co-constructed the 8 stage assessment and agreed intervention pathways throughout 2013/14. Full roll out will begin during 2015/16. Therefore providers have a good understanding of the expectations of future delivery for Early Years services in Oldham.

6.3 A market event preceded the main procurement cycle which facilitated discussions with potential providers on the Oldham’s vision for the 0-19 offer and provided opportunity for questions and feedback from aforementioned providers. Information from this session was considered prior to the Service specifications being finalised.

7. Financial Implications

7.1 The contract commits the council to expenditure for three financial years, 2016/17 to 2018/19, with an option to extend for a further two years. The annual cost is outlined in paragraph 2.6 and comes to a total of £7.189m per annum.

7.2 The contract will be funded from several council budgets, which are summarised below:

<table>
<thead>
<tr>
<th>Lot 1 - Early Years</th>
<th>2015/16 Budget £k</th>
</tr>
</thead>
<tbody>
<tr>
<td>Early Years Staff</td>
<td>707</td>
</tr>
<tr>
<td>Children's Centres</td>
<td>2,694</td>
</tr>
<tr>
<td>Early Years funding 2015/16</td>
<td>3,401</td>
</tr>
<tr>
<td>Cost from 2016/17</td>
<td>2,192</td>
</tr>
<tr>
<td>Saving</td>
<td>(1,209)</td>
</tr>
<tr>
<td>Health visiting</td>
<td>3,833</td>
</tr>
<tr>
<td>Family Nursing Practitioners</td>
<td>344</td>
</tr>
<tr>
<td>Oral Health</td>
<td>80</td>
</tr>
<tr>
<td>Public Health funding 2015/16</td>
<td>4,257</td>
</tr>
<tr>
<td>Cost from 2016/17</td>
<td>4,257</td>
</tr>
<tr>
<td>Saving</td>
<td>(0)</td>
</tr>
<tr>
<td>Contract Cost</td>
<td>6,189</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Retained Premises cost</td>
<td>260</td>
</tr>
<tr>
<td>Budget from 2016/17</td>
<td>6,449</td>
</tr>
<tr>
<td>Total Saving identified (Lot 1)</td>
<td>(1,209)</td>
</tr>
</tbody>
</table>

**Lot 2 - School Nursing**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>School Nursing Service budget</td>
<td>1,232</td>
</tr>
<tr>
<td>Cost from 2016/17</td>
<td>1,000</td>
</tr>
<tr>
<td>Saving Identified (Lot 2)</td>
<td>(232)</td>
</tr>
</tbody>
</table>

7.3 As detailed above, the new contract will allow the Council to realise savings of £1.441m per annum from 2016/17

- Early Years – £1.209m towards the Transforming the Early Years Offer in Oldham;

7.4 In addition to the savings identified, there is the opportunity for a further 2.01% discount for early payment of Lot 1 as detailed in paragraph 2.7. The early payment saving will be split between Oxygen (the early payment provider) and the Council; with the Council due to receive £65k of the available £124k.

7.5 The IT Implications section of this report (Section 12 below) outlines a process for determining and satisfying the IT needs of this activity. Paragraph 12.3 highlights the potential for additional costs being incurred in delivering an appropriate solution. As the IT work stream is still at an early stage, detailed figures are not yet available to show how much this will cost. A contingency sum has, however, been set aside to pay for transitional work associated with infrastructure developments and any unforeseen consequences of implementing the redesigned service. The funding for this has been earmarked from within the newly mandated financing envelope provided by the Department of Health. It is likely that the contingent amount will be adequate to meet all necessary redesign works without need of recourse against any other Council resource. (Mark Chambers - Finance Manager; comments approved by Anne Ryans Director of Finance)

8. Legal Services Comments

8.1 The tender process has been run in compliance with the Public Contracts Regulations 2015 and therefore Legal Services has no further comments to add as regards the procurement. Further Legal/HR advice will need to be obtained as regards any TUPE implications for OMBC Staff who may transfer to the new provider. (Rebecca Coldicott – Group Lawyer)

9. Co-operative Agenda

9.1 The objectives of the children’s centre programme reflect and reinforce Oldham’s co-operative agenda and aim to strengthen relationships at local level between people from different backgrounds within neighbourhoods. The 8 stage assessment model is a parent led process encouraging and supporting parents to understand and take responsibility for their child’s development.

