

Birmingham City Council

Report to Cabinet

16th January 2024



Subject: BIRMINGHAM AND SOLIHULL SEXUAL HEALTH TREATMENT & PREVENTION SERVICE – CONTRACT AWARD

Report of: Dr Justin Varney
Director for Public Health

Relevant Cabinet Member: Cllr Mariam Khan - Health and Social Care

Relevant O &S Chair(s): Cllr Mick Brown - Health & Adult Social Care

Report author: Karl Beese - Commissioning Manager, Adults Public Health Services
Email: Karl.Beese@birmingham.gov.uk

Juliet Grainger – Public Health Service Lead (Adults)
Email: Juliet.grainger@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 012250/2024		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1 To provide the details of the outcome of the procurement process undertaken for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service and to seek approval for the acceptance of the successful bidder as detailed in **Appendix 1**.
- 1.2 The contract award is for an initial period of 4 years commencing 1st April 2024, with an option to extend for a further period of up to 2 years. This is subject to satisfactory performance and budget availability for the estimated value for Birmingham of up to £62,205,055 for the initial 4-year contract term and up to £32,028,257 for the 2-year extension, totalling £94,233,312.

2 Recommendations

That Cabinet:

- 2.1 Approves the award of a 4-year contract for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service to University Hospitals Birmingham NHS Foundation Trust, commencing on 1st April 2024, with an option to extend for a further 2 years to 31st March 2030 subject to budget availability and satisfactory performance for the estimated value of up to £62,205,055 for Birmingham for the initial 4-year contract term and up to £32,028,257 for the 2-year extension.
- 2.2 Approves delegated authority for the Director of Public Health in conjunction with the Cabinet Member for Health & Social Care, Assistant Director – Procurement (or their delegate), Strategic Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate) to approve any option to extend beyond the initial 4-year period up to a maximum of 2 additional years, subject to satisfactory performance and continued budget availability.
- 2.3 Authorises the City Solicitor to execute and complete all necessary legal documents to give effect to the recommendations above.

3 Background

3.1 Background

- 3.1.1 The relevant background and chronology of key events are contained in the Procurement Strategy for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service approved by the Cabinet Member for Health & Social Care and Finance & Resources on 31st July 2023 detailed under **Appendix 4**.

3.2 Invitation to Tender (ITT) Stage

- 3.2.1 The contract was publicly advertised on 21st September 2023 on the Find a Tender Service (FTS), Contracts Finder and on www.finditinbirmingham.com

seeking expressions of interest from organisations that wished to tender. In response to the advertisement, 12 organisations expressed an interest. All were requested to complete and return the tender by 12pm on Thursday 2nd November. One organisation responded by submitting a tender. Based on soft market testing and the specialist nature of the services Commissioners were expecting 2 – 3 bids. Feedback has been received from 2 organisations who expressed an interest and their reasons for not bidding were issues with obtaining suitable premises for service delivery and other procurement priorities.

3.3 Evaluation and Selection Summary

3.3.1 Details of the evaluation process, including the criteria for selection was set out in the Procurement Strategy and the published Invitation to tender (ITT) for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service. This outlined that tenders received would be evaluated using a split of 60% Quality, 20% Social Value and 20% Price.

3.3.2 The evaluation was undertaken by Officers from the Public Health Division, Adult Social Care Directorate and Solihull Metropolitan Borough Council as the service is jointly commissioned, supported by Corporate Procurement Services.

3.3.3 The tenderer passed the Stage 1 assessment, which is the standard Selection Questionnaire / Compliance stage and proceeded to the next stage - the ITT comprising of the Quality, Social Value and pricing assessment.

3.3.4 Quality Evaluation (60% Weighting)

The results of the quality evaluation including the Presentation are shown in **Appendix 1**.

University Hospitals Birmingham (UHB) NHS Foundation Trust scored 58.75% for the written proposal which is marginally below the minimum threshold score of 60% for the Quality. Commissioners undertook a risk assessment of the areas with the lowest scores and judged them to be low risk. Some of the areas of concern were addressed in the Provider Presentation delivered by UHB on 22.11.2023. Other areas will be developed with the Provider as part of the mobilisation of the service.

3.3.5 Social Value Evaluation (20% Weighting)

There were no specific issues that arose with the quality evaluation and all tenderers proceeded to the social value evaluation stage.

