

Birmingham City Council

Report to Cabinet

9 February 2021



Subject: APPROVAL TO EXTEND CONTRACT FOR THE MANAGEMENT OF ADULT SUBSTANCE MISUSE TREATMENT AND RECOVERY SERVICE

Report of: Dr Justin Varney
Director of Public Health

Relevant Cabinet Member: Councillor Paulette Hamilton - Health and Social Care
Councillor Tristan Chatfield - Finance and Resources

Relevant O &S Chair(s): Councillor Rob Pocock - Health and Social Care
Councillor Sir Albert Bore - Resources

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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: 008386/2021		
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: N/A		

1 Executive Summary

- 1.1 The purpose of this report is to seek approval from Cabinet for a 13-month contract extension to the current contract for the Provision of Adult Substance Misuse Treatment and Recovery Service, which is delivered by Change, Grow, Live (CGL). It is proposed that to mitigate against the unforeseen and unavoidable delays to the public consultation on the Triple Zero City Strategy

and the impacts on repurchase timescales that have been experienced due to COVID that the existing CGL contract is extended for a period of 13-months to cover the period 1st March 2022 – 31st March 2023.

2 Recommendations

2.1 It is recommended that Cabinet:

- Give approval to extend the contract for the Management of Adult Substance Misuse Treatment and Recovery Service delivered by Change, Grow, Live (CGL) to the value of £15,920,828.08 to cover the period 1st March 2022 to 31st March 2023 to be funded by the Public Health Grant as set out in this cover report. This is an increased cost of approximately 3.5% compared to the current yearly contract value of £14,190,609 in order to cover the cost of CGL paying the Birmingham Living Wage and inflation across all costs.

3 Background

3.1 The provision of drug and alcohol treatment services is defined as one of the “grant conditions” of the Public Health Grant.

3.2 Cabinet awarded the contract for the provision of adult substance misuse treatment and recovery services to the organisation ‘Change Grow Live’ (CGL) on the 14th July 2014 following a procurement exercise. CGL were formerly known at the time of contract award as Crime Reduction Initiatives (CRI).

3.3 The contract was awarded for a 5 year period and commenced on the 1st March 2015. Delegated authority to approve the extension of the contract if required was also granted for a further 2 years, subject to satisfactory performance and budget availability to the Cabinet Member for Health and Wellbeing and the Cabinet Member for Commissioning, Contracting and Improvement with the Strategic Director for People in conjunction with Director of Finance, Director of Legal & Democratic Services and Assistant Director Corporate Procurement Services.

3.4 The option to extend the contract by a further 2 years until 28th February 2022 was exercised in 2019 based on satisfactory performance and budget availability. The yearly contract value for the extension period 1st March 2020 to 28th February 2022 is £14,190,609. The Delegated Authority Report to support this extension is detailed in Appendix 1.

3.5 To support the repurchase process for when this contract currently ends on 28th February 2022 the Public Health Division produced a draft Triple Zero City Strategy for Substance Misuse which sets out Birmingham’s shared ambitions and outcomes for Substance Misuse 2020 – 2030.

3.6 Approval to publicly consult on the draft strategy went to BCC Cabinet on 17th March 2020 and was subsequently approved. A twelve-week public consultation process was planned to start on 24th March 2020 – 16th June 2020 with the

consultation recorded on Be Heard and supported by a range of focus groups, community events, ward forum presentations and presentations to the Health and Wellbeing Board, Overview and Scrutiny and key partner agencies. Due to COVID this consultation was delayed, therefore, the proposed 13-month contract extension puts Commissioners back in the pre-COVID position of having a two-year timeline in order to successfully reprocore the contract.

3.7 The proposed twelve-week public consultation process on the draft Triple Zero City Strategy has not yet commenced due to:

- The Public Health Division being unable to publicly consult using the engagement methods proposed in the Cabinet Report dated 17th March 2020.
- The Public Health Division supporting the Birmingham Emergency COVID-19 response in terms of Leading the Health Protection Cell and supporting the Wellbeing & Comm's, Corporate COVID-19 and Health and Welfare Cells. The support provided to the city's COVID-19 response directly impacted upon business as usual in terms of the Division being able to undertake the public consultation and subsequent activities necessary in order to be in a position to reprocore the substance misuse contract and have a new contract in place by 1st March 2022.

