

**REPORT TITLE: Kirklees Integrated Healthy Child Programme – Changes to Contract**

<b>Meeting:</b>	Portfolio Holder Key Decision – Cllr Ramsay
<b>Date:</b>	07 March 2024
<b>Cabinet Member</b> (if applicable)	Cllr Ramsay
<b>Key Decision Eligible for Call In</b>	Yes Yes
<p><b>Purpose of Report</b></p> <p>To inform cabinet regarding Portfolio delegated decision to issue a contract modification to the Thriving Kirklees contract with Locala for the Healthy Child Programme (HCP). This will ensure the service is able to deliver the mandated Healthy Child Programme contacts within an increased financial envelope.</p>	
<p><b>Recommendations</b></p> <p>The decision is to:</p> <ul style="list-style-type: none"> <li>• Adopt a 2-year fixed model with an annual cost of £7,676,596 from 1 April 2024. The proposed model includes a greater skill mix of staff whilst also ensuring the clinically safe delivery of service.</li> </ul> <p><b>Reasons for Recommendations</b></p> <p>Since the inception of the contract there have been a number of significant decisions that have re-shaped the contract from how it was originally commissioned.</p> <p>Decisions to date are:</p> <ul style="list-style-type: none"> <li>• A total reduction of £360k from the Children’s budget from 01/04/24</li> <li>• A transfer of £3,226m from the current contract from Kirklees Council to the ICB who will deliver the children and young people’s specialist mental health services provided by SWYPFT from 01/04/24.</li> <li>• To remove Yorkshire Children’s Centre (now known as Fresh Futures) and Homestart elements from the existing Thriving Kirklees contract and a direct award made to these providers under the new Provider Selection Regime (PSR) from 1<sup>st</sup> April 2024.</li> </ul> <p>This leaves the contract in a fragmented state and in order to ensure effective and quality services continue post 1<sup>st</sup> April 2024, discussions have been taking place with partners and providers on how this can best be delivered.</p> <p>The new HCP model will ensure that we are assured as commissioners of the safe delivery of the contract and are able to robustly performance manage Locala over the two year period of the contract, specifically ensuring that mandated contacts are delivered.</p>	

Officers are also planning the longer-term sustainability of the Healthy Child Programme which will include the consideration of the option of a competitive tender process at the end of the two year contract term.

**Resource Implications:**

Additional resource required will be found from the ring-fenced Public Health Grant.

**Date signed off by Strategic Director & name**

Rachel Spencer-Henshall  
Strategic Director of Corporate Strategy,  
Commissioning and Public Health  
**31<sup>st</sup> January, 2024**

**Is it also signed off by the Service Director for Finance?**

Isabel Brittain - Service Director for Finance  
**date**

**Is it also signed off by the Service Director for Legal Governance and Commissioning?**

Julie Muscroft - Service Director for Legal Governance and Commissioning  
**date**

**Electoral wards affected: All**

**Ward councillors consulted: N/A**

**Public or private:** Public

**Has GDPR been considered?** Not applicable as it is an existing contract and GDPR was considered at the beginning of the contract.

## 1. Executive Summary

The Thriving Kirklees contract was originally procured in 2016. The contract is commissioned by Public Health and Children's Service's on behalf of Kirklees Council and the Integrated Care Board (ICB).

The service commenced on 1<sup>st</sup> April 2017 for a duration of five years with an option to extend for up to a maximum period of five years not going beyond 31<sup>st</sup> March 2027. The contract was extended for a period of three years from 1<sup>st</sup> April 2022 and the contract is therefore due to expire 31<sup>st</sup> March 2025.

The contract brought together a range of providers in order to deliver improved outcomes across the children and young people's system. Locala is the lead provider of the contract and deliver the mandated elements of the 0-19 Healthy Child Programme. There are a number of other providers contained within the partnership:

- Yorkshire Children's Centre
- Homestart
- South West Yorkshire Foundation Trust (SWYFT)
- Northorpe Hall

The original contract value for the total contract was £10,757,000 per annum.

The SEND inspection and internal audit process highlighted a range of concerns with the delivery of the Healthy Child Programme including:

- The performance of the Healthy Child Programme mandated contacts.
- Contract Management – including Contract Variations.
- Performance Monitoring.
- Strategic, Operational and Transformation Planning.
- Contract Governance.