The results of the social value evaluation are shown in **Appendix 1**.

3.3.6 Price Evaluation (20% Weighting)

The result of the price evaluation is shown in the table in **Appendix 1**.

There were clarifications required on some areas of the tenderers' financial Submission. The tenderer responded to the Birmingham clarifications which were acceptable to Public Health and Commissioners.

3.3.7 Overall Evaluation

The overall results of the evaluation are summarised in **Appendix 1**.

3.4 Recommendations

- 3.4.1 It is recommended that the contract for the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service be awarded to University Hospitals Birmingham NHS Foundation Trust for a period of 4 years with the option to extend for an additional 2 years subject to budget availability and satisfactory performance. The contract is estimated to start on 1st April 2024 with an estimated Birmingham value of up to £62,205,055 for the initial 4-year contract term and up to £32,028,257 for the 2 year extension – up to £94,233,312 in total.

3.5 Service Delivery Management

3.5.1 Allocation of Work

Direct award to the successful tenderer, who will manage the supply chain and sub-contractors.

3.5.2 Contract Management

The contract will be managed operationally by the Public Health Commissioning Team within the Adult Social Care Directorate with support from Public Health teams in Birmingham and Solihull. A Memorandum of Understanding has been developed between the two local authorities to underpin these arrangements and responsibilities.

3.5.3 Performance Management

The contract will include a range of performance measures which will be monitored on a quarterly basis through the Contract Management process. This will include a range of outcomes and quality measures. The Birmingham and Solihull Sexual Health Treatment and Prevention Service has five key themes:

- Theme One: Priority Groups
- Theme Two: Reducing the Rates of STIs
- Theme Three: Reducing the Number of Unplanned Pregnancies
- Theme Four: Healthy Sexual Behaviour
- Theme Five: Children and Young People

In terms of outcomes, particular emphasis will be placed on the Public Health Outcomes Framework (PHOF) indicators:

- i) Total prescribed long-acting reversible contraception (LARC)
- ii) Chlamydia diagnoses in 15-24 year olds
- iii) New sexually transmitted infections (STI) diagnoses
- iv) The late diagnosis of HIV.

4 Options considered and Recommended Proposal

- 4.1 Not to award the contract – this is not a viable option as the provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service is a condition of the Public Health Grant that is received by the Council and is a statutory function whereby the Council is mandated to commission open access Sexual Health services, including free (at the point of access) STI testing and treatment, notification of sexual partners of infected persons and advice on, and reasonable access to, a broad range of contraception and advice on preventing unplanned pregnancy.

5 Consultation

5.1 Internal

- 5.1.1. The contents of this report have been shared with the Cabinet Member and Overview and Scrutiny Chair for Health and Social Care, the Director of Public Health, Public Health Senior Management Team and the Solihull Public Health Directorate Leadership Team, all of whom are supportive of the recommendations detailed within this report.

6 Risk Management

- 6.1 The Corporate Procurement Service (CPS) approach is to follow the Council Risk Management Methodology and the Procurement Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by the Public Health Division with support from CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.
- 6.2 A risk register will be developed in partnership with the successful tenderer that will monitor contract mobilisation and implementation.

7 Compliance Issues:

- 7.1 **How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1.1 The Birmingham and Solihull Sexual and Reproductive Health Service will contribute to strategic priorities and outcomes in the BCC Corporate Plan 2022 to 2026:

- An Inclusive Birmingham
- A Safe Birmingham
- A Healthy Birmingham

7.1.2 Compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR) is a mandatory requirement that will form part of the terms and conditions of this contract. The tenderer was required to submit an Action Plan with their tender which has been evaluated in accordance with the tender structure detailed in 3.3 and the action plan of the tenderer will be implemented and monitored during the contract period.

7.1.4 These priority areas are supported by the overarching commitment to reduce health inequalities (a duty of the Local Council under the Health and Social Care Act 2012).

7.2 Legal Implications

7.2.1 The Health and Social Care Act 2012 and associated regulations transferred the responsibility for sexual health to Public Health from the NHS to local authorities from April 2013. Several key indicators in the Public Health Outcome Framework relate to sexual health (detailed under point 3.5.3) and these will continue to be assessed in terms of performance.

7.2.2 Section 12 of the Health and Social Care Act 2012 introduced a new duty at Section 2B of the NHS Act 2006 for all upper-tier and unitary local authorities in England to take appropriate steps to improve the health of the people who live in their areas.

