

Extraordinary Board of Directors Meeting

Monday 25th July 2016 at 1000

Large Meeting Room, Institute in the park

Item No	Time	Item/ Report Title	Owner	Purpose of the Report	Process
1.	1001	Apologies	Chair	Anita Marsland, Steve Igoe, Hilda Gwilliams	Verbal
2.	1002	Declarations of Interest	Chair	For Board Members to declare an interest in particular agenda items	Verbal
3.	1003	Community Services – Sefton Tender	T Patten	To enable to the Board to review and determine the outcome of proposals relating to the Sefton tender for LCH 0- 19 Healthy Child Services.	Papers
4.	1055	Any Other Business	ALL	To receive any other items of business	Verbal
Date of Next Meeting: Tuesday 6th September 2016 at 10:00am, Large Meeting Room, Institute in the park					

REPORT FOR EXTRAORDINARY BOARD MEETING

25th July 2016

Submission of Sefton Tender for 0 – 19 Healthy Child Programme

1. PURPOSE OF THE REPORT

To enable to the Board to review and determine the outcome of proposals relating to the Sefton tender for LCH 0- 19 Healthy Child Services.

2. RECOMMENDATIONS

- That the Board notes that there are a number of financial, clinical and reputational risks, in particular surrounding the Safeguarding Team and caveats associated with the acquisition of Sefton health visiting and school nursing services
- That the Board supports proposals regarding to the proactive management of caveats and risks
- That the Board supports the bidding and delivery model proposed for the 0 – 19 Healthy Child Programme
- That the board approves to bid at the maximum tender budget of £5,785,341

3. SEFTON 0-19 HEALTHY CHILD SERVICES TENDER

3.1 The proposed model

Alder Hey proposals in relation to the acquisition of Sefton public health nursing services have been informed by the following strategic considerations:

- the ambition for Alder Hey to become the provider of choice for all child health services across Merseyside;
- the requirement for radical improvement of community child health services; and,
- a need to improve service utilisation by redistributing demand from acute to community.

Alder Hey proposes implementing a new model of integrated place-based services to support delivery of the Sefton 0–19 Healthy Child Programme which spans organizational and service boundaries. The model's stated purpose is to improve outcomes, reduce health inequalities and build a sustainable system for the future. The model places prevention and Early Help at its core and includes care pathways that encompass the spectrum of health and social need. The model aligns with the aims of Shaping Sefton and Sefton Children and Young People's Plan.

The model is underpinned by a commitment to collaborative working at a strategic and delivery level with partners, particularly SMBC and the Sefton voluntary sector.

For note, the model proposes aligning all Alder Hey community services with community, primary care and education on a neighbourhood footprint.

3.2 The challenge of implementing the model

The reputation of Alder Hey as an effective community services provider needs to be strengthened, and the successful implementation of new ways of working in Sefton will substantially alter the local perception that Alder Hey is primarily a provider of acute services.

Working towards integration in the community at scale is new territory for Alder Hey. A conservative estimation of costs associated with transfer and modernisation of multiple and complex care pathways is included in the budget.

The Bid Team currently has little firm information regarding the performance of the current service. As a minimum we have accounted the anticipatory action needed to address high levels of sickness in the transferring service.

3.3 Interdependency with Sefton and Liverpool LCH Service Bundles

There are gaps in the information that has been made available to support a comprehensive financial and clinical risk assessment of the Sefton 0 – 19 services, particularly in relation to separation plans for those child health services that will be provided by the new suppliers of Sefton and Liverpool LCH Bundles (Appendix C), including:

Risks associated with Separation Plan:

- Looked after children's nursing
- ASD/ADHD services (Sefton)
- Children's continence services and community equipment
- Dietetics
- Child Health Information Systems (CHIS)
- Medicines management
- Speech and language therapy
- Corporate and backroom services such as HR and Admin

Other:

- Safeguarding - query if/where existing resource sits, financial value £400k
- Transfer of associated assets such as estate, IM&T

Effective delivery of 0 – 19 Healthy Child Programme requires good working interfaces with these services, particularly Safeguarding. Should the Bridgewater Consortium be successful, Alder Hey will become the provider of choice for most of these services, as well as public health nursing services in Liverpool.

