

Birmingham City Council

Report to Cabinet

25th June 2024



Subject:	AWARDING VISION SCREENING CONTRACTS VIA PROVIDER SELECTION REGIME
Report of:	Dr Justin Varney
Relevant Cabinet Member:	Councillor Nicky Brennan - Public Health (Interim)
Relevant O &S Chair(s):	Councillor Fred Grindrod- Health & Adult Social Care
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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: 012877/2024		
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, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		
Information relating to the financial or business affairs of any particular person (including the council)		

1 Executive Summary

- 1.1 This report requests approval to award new Vision Screening contracts to the existing service providers from 1st September 2024 for a 4-year (2 plus 2) contract, using the Provider Selection Regime (PSR) direct award process.
- 1.2 The Health and Care Act 2022 introduced legislative changes, creating integrated care systems, and promoting cooperation among health and care services. Part of these changes includes the Provider Selection Regime (PSR), governing the procurement of healthcare services in England procured by local authorities.
- 1.3 We are requesting authorisation to follow the direct award C process to award the vision screening contracts to all 3 existing providers. This will enable us to award contracts without going through a competitive procurement process.
- 1.4 The overall cost of the 4 year contracts, for the 3 providers to deliver the vision screening service, for the period 1st September 2024 – 31st August 2029, would be £1,233,709. This will be funded through the Public Health Grant.

2 Recommendations

- 2.1 That Cabinet:
 - 2.1.1 Approve implementation of the strategy set out in this report;
 - 2.1.2 Approves the commencement of procurement activity for Vision Screening in accordance with the requirement and approach set out in paragraphs 3.6 - 3.9 below;
 - 2.1.3 Delegates the award of contracts for Vision Screening to the Director of Public Health in consultation with the Interim Director Procurement, Director of Finance (& Section 151 Officer) (or their delegate) and the City Solicitor & Monitoring Officer.

3 Background

- 3.1 Screening for reduced vision in children aged 4 to 5 years is primarily undertaken to detect children with amblyopia, a form of abnormal vision system development. The most common predisposing conditions are strabismus (squint) and refractive error (focusing problems requiring glasses). Early detection of amblyopia is necessary to avoid permanent visual impairment by allowing treatment to be undertaken within the sensitive period of neuroplasticity (growth and change) in the visual system.
- 3.2 The UK National Screening Committee recommends that screening of children's vision should be offered to all children aged 4 to 5 years. The commissioning of vision screening for these children became the responsibility of local authorities in April 2013, as part of the Healthy Child Programme. Treatment provision remains the commissioning responsibility of BSol ICB.
- 3.3 The service currently incorporates 3 ophthalmic specialist providers, University Hospitals Birmingham, Birmingham Community Healthcare NHS Foundation Trust and Sandwell and West Birmingham Hospitals NHS Trust. They deliver their service

to primary schools within an agreed geographical area, which when put together, provides coverage across the whole of Birmingham.

- 3.4 The current providers extended 17 month contracts end on 31st August 2024.
- 3.5 The current providers are all working to the same service specification, albeit with geographical differences. With identical Key Performance Indicators (Service Standards) to meet, all providers are contract managed through individual quarterly monitoring meetings and have continued to meet service delivery expectations since we have taken over the contracts in Autumn 2021.
- 3.6 The Health and Care Act 2022 introduced legislative changes, creating integrated care systems, and promoting cooperation among health and care services. Part of these changes includes the Provider Selection Regime (PSR), outlined in the Healthcare Services regulations 2023. From 1st January 2024, this governs the procurement of healthcare services in England by local authorities and replaces previous procurement rules for NHS and local authority funded health care services.
- 3.7 Local Authorities can choose from three provider selection processes under PSR:
- direct award processes (A, B and C)
 - most suitable provider process and
 - competitive process.
- 3.8 Direct award process C is applicable where:
- The relevant authority is not bound by processes A or B.
 - An existing contract is expiring, and the proposed contracting arrangements are not changing considerably from the existing contract the authority proposes a new contract with no significant changes.
 - The Council believes the existing provider (or group) is satisfying the existing contract to a sufficient standard, according to the detail outlined in the contract, and also taking into account the key criteria and applying the basic selection criteria.
 - The Council is of the view that the existing provider will likely satisfy the proposed contract to a sufficient standard taking into account the key criteria and applying the basic selection criteria.
 - It is not used to establish a framework agreement.
- 3.9 Following this PSR process allows flexibility, collaborative engagement, and a reduction in bureaucracy in the procurement process leading to a direct award to providers already delivering this service.

4 Options considered and Recommended Proposal

- 4.1 Option 1: Do nothing and allow the vision screening contracts to come to an end without further funding.

4.1.1 This could lead to an increase in permanent visual impairments due to a lack of early detection of amblyopia.

4.2 Option 2. Go out to competitive tender.

4.2.1 This is a specialist Orthoptist led service, delivered by all 3 NHS Trusts in Birmingham. To help us decide how to progress procurement of a service from September 2024, we asked all 3 providers if a) they would be interested in delivering this service as a single provider across the city b) they would want to continue as they were c) if they wanted to stop providing the service. All 3 providers confirmed that they wanted to continue providing the service as they currently do. They cited reasons such as, not having the capacity to deliver a city wide service and concerns that this would increase costs due to additional travel etc.

4.3 Option 3. Recommended Option: Follow the provider selection, Direct Award Process C, under the new PSR.

4.3.1 This option will continue to ensure early detection of amblyopia in children 4-5 years old in order to avoid permanent visual impairment