7.2.3 Section 6C of the National Service Act 2006 as amended by the Health and Social Care Act 2012 and The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 provide for the discharge of public health functions by Local Authorities.

7.2.4 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

The Social Value outcomes to be supported by this contract have been determined and are included in the specification, as well as incorporation of the associated Themes from the BBC4SR that were included in the tender evaluation.

7.3 Financial Implications

7.3.1 This is a procurement process for a fixed fee contract, with the cost of the Birmingham and Solihull Sexual Health Treatment and Prevention Service for the period 1st April 2024 to 31st March 2030 being funded through the Public

Health Grant that is received by the Council. There is no additional funding required from the Council to support this contract.

- 7.3.2 The overall total value for Birmingham of the proposed 6-year contract is up to £94,233,312, yearly costs below:

Year 1 – £15,323,648

Year 2 – £15,474,384

Year 3 – £15,626,628

Year 4 – £15,780,395

Year 5 – £15,935,699

Year 6 - £16,092,558

Total - £94,233,312

- 7.3.3 The Birmingham spend of up to £94,233,312 was approved by the Section 151 Spend Control Board on 18th September 2023.

- 7.3.4 The contract value detailed under point 1.2 includes a 1% annual uplift, and clauses have been added to the Terms and Conditions of the contract from 1st April 2024 to 31st March 2030 which include:

- Early termination of contract and notice periods for both parties; from a BCC perspective, this would be driven by significant change in National Policy and/or Central Funding (this could be a reduction in the Public Health Grant and/or the Grant no longer being ring-fenced within the Local Authority) which would directly impact on the continuation of provision of the Birmingham and Solihull Sexual Health Treatment and Prevention Service.
- From 2024/25, Public Health is responsible for the NHS pay settlements in relevant public health provider contracts through the Public Health grant. The terms and conditions of the contract includes a separate clause to the effect that this will be funded based on the national pay settlement for NHS contracted staff, if DHSC provide the appropriate uplift to the Public Health grant for the relevant year.
- A caveat advising that if there are cuts to the Public Health grant, the Council reserves the right to revisit the yearly contract value and reduce it accordingly.
- Working collaboratively with the service provider, Birmingham and Solihull Public Health and Commissioning teams will negotiate a standard primary care tariff across the Birmingham and Solihull geography. This will aim to align the current variance in payments prior to the new contract being issued.

7.4 Procurement Implications

- 7.4.1 This report concerns the Procurement Strategy and award of contract for the Birmingham and Solihull Sexual Health Treatment & Prevention Service and the implications are detailed throughout this report.
- 7.4.2 The new contract commencing on 1st April 2024 will continue to be managed by the Public Health Commissioning Team within the Adult Social Care Directorate in partnership with Birmingham Public Health and Solihull Metropolitan Borough Council.
- 7.4.3 This was a joint procurement process between Birmingham City Council and Solihull Metropolitan Borough Council. The contract values included within this report relate to Birmingham only and not Solihull.
- 7.4.4 There is ongoing clarification between the bidder and Solihull Metropolitan Borough Council in order to confirm the final costings for the Solihull element of the Sexual Health Treatment and Prevention Service.

7.4 Human Resources Implications

Not applicable.

7.6 Public Sector Equality Duty

- 7.6.1 The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy will be incorporated into the new contract.
- 7.6.2 The requirements of the Equality Act 2010 will be included in the new contract to ensure compliance with the Act.
- 7.6.3 An Equalities Impact Assessment (EQUA961) is included at **Appendix 2**. The Birmingham and Solihull Sexual Health Treatment & Prevention Service is open to anyone in Birmingham and Solihull (predominantly aged 13 years and over) and is not discriminatory towards any of the nine protected characteristics detailed in the Equality Act 2010.

8 Environment Sustainability Assessment

- 8.1 An Environmental Sustainability Assessment is included at **Appendix 3**.

9 Appendices:

Appendix 1. Invitation to Tender Scoring

Appendix 2. Equalities Impact Assessment (EQUA961)

Appendix 3. Environmental Sustainability Assessment

Appendix 4. Sexual Health Procurement Strategy dated 31st July 2023

10 Background Documents

10.1 Cabinet Member Decision 31st July 2023 – Sexual Health Treatment and Prevention Procurement Strategy