If Bridgewater is not successful, Alder Hey will need to be proactive in liaising with the commissioners, and the new providers of Sefton and Liverpool LCH Bundles to ensure that essential services are not overlooked during separation.

3.4 Contracting Matters

The Commissioner of the service is Sefton MBC. The deadline for submission is 12 noon 5th August. Interviews will be held 2nd September, and the successful candidate will be notified by 5th September 2016.

In the ITT guidance, the Commissioner has signalled that they may:

- Apply a performance bond
- Monitor monthly all unoccupied posts, and deduct from the value of contract payments
- Claw-back efficiencies derived from service improvement outcomes
- Review price annually
- Apply a financial penalty if KPIs are not met.

All the above require challenge, however it is suggested that these matters are raised with the Commissioner as part of a negotiated process at the point Alder Hey is offered the contract. In all other respects, to the best of the Bid Team's knowledge, Alder Hey's proposal 'speaks to' the requirements of the ITT and the service specification.

3.5 Financial Position

Costings for the Clinical Elements of the Model

The tender consists of one specification for two distinct funded elements totalling £5,785,341. The contributions come from: Sefton Local Authority; £5,560,700, and NHS England; £224,641

The proposed budget is based on costings derived from a set of clinical operating assumptions which take into account the estimated unit costs of activity targets, KPI requirements, clinical governance requirements and health improvement tasks.

The clinical model has been costed at a total of £5.3m including allowances for non-pay items. The proposal is to bid at the maximum tender budget of £5.7m which would deliver a recurrent contribution to the trust of £401k (7%).

During year one of the contract in the transition period, there will be 'one off' costs associated with supporting the TUPE of existing staff which has been costed at £156k. This would reduce the Year 1 contribution to £245k (4%).

	WTE		£
<u>Pay</u>			
HV/SN Teams	128.45		4,652,265
Immunisation & Vaccination team	6.50		220,356
<u>Non Pay</u>			511,000
Estimates incl Travel, IT, Training			
TOTAL COSTS			5,383,621
Budget Specified in Tender			5,785,341
Recurrent Contribution to Trust			401,720
			7%
HR Support (Sept-May)	1		44,672
HR Support (Sept-May)	1		25,394
L&D (3 months)	1		12,826
Operational Manager ICS (Sept-May)	1		38,477
Service Improvement Budget			35,000
TOTAL ONE OFF TUPE COSTS	5.00		156,369
Year 1 Contribution to the Trust			245,352

4%

See appendix A and B for the full breakdown of staff structure and non-pay items

Pricing Evaluation for Tender

The 'price' element of the tender scoring is 30% and will be assessed as follows:

- Lowest Price Bid for the provision of the full requirement – full 30 marks
- All subsequent bids - 1 mark deducted for every 1% differential from lowest price

The risk with bidding at full tender budget is that Alder Hey will not receive full marks for pricing, however we are confident that the quality section of the bid will outweigh the marks lost in this section.

TUPE Details

The TUPE information provided by Sefton indicates there will be 130.03 WTE transferring over with the service. The model proposed by Alder Hey requires 133.95 WTE, therefore a need for recruitment of 3.9 WTE.

A comparison of the current staffing and the proposed model has been undertaken and is detailed in Appendix B, highlighting the posts at risk and potential redeployment required to mitigate the need for redundancies. This process will be managed by the proposed transition and service improvement team, costs detailed above.

4. CONCLUSION

Proposals for the Sefton 0 -19 services are based on bottom-up modelling and clinical review. The budget proposed for the service will support safe and effective delivery of an ambitious model, which will strengthen the brand and credibility of Alder Hey.

There are a number of risks which require careful monitoring in tandem with commissioners and the new providers of the Sefton and Liverpool LCH Service Bundles. If Alder Hey becomes the main provider of child health services as part of the Bridgewater Consortium, these risks will be within the control of Alder Hey. There are some additional risks pertaining exclusively to SMBC's approach to contracting, and these should be addressed once a tender offer is made to Alder Hey, rather than as part of the ITT.

Due to extensions in the deadline to 5th August, the portal is still being updated with information which the bid team will review, incorporate and advise executives as appropriate.