3.8 The 13-month contract extension will mitigate against the unforeseen and unavoidable delays in the public consultation on the Triple Zero City Strategy and the subsequent impacts on reprocorement timelines and constituent tasks that have been experienced due to COVID-19. Having a new contract commence on 1st April 2023 will also be beneficial in terms of financial reporting due to the contract aligning with the financial year as well performance reporting and management of the contract using data from the National Drug Treatment Monitoring System which is provided quarterly based on financial quarters.

3.9 The Public Health Division are now in a position whereby staff can undertake the necessary reprocorement activities in order to have a new contract in place by 1st April 2023.

4 Recommended Proposal

4.1 To approve the 13-month extension of the contract for the provision of adult substance misuse treatment and recovery services to the organisation 'Change Grow Live' (CGL) to cover the period 1st March 2022 – 31st March 2023.

4.2 The cost of the one-year extension is £15,920,828.08 to be met by the Public Health Grant. This cost is based on the current yearly contract value of £14,190,609 plus approximately 3.5% to cover the cost of CGL paying the Birmingham Living Wage and inflation across all their associated costs.

- 4.3 To progress with the public consultation on the draft Triple Zero City strategy which will be recorded on Be Heard and supported by engagement across a range of focus groups, community events and ward forum presentations. Due to COVID-19 and restrictions on face to face contacts, this engagement will take place virtually wherever possible with a view to undertaking face to face engagement as COVID-19 restrictions are eased.

5 Consultation

- 5.1 The Health & Wellbeing Board and Health & Social Care Overview and Scrutiny Committee have been advised of the contract extension.

6 Risk Management

- 6.1 The decision to seek a 13-month contract extension up until 31st March 2023 negates the potential organisational and operational risks associated with Birmingham not having a contracted Substance Misuse service post March 2022.
- 6.2 Financial – The available financial resources are identified through the Public Health Grant allocation for the 13-month contract extension.
- 6.3 Contract Performance – will continue to be monitored through monthly contract review meetings and the Public Health Contracts Board.
- 6.4 Quality Assurance - CGL is required to be CQC compliant.

7 Compliance Issues:

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

- 7.1.1 The provision of an adult's substance misuse service aligns to the following Council priorities:

- An aspirational city to grow up in
- A fulfilling city to age well in
- A great city to live in

- 7.1.2 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 Section 12 of the Health and Social Care Act 2012 introduced a new duty at Section 2B of the NHS Act 2006 Act 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.

7.2.2 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.

7.3 Financial Implications

7.3.1 Local authorities receive an annual ring-fenced Public Health grant from the Department of Health. The core condition of this grant is that it should be used only for the purposes of the Public Health functions of local authorities.

7.3.2 The cost of £15,920,828.08 for the 13-month contract extension will be met by the Public Health Grant.

7.4 Procurement Implications

7.4.1 Under the Public Procurement Regulations (PCR) 2015, Contracts may be modified without a new procurement procedure where all of the following conditions are fulfilled:

- the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
- the modification does not alter the overall nature of the contract;
- any increase in price does not exceed 50% of the value of the original contract.

These conditions have been fulfilled therefore the risk of a successful procurement challenge to the Council for extending the contract is considered low. A VEAT (Voluntary Ex-Ante Transparency) Notice will be issued in accordance with Procurement Regulations to give notification of the contract extension.

An indicative timeline for the commissioning and future procurement of the adults substance misuse contract is set out below:

Activity	Timeline
Public Consultation of Draft Triple Zero City Strategy	April 2021 to June 2021
Analysis of Public Consultation responses	July 2021
Produce Consultation Summary Report	July 2021 to August 2021
Produce Procurement & Commissioning Strategy	By November 2021
Cabinet Approval of Procurement & Commissioning Strategy	January 2022
Invitation to Tender (ITT) developed	November 2021 to February 2022
Issue Invitation to Tender (ITT)	March 2022
Invitations to Tender returned	June 2022
Contract Award approved by Cabinet	September 2022
Contract Award	September 2022
Mobilisation of new contract	October 2022 – March 2023
Contract Start	1 st April 2023

7.5 Human Resources Implications

7.5.1 No Birmingham City Council staff or CGL staff are affected.

7.6 Public Sector Equality Duty

7.6.1 An equality impact assessment has not been completed as this is the continuation of an existing contract that is open access to all Birmingham citizens aged 18 and over.

8 Background Documents

- Delegated Authority - Contract Extension Substance Misuse