Public Health have worked closely with Locala to improve these issues. Progress to date includes:

- Continued improvement of the HCP mandated contacts via a clear action plan.
- Monthly monitoring of HCP data and more rigorous analysis of data.
- Improved performance management of the contract and challenge to the provider.
- Additional staff supporting the contract.
- Working with the provider to improve pathways and efficiencies.
- Working to improve integration between Locala, Public Health and Children's Service.
- HCP included in the SEND transformation plan.

The children's services landscape has changed significantly since the contract was entered into in 2017. Given the number of recent changes within the broader Thriving Kirklees contract, it is considered that the most appropriate long-term option for the contract will be to go out for competitive tender.

For the shorter-term delivery of the contract however, officers have worked with Locala in order to adopt a new model of delivery (via a contract modification, which includes delivery model and financial envelope) which makes the most effective use of a skills mix of staff to deliver the contacts whilst also ensuring safety and safeguarding.

## **2. Information required to take a decision**

The following information will be useful to inform decision making:

- The original Thriving Kirklees contract was commissioned on a lead provider model. Locala were the lead provider who had a number of sub-contracts which formed the partnership. Since then some of these sub-contracts and budgets have transferred to the ICB so these services are being provided by them, some elements have been direct awarded to the provider who was sub-contracted by Locala and some have terminated;
- The Healthy Child Programme is a mandated service which the Council is required to deliver;
- Officers have worked closely with Locala in order to improve the current delivery of the contract;
- This decision will support a short-term plan for the delivery of the Healthy Child Programme;

- Longer term planning is underway to ensure the sustainability of the contract, which will include the option of competitive tender.

### **3. Implications for the Council**

This is a mandated service which has to be delivered by the Council.

The short-term plan for this contract variation will ensure that the Council is able to continue to deliver this essential service to children and families across Kirklees.

This proposal and the anticipated outcomes will also support the delivery of the Council's strategic outcomes by supporting Children to have the Best Start.

#### **3.1 Working with People**

The Healthy Child Programme is a mandated service which must be delivered universally to children and families across Kirklees.

We are also seeking to improve the Quality of the Healthy Child Programme (both for this proposed contract variation and any future tender).

We have worked closely with all partners involved in the delivery of the Healthy Child Programme and those linked to the service and all changes have been executed in partnership and agreement with partners.

#### **3.2 Working with Partners**

This work has gone through the following engagement processes:

Existing provider (Locala). Detailed conversations around what the provider is able to deliver within an agreed financial envelope, with a specific emphasis on the Healthy Child Programme 0-5 mandated contacts and ensuring appropriate Safeguarding for children aged 0-19.

Kirklees Health and Care Partnership SLT. Discussion with colleagues from across the ICB organisation in order to ensure systems working and identify gaps and opportunities.

Individual engagement across a range of internal and external colleagues This includes current provider (Locala), ICB colleagues, Childrens, Early Support. Procurement and Safeguarding in order to gain feedback on the model of delivery.

Portfolio holders for Health and Social Care, Childrens and Education.

#### **3.3 Place Based Working**

Whilst Locala does currently deliver services in local places, it is expected that both the contract variation and any future tender will ensure effective integration with Early Support and the Families Together model in order to embed integrated place based working.

### 3.4 **Climate Change and Air Quality**

Neutral at this point.

### 3.5 **Improving outcomes for children**

As this contract is specifically for children and families there are very clear links to Best Start and Aspire and Achieve outcomes.

We now work closely with a range of Childrens colleagues.

### 3.6 **Financial Implications**

Additional resource required will be found from the ring-fenced Public Health Grant.

### 3.7 **Legal Implications**

The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR) came into force on 1 January 2024 and replaced the previous procurement rules for NHS and local authority funded health and care services. Under this new regime, competitive tendering is just one of the options available for these qualifying services, alongside direct award, and most suitable provider processes.