REPORTING OFFICER

Therese Patten
21 July 2016

	Band	WTE	Total Costs
Pay Expenditure			
<u>Health Visitors</u>			
Lead manager for HV and SN	8a	1.00	59,562
Health Visitor Team Leader - Sefton	7	6.00	307,815
Health Visitor	6	55.28	2,246,318
CPT/practice teacher	7	1.80	85,595
Breastfeeding lead and audit (Baby Friendly)	6	1.00	43,679
Family Nurse	7	3.00	139,139
Community Nursery Nurse	4	12.00	325,175
Health Visitor Clerk	2	9.34	199,178
<u>School Nursing</u>			
SN lead	7	1.00	51,303
SN CPT x 1 (practice teacher)	7	1.00	51,303
Emotional Health and Wellbeing Specialist School Nurse	7	1.00	44,940
SCPHN (2 per locality)	6	12.50	493,205
School Nurses (1 per locality)	6	5.50	213,272
Specialist Nurse Adviser for Special Needs	6	0.52	19,020
Community Staff Nurse	5	3.48	117,830
Complex Needs Carer	3	0.76	18,296
Clinical Support Worker (Visual Screening etc)	3	6.00	135,868
Clerical Officer - SN	2	0.27	5,043
Student SCPHN School Nurse	5	0.20	6,027
Student SCPHN School Nurse	6	1.80	6,027
student SCPHN Health Visitors x 4	6	4.00	24,108
TOTAL DIRECT CLINICAL PAY COSTS		127.45	4,592,703
<u>Non Clinical Management Costs</u>			
Service Manager (part of transformation role)	8a	1.00	59,562
TOTAL NON CLINICAL MANAGEMENT COSTS		1.00	59,562
<u>Non Pay Expenditure</u>			
Payroll Costs			9,000
Travel			100,000
IT - hardware/maintenance -			125,000
Misc Expend - stationery/consumables			20,000
Red Books (4 X2900)			12,000
Occupational Health			10,000
Voluntary Sector Budget			125,000
Clinical Consumables			20,000
Training Costs			40,000
Estates/Premises Cost			50,000
TOTAL DIRECT NON PAY COSTS			511,000
TOTAL ANNUAL RECURRENT COSTS			5,163,265

Tender Budget 5,560,700

Variance			397,435
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	Band	WTE	Total Costs
<u>Imms and Vacs</u>			
Link Nurse Co-ordinator	6	1.00	51,303
School Health Clinical Support Worker	3	1.50	33,617
Community Staff Nurse	5	4.00	135,436
TOTAL DIRECT PAY COSTS		6.50	220,356

Tender Budget 224,641

Variance			4,285
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	Current Sefton Model TUPE			Alder Hey Model					
Job Title	Band	Sum of FTE Salary	Sum of WTE	Band	Sum of FTE Salary	Sum of WTE	Recruitment	Post no Longer Required	Organisational Change Required
<u>Health Visitors</u>									
Lead manager for HV and SN				8a	59,562	1.00	0		No
Childrens Services - Service Manager	8a	59,562	1.00				0		No
Health Visitor Team Leader - Sefton	7	133,387	2.60	7	307,815	6.00	3.40		
Health Visitor	6	2,246,318	55.28	6	2,246,318	55.28			
CPT/practice teacher	7	85,595	1.80	7	85,595	1.80			No
Breastfeeding lead and audit (Baby Friendly)				6	43,679	1.00	1.00		
Specialist Health Visitor	7	21,889	0.43					0.43	Yes - potential to job share BF lead post
Family Nurse	7	139,139	3.00	7	139,139	3.00	0		No
Family Nurse	6	40,185	1.00					1	Yes - post no longer required
Family Nurse Supervisor	8a	53,367	1.00					1	Yes - post no longer required
FNP Programme Quality Support Officer	4	20,884	0.80					0.8	Yes - post no longer required
Community Nursery Nurse	4	317,565	11.90	4	325,175	12.00	0		No
Health Visitor Clerk	2	75,254	3.47	2	199,178	9.34	0		No
Administration Assistant	2	123,924	5.87						No
<u>School Nursing</u>									
SN lead	7	102,065	2.00	7	51,303	1.00	0	1	Yes - potential redeploy to job below
SN CPT x 1 (practice teacher)		-		7	51,303	1.00	0		
Emotional Health and Wellbeing Specialist School Nurse	7	44,940	1.00	7	44,940	1.00	0		
SCPHN (2 per locality)	6	533,056	13.51	6	493,205	12.50	0	1.01	Yes 1.01 WTE no longer required
School Nurses (1 per locality)	6	213,272	5.50	6	213,272	5.50	0		
Specialist Nurse Adviser for Special Needs	6	19,020	0.52	6	19,020	0.52	0		
Community Staff Nurse	5	291,188	8.60	5	117,830	3.48	0	5.12	Yes - 5.12WTE - 4 redeploy to imms team
Complex Needs Carer	3	18,296	0.76	3	18,296	0.76			
Clinical Support Worker (Visual Screening etc)	3	80,150	3.54	3	135,868	6.00	2.46		
Clerical Officer - SN	2	5,043	0.27	2	5,043	0.27			
Student SCPHN School Nurse	5	6,027	0.20	5	6,027	0.20			
Student SCPHN School Nurse	6	71,063	1.80	6	6,027	1.80			
student SCPHN Health Visitors x 4				6	24,108	4.00	4		
TOTAL HV AND SN TEAMS		4,701,189	125.85		4,592,703	127.45	10.86	10.36	
<u>Vaccs and Imms Team</u>									
Link Nurse Co-ordinator	7	51,303	1.00	6	51,303	1.00			
School Health Clinical Support Worker	3	71,277	3.18	3	33,617	1.50		1.68	
Community Staff Nurse	5	-	0.00	5	135,436	4.00	4		
TOTAL VACCS AND IMMS TEAM		122,580	4.18		220,356	6.50	4	1.68	

