



Department of Health

Transfer of 0-5 children's public health commissioning to local authorities - Finance fact sheet

1. Responsibility for commissioning 0-5 children's public health services is transferring from NHS England to Local Government on 1 October 2015.
2. DH has been working in partnership with the LGA, SOLACE, ADPH, ADCS, NHS England and PHE through the 0-5 Public Health Commissioning Transfer Programme Board.
3. 0-5 children's public health services comprises commissioning the Healthy Child Programme including the health visiting service and Family Nurse Partnership (FNP) -targeted services for teenage mothers.
4. Local authorities will receive funding, as part of their public health grant, to commission services.

Determining local authority allocations

5. NHS England Area Teams, with the engagement of local authorities, have been completing returns to build an accurate and well understood picture of 0-5 finances and contracts in 2014/15 and forecasts for delivery for the whole of 2015/16.
6. For 2015/16 we will use 'lift and shift' principles as a basis for the transfer of commissioning responsibilities to local authorities to support contracts which are in place and a safe mid-year transfer. We set out below how this will change in 2016/17.

Baseline Agreement Exercise

7. Publication of the Baseline Agreement Exercise will mark the start of a four week engagement period before we make the final decisions about local authority allocations. Its purpose is to set out:
 - The proposed funding allocations for local authority commissioning of 0-5 public health services from 1 October 2015 until 31 March 2016.
 - The process through which we will reach agreement that the funding provided is sufficient to meet the costs of commissioned services that will be transferring in 2015-16.

Publication timeline

8. We had originally intended to publish the Baseline Agreement Exercise in late October, with a view to publishing final allocations alongside the Local Government Finance Settlement in December. We have now taken the decision to delay publication to allow us time to work through some of the issues which have been raised. We have agreed this approach with our partners.
9. We intend to publish the Baseline Agreement Exercise, which includes proposed allocations, ahead of the Local Government Finance Settlement in December. Although the allocations won't have been finalised at that point as originally planned, where there is already a high degree of agreement over the numbers – as there is in many parts of the country – or outstanding issues that can be resolved quickly, then this provides a good degree of certainty for local authorities on which to start financial planning.
10. We intend to publish final local authority allocations early in the New Year, having allowed time for local authorities and NHS England to comment, and for consideration of those comments.

Recognising some of the issues raised

11. The data collection exercise brought to light a number of issues, which the 0-5 Programme Board has worked to refine and address as far as possible ahead of publication. There were

three main concerns raised by a large number of local authorities; and following reflection on these, adjustments are being made to the figures which were submitted by Area teams and local authorities in September. The following explains the principles behind these:

- a. **CQUIN** – The 0-5 Transfer Programme Board took the decision that where CQUIN (Commissioning for Quality and Innovation) is an integral part of how providers meet 0-5 costs, then it should be included as part of the transfer and where services remain with NHS England, it should be excluded. A number of adjustments to the proposed allocations have been made to ensure they are in line with this principle. Area teams will shortly be able to provide this information to local authorities.
 - b. **Inflation** – The guidance sent out with the returns proposed that 2014-15 prices should apply in 2015-16 unless there was a good reason to do otherwise. This assumption is consistent with how the Department is setting the Section 7A total for NHS England as a whole and a number of adjustments to the proposed allocations have been made in line with this principle. Where local areas were assuming a bigger saving by imposing a net tariff deflator, this saving has been added back into the numbers for the relevant local authorities.
 - c. **Commissioning Costs** – The Department will provide £2m extra funding to cover local authority commissioning costs for 2015-16. The baseline agreement exercise will set out more detail.
12. We recognise that in some areas there may still be a number of issues to work through and that this is requiring effort in advance of transfer by local authorities. We are looking for Area Teams and local authorities to continue dialogue, for NHS England to continue to share information on an open book basis, and for where possible agreement to be reached.
13. If areas need extra support, Public Health England Centre Directors and local PHE children's leads, through local networks, can assist in the process of facilitating agreements by gathering local intelligence and identifying and supporting resolutions.
14. Regional Oversight Groups are established for each local government region, chaired by their local chief executive lead for health and social care issues with representation from NHS England Area teams, Local Authorities and PHE. It is intended that these groups provide oversight and support where appropriate for local solutions and to escalate for support nationally if required to the three representatives for NHS England, LGA and PHE on the national transfer board.

Mandation

15. The Government has already set out its intention to mandate the 5 universal elements of the Healthy Child Programme. These are set out here:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/347047/Mandation_factsheet_final_22-8-14.pdf
16. We are clear that we need to avoid creating new burdens and we intend that any ask of local government will be no greater than the ask of the NHS at the point of transfer. We intend that this approach will be reflected in the mandate regulations.

Funding from 2016/17

17. From 2016/17 the allocations are expected to move towards a distribution based on population needs. The fair shares formula would be based on advice from the Advisory Committee on Resource Allocation (ACRA). The public health grant allocation formula would need to be revised from 2016-17 onwards to take account of the transfer of 0-5 responsibilities. This has been included in the ACRA work programme along with their work on sexual health and substance misuse. ACRA plan to run an engagement exercise on overall changes to the public health grant formula starting in the New Year.

For more information please email: 0-5Transfer-Funding@dh.gsi.gov.uk