



## Transfer of 0-5 children's public health commissioning to local authorities

### Finance Factsheet 1: Finance Issues

#### 1. Lift and shift, and progress to 'fair shares'

- For 2015/16, the transfer of commissioning responsibilities is in effect a 'lift and shift' arrangement. What should be agreed for the Department to transfer to Local Authorities is what NHS England's Area Teams are expecting to contract and spend on 0-5 services at the point of transfer (in line with the commissioning intentions below).
- From 2016/17 onwards the 0-5 baseline will be added to existing local government public health grant allocations to form an overall public health grant allocation. As with existing allocations, areas will be brought towards their fair share allocations through the current process. The public health grant allocation formula will be amended to take account of the 0-5 transfer and Secretary of State has written to the Chair of the Advisory Committee on Resource Allocation to include this in their work programme.

#### 2. Scope of transfer

- The following commissioning responsibilities will transfer to local authorities on 1 October 2015:
  - the 0-5 Healthy Child Programme (full details available [here](#)) which includes health visiting services (delivery of the service vision, four stage model including universal, community and targeted services) and Family Nurse Partnership services (targeted service for teenage mothers).
- The following commissioning responsibilities will remain with NHS England:
  - Child Health Information Systems, to be reviewed in 2020; and
  - the 6-8 week GP check (also known as the Child Health Surveillance).

#### 3. Timescales

- The timetable is set out at annex A. NHS England's Area Teams have already sent in a first finance return on overall costs. The key steps in the process from here are:
  - Area Teams and Local Authorities should submit a second return by 12 September. This takes the details provided in the first return, refines them further, and disaggregates costs by local authority. The return should be signed off by both Area Teams and Local Authorities to demonstrate that local agreement has been reached. Area Teams should make the full details of their first return available to their partner local authorities and we expect information sharing across both commissioners to reflect "open book accounting" on all matters related to the transfer.
  - DH will use the second return to establish provisional Local Authority baselines and changes to NHS England funding. The Local Authority baselines are published for consultation in October 2014.
  - Following consultation, baselines will be finalised by the Department and confirmed alongside the local government finance settlement in December 2014.

#### 4. Commissioning intentions

- From the Department's perspective there are three key factors that have a bearing on commissioning intentions for 2015/16 and which need to be taken into account in funding transfer discussions:

- **the NHS England Mandate** - The Government intends a stable Mandate for 2015/16. In line with this there is no change to the Government's commitment to deliver 4,200 additional health visitors by April 2015;
- **section 7a** - In line with the approach of a stable Mandate, there are also expected to be limited changes to section 7a. In the context of the 0-5 programme, Area Teams are expected to maintain and improve their performance up to the point of transfer against service specification 27 in line with the increasing numbers of health visitors; and
- **mandation** – the Government will legally require local authorities to provide the universal elements of the 0-5 Health Child Programme for 18 months (with a review after a year). A factsheet is available [here](#).

## 5. Funding implications for 2015/16

- The first returns show that, as expected, the overall cost of 0-5 provision is higher in 2015/16 than 2014/15. This is a consequence of the increasing number of health visitors (and to a lesser extent FNP places) during the course of 2014/15. In particular the full year effect of the 4,200 increase will be felt only after the target has been achieved.
- Local areas should plan on the basis that the above commissioning intentions are delivered – including 4,200 additional health visitors.
- DH has not yet set the section 7a funding total for 2015/16 for NHS England. As for 2014/15, we will reflect any increase in total costs from delivering Mandate commitments in setting the total.
- The Department does not intend to place unfunded new burdens on local government in line with the new burdens doctrine. Consequently, NHS England Area Teams should also approach discussions on the transfer on this basis.

## 6. Approach to contracting

- The Department's steer is that local areas should aim for stability in 2015/16 in line with the above commissioning intentions.
- To secure the safe transfer of commissioning responsibilities, local areas should be pragmatic about how much service change is possible in the first instance. Stability of the transformed and expanded service is a priority. The Department's view is that contract novation should be considered in the first instance as the preferred approach. In some areas it will make sense to think in terms of novating to a lead commissioner on the local government side.
- NHS England, as the sender organisation, will make available more detailed guidance on the approach to contracting and novation shortly.

## 7. Changes post-December

- Final health visitor trajectories may not become clear until after the Local Government Finance Settlement in December, and depending on the outcome may mean that local areas want to revisit the level of the agreed transfer funds.
- We do not intend to reopen either the 2015/16 Local Government Finance Settlement or section 7a/NHS Mandate funding totals. Any material changes to transfer amounts can be agreed locally, and funding transferred accordingly.
- The Department will collect information on these locally agreed transfers during the course of 2015/16, and make formal adjustments to baselines for 2016/17 allocations. This mirrors the approach we are taking to resolving errors in the 5-19 baselines.
- In discussions over the summer, local areas should have this process in mind and agree upfront how they will handle significant changes to trajectories and performance that emerge after transfer sums have been agreed.

## 8. Further questions

- We have agreed single points of contact in NHS England and the Local Government Association for further queries on these principles. Queries will be escalated to the Department where appropriate. Contacts are:
  - John Wild, NHS England ([johnwild@nhs.net](mailto:johnwild@nhs.net))
  - Samantha Ramanah, LGA ([Samantha.Ramanah@local.gov.uk](mailto:Samantha.Ramanah@local.gov.uk))

# ANNEX A – Timetable