Appendix C: Exclusions

There are a number of items that due to lack of information released in the tender, have been excluded from the costed model. These have been listed below along with the assumptions and associated risks with each item.

Type of Expenditure	Item	Assumption	Risk
Pay	Safeguarding and Child Protection Roles	<ul style="list-style-type: none"> * Excluded from the tender specification and the £5.7m total funding envelope * Not on TUPE List * Commissioner (Sefton CCG and/or Liverpool CCGs) will continue to commission this service to Sefton from the new provider of LCH services 	<ul style="list-style-type: none"> * Roles are critical in delivery of the tender specification and therefore confirmation is required from the commissioner at the earliest opportunity that these roles will continue to support the teams above the £5.7m budget, and Alder Hey will not be expected to pick up these costs * Financial value of £404k if posts are required in addition
Pay	Corporate Functions	<ul style="list-style-type: none"> * Excluded from the tender specification and the £5.7m total funding envelope 	<ul style="list-style-type: none"> * There are several functions provided by LCH at present. If they are not allocated or made available to Sefton post-transfer there is a risk that the existing AH services will lack capacity, particularly for organisational change and transformation
Non Pay	Premises - lease/rent and running costs incl Utilities	<ul style="list-style-type: none"> * No information provided in tender documents and no response to clarification questions on current buildings incl any lease/rent costs that the new provider will be expected to pick up * £50k provision allowed in non-pay as an estimate * Negotiations post-offer with the commissioner (SMBC) will need to ensure that costs are not passed to AH through the new provider of LCH Bundles, or otherwise a revised funding envelope is issued that covers these costs 	<ul style="list-style-type: none"> * There is a risk that current and new providers of buildings to accommodate community staff might start charging rent. * There is a risk to the place-based model if there is a lack of suitable buildings for co-location
Pay	Training Posts - HV and SN (Band 5)	<ul style="list-style-type: none"> * Current funding from Health Education England that is received by the current provider for these training posts will continue to flow to the new provider * Only top up costs of £6k per student has been included in the costed model 	<ul style="list-style-type: none"> * 25 % of the workforce on the TUPE list is aged over 50 so succession planning is essential * HEE may reduce funding for HV training posts making recruitment more difficult or more costly.
Non Pay	IT Hardware	<ul style="list-style-type: none"> * Current devices and hardware used by the clinical teams will transfer over to the new provider * No allowance has been made for capital cost of new hardware in Year 1 * Licence costs for records/data system eg Emis Web may need funding 	<ul style="list-style-type: none"> * A high quality system that provides both electronic record keeping and comprehensive KPI + data collection for health visitors and school nurses is essential to delivering the service specification
Non Pay	Mobile Phones	<ul style="list-style-type: none"> * No information provided in tender documents regarding contracts for mobile phones and ongoing revenue implications 	<ul style="list-style-type: none"> * Ongoing revenue costs not included in model