

Transfer of 0-5 children's public health commissioning to Local Authorities: Final allocations - Finance fact sheet 4

1. Responsibility for commissioning 0-5 children's public health services is transferring from NHS England to Local Government on 1 October 2015.
2. The transfer of public health commissioning for 0-5s is the final part of the transfer of public health commissioning to Local Authorities, which saw wider responsibilities successfully transfer in 2013.
3. 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.
4. 0-5 children's public health services comprise commissioning the Healthy Child Programme including the health visiting service and Family Nurse Partnership (FNP) - targeted services for teenage mothers. More information about mandated elements of the service is available in the mandation factsheets published [here](#).
5. Local Authorities will receive funding, as part of their ring-fenced public health grant, to commission public health services for 0-5s.

The Baseline Agreement Exercise – Determining Local Authority Proposed Allocations

6. The Baseline Agreement Exercise, setting out proposed Local Authority allocations was published on 11 December 2014. We asked Local Authorities to respond by 16 January 2015.
7. 'Lift and shift' principles were used as a basis for the transfer of commissioning responsibilities to Local Authorities to support contracts which are in place and a stable mid-year transfer of responsibilities. We published our intention to transfer on the basis of lift and shift in the August 2014 Finance Factsheet 1. We published an update describing the Baseline Agreement Exercise process in the November 2014 Finance Factsheet 2. Both are available from <https://www.gov.uk/government/publications/transfer-of-0-5-childrens-public-health-commissioning-to-local-authorities>.
8. Before publishing the allocations, we considered and put in place adjustments to take account of issues raised by Local Authorities as part of the data collection, and engagement exercises, including:
 - 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.
 - 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. 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.
 - d. **Minimum floor** – we have put in place a minimum funding floor of at least £160 per head of 0-5s spend in 2015-16, weighted by the Market Forces Factor, to support Local Authorities falling at the bottom of the funding distribution.
9. Our intention is that all the adjustments set out above will be recurrent in the baseline for allocations from 2016/17 onwards, subject to the outcome of the 2015 Spending Review. Future funding is discussed in more detail below.

10. We asked Local Authorities to review their proposed allocations, and notify the Department of any adjustments agreed with NHS England.

Publication of final Allocations

11. On 26 March, we published the final allocations for 150 of the 152 Local Authorities. Total funding for the six month period from 1 October 2015 to 31 March 2016, as announced in February 2015, was £429m.
12. For the remaining two Local Authorities, the local contract negotiation process identified the need to address a number of complicated issues between commissioners and the provider in these areas. Provisional allocations were identified with an asterisk in Annex 1 of that document. These allocations have now been finalised and this brings the total funding for the six month period to £430m. The allocations for all Local Authorities can be found at the following link: <https://www.gov.uk/government/publications/transfer-of-0-5-childrens-public-health-commissioning-to-local-authorities>.
13. In some areas Local Authorities and NHS England have indicated to the Department or PHE there may be further local conversations about in-year adjustments. The in-year adjustment process is available to all Local Authorities, though this is without prejudice to the outcome. Any material changes to transfer amounts can be agreed locally, and funding transferred accordingly. Sector-led advice and support will be available from Public Health England and the Regional Oversight Groups to help parties reach agreement. Any recurrent adjustments which are agreed will be included in the baseline for 2016/17 allocations as long as the relevant forms issued by the Department later in the year are submitted.

Next steps

14. We expect Local Authorities and NHS England to work together to put in place contracts for the whole of 2015-16. NHS England's teams will work with Local Authorities to finalise contracting arrangements by mid-March.

Funding from 2016/17 / ACRA engagement exercise

15. Future allocations for the public health grant are expected to move towards a distribution based on population needs, determined using a fair shares formula based on advice from ACRA. The 2015-16 allocations will be used as a starting point and Local Authorities will move incrementally towards their target share of the overall allocation over a number of years.
16. ACRA is developing its proposals for the formula for 2016-17 Local Authority public health allocations, which will include the 0-5 children's services component. As this is a new area of the public health grant, the Department will facilitate for ACRA a brief exercise with Local Authorities and others to gather views on the part of the methodology that will take account of need for those 0-5 services as part of the overall public health grant. This engagement exercise concluded on 27 March 2015 and is available at: <https://www.gov.uk/government/consultations/funding-for-0-to-5-childrens-services-2016-to-2017>.
17. 2016-17 allocations will be dependent on the amount of funding announced for public health in the 2015 Spending Review and on the fair shares formula developed following advice from ACRA.

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