9.2 Furthermore the Social value benefits that come with the recommended provider as outlined in 3.6 fully resonate with Oldham’s co-operative values.
10. **Human Resources Comments**

10.1 The TUPE process will be carried out in line with agreed procedures for those staff who will be transferring from within the Council, with advice being taken from the relevant HR Adviser. (Diane Thorpe- HR Manager)

11. **Risk Assessments**

11.1 The key risks have been identified and are included in the matrix below. (Mark Stenson- Head of Corporate Governance)

<table>
<thead>
<tr>
<th>Risk Type</th>
<th>Risk Description</th>
<th>Risk Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational and Reputational</td>
<td>The Council is not able to deliver statutory duties and functions as a result of changes; Willingness of practitioners to change the way the work – New delivery model</td>
<td>The model has been based on the GM New Delivery model and evidence base and constructed starting with the statutory functions. NHSE and education colleagues have been instrumental in the model design; Involvement of key stakeholders in the redesign. Ongoing work with development academy on professional capabilities and common core skills for all practitioners delivering services for under 5’s</td>
</tr>
<tr>
<td>Financial</td>
<td>Risk of financial benefits not being realised on implementation of the model.</td>
<td>Assurance has been sought from the recommended provider during the procurement process to confirm the price as submitted. The transition process and implementation plan will include a focus on the business model.</td>
</tr>
<tr>
<td>Organisational</td>
<td>Provision of child health services by different providers within the borough runs the risk of fragmentation and lack of co-ordination.</td>
<td>The transition process will include key focus on key interfaces and protocols. Information governance requirements were made clear in the specification.</td>
</tr>
<tr>
<td>Technology</td>
<td>ICT infrastructure is so fragmented that it inhibits the collection and processing of information.</td>
<td>Contractual arrangements in place that require an integrated ICT infrastructure. Work is currently underway to resolve these issues.</td>
</tr>
</tbody>
</table>

12. **IT Implications**

12.1 The Project Management Office (PMO) have undertaken a review of the current implications in regards to the 0-4 Project from a joined up approach relating to Information Governance, ICT provision and Business Information gathering. This review ties into the OMBC suggested approach for ICT Solution Design and follows the principles that are embedded in the IT Solution Design Brief. Subject to final agreement a programme approach will be taken to implementing the following in readiness for contract start date of 1st April 2016.

- A review of the telephony and network connectivity of the Children's Centres moving towards provider led services.
- A review of the internal databases used to capture and share information on the new commission.
- A review of processes that can be automated allowing Oldham Residents to access services electronically.
- A comprehensive review of the Information Governance and Data Sharing requirements for the new commission to satisfy legislative requirements.

12.2 The work outlined in the above review informed the development of the specification put out for the tender process.

12.3 Some of the work outlined in the above review would require specific commissioned projects and therefore may incur additional costs for resources and / or systems. (Helen Gerling - Director of Commercial and Transformational Services)

13. Property Implications

13.1 As agreed by Cabinet February 2015, it is proposed that the Corporate Landlord function manages the children’s centres portfolio from April 2016, with associated costs factored into budget planning, following disaggregation of the revenue funding for the running of the children’s centre asset from the operational budgets.

16.2 A review and potential re-purposing of the portfolio, within the context of the wider corporate estate has begun and a paper to October 2015 Cabinet will outline the potential opportunities should Cabinet agree to further consultation. (Cath Conroy – Head of Asset Management and Estates).

14. Procurement Implications

14.1 The competitive tender was carried out in accordance with Public Contracts Regulations 2015 and the Council’s Contract Procedure Rules (CPRs).

14.2 Two bids were submitted however one organisation submitted a bid that was at a price in excess of the 25% tolerance level outlined in the tender documentation. Following advice and confirmation from the Council’s legal team it was agreed that we would not process this bid any further.

14.3 The proposed supplier submitted a bid which was the most economically advantageous tender. The tender will secure added social values through the life of the contract and strategic contract management will ensure these are delivered and stretched throughout the contract term.

14.4 The Procurement Team supports the recommendation to award the contract to the preferred bidder. (Helen Kostyk - Procurement Manager)

15. Environmental and Health & Safety Implications

15.1 None

16. Equality, community cohesion and crime implications

16.1 The impact of the new Early Years assessment model is intended to be positive for children and their families. A stage 1 EIA was completed during the design phase as saving had been identified as part of the process. The stage 1 EIA has been updated following the procurement process, taking into account the submission form the recommended bidder. The outcome is that a full EIA is not required at this stage.
However, officers will continue to monitor this throughout the implementation phase and ensure EIA’s are completed as part of the process with the new provider. (Jennifer Barker - Strategy, Partnerships and Policy Manager)

17. **Equality Impact Assessment Completed?**

17.1 Early Years Offer - Stage 1 EIA - November 2014, updated as described above August 2015.

17.2 School Nursing Service – Full EIA October 2014

18. **Key Decision**

18.1 Yes

19. **Key Decision Reference**

19.1 EDS-07-15

20. **Background Papers**

20.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

**Name of File**: Transforming Oldham’s Early Years Offer Feb 2015
Records held in Neighbourhoods and Commissioning Department
**Officer Name**: Jill Beaumont
Contact No: x 4778

**Name of file**: Request for Waiver - School Nursing Contract’ January 2015.
Records held in Public Health/Commissioning department
**Officer Name**: Susan Crutchley
**Contact No**: 3184

21. **Appendices**

21.1 Background Papers attached.