Also, under PSR some contract modifications are permitted and so do not require a new selection process. This includes where the original contract was awarded under the Public Contracts Regulations 2015, as in this case, in which circumstance modifications are permitted in the following instances:

1. The modification is clearly and unambiguously provided for in the contract or framework agreement documents (i.e., the scope and nature of the potential change has been described in detail in the existing contract).
2. The modification is solely a change in the identity of the provider due to succession into the position of provider following corporate changes (e.g., as the result of a corporate takeover, merger, acquisition or insolvency), and where the relevant authority is satisfied that the provider meets the basic selection criteria.
3. The modification is made in response to external factors beyond the control of the relevant authority and the provider, including but not limited to changes in:
  - patient or service user volume
  - prices in accordance with a formula provided for in the contract documents (e.g., uplifts in prices published in the NHS Payment Scheme or index linking) which do not render the contract or framework agreement materially different in character.
4. The modification is attributable to a decision of the relevant authority and does not materially alter the character of the contract or framework agreement, and the cumulative change in the lifetime value of the contract or framework agreement, compared to its value when it was entered into, is under £500,000 or under 25%.

The applicable basis for this modification is (4) above.

### 3.8 **Other (eg Risk, Integrated Impact Assessment or Human Resources)**

#### 4. Consultation

The following have been consulted as part of this process:

- Kirklees Council Contract Assurance Board;
- Portfolio Member Briefings – Health and Social Care, Childrens and Education;
- Corporate Strategy, Commissioning and Public Health Senior Leadership Team;
- Kirklees Health and Care Partnership SLT;
- Individual informal consultation across a range of internal and external colleagues including: current provider (Locala), ICB colleagues, Children’s Services, Early Support. Procurement, Safeguarding.

#### 5. Engagement

This has gone through the following engagement processes:

**Existing provider (Locala).** Detailed conversations around what the provider is able to deliver within an agreed financial envelope, with a specific emphasis on the Healthy Child Programme 0-5 mandated contacts and ensuring appropriate Safeguarding for children aged 0-19.

**Kirklees Health and Care Partnership SLT.** Discussion with colleagues from across the ICB system in order to ensure systems working and to identify gaps and opportunities.

**Individual engagement across a range of internal and external colleagues** This includes current provider (Locala), ICB colleagues, Children’s Services, Early Support. Procurement and Safeguarding in order to gain feedback on the model of delivery.

**Portfolio holders** for Health and Social Care, Children’s Services and Education.

Through this process, the following themes have been raised and considered:

- Ensuring the cost-effective delivery of a contract which meets mandated requirements for the 0-5 Healthy Child Programme.
- Ensuring that the most vulnerable families are effectively supported to prevent escalation into higher end costly services and are kept safe from harm.
- Ensuring the cost effective delivery of a contract which provides Safeguarding support for children and families aged 0-19.
- Ensuring the new pathways reflect changes to the service model and children, young people and families understand what the changes are and how to access alternative ways for support.
- Ensuring that the Local Authority seeks input, advice and feedback from Kirklees ICB in order to ensure an integrated service.

## **6. Options**

### **6.1 Options considered**

The options which have been considered included:

- Short term contract variation under the Provider Selection Regime
- Continue with the contract in its current form until it expires (31<sup>st</sup> March 2025)

For the short term, under the Provider Selection Regime, it has been decided that the best option is utilising a contract modification to ensure we can make the relevant changes to the delivery model.

At the end of the contract (as modified) all options will be considered including:

- Competitive tender process
- Options offered under the Provider Selection Regime including direct award or further modification

### **6.2 Reasons for recommended option**

Once the mental health services, SPA and CHEWS have been terminated from the Thriving Kirklees contract the remaining elements will be the 0-19 service and the two early intervention and prevention services.

The requirement is to keep the status quo with the early intervention and prevention services, with Fresh Futures (previously YCC) and Home-Start, for the immediate future. It has been decided to take these two services out of the Thriving Kirklees contract and direct award these contracts to the existing providers as permitted by the PSR.

This leaves only the 0-19 elements in the contract. It has therefore been decided that, due to issues already highlighted regarding performance and contract management, to modify the contract for the short term in order to ensure that the service model includes a greater skill mix of staff whilst also ensuring clinically safe delivery of the service.

## **7. Next steps and timelines**

Once the final decision has been made the Council will issue a formal contract modification to Locala setting out the new model and financial envelope to Locala.

We will continue to work with the provider to implement the changes from the new model.

It is important to note that officers are also working on the longer-term plan for the contract in order to ensure its sustainability. This will include consideration of the option to go out for competitive tender.

**8. Contact officer**

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**9. Background Papers and History of Decisions**

N/A

**10. Appendices**

N/A

**11. Service Director responsible**

Rachel Spencer Henshall  
Strategic Director – Corporate Strategy, Commissioning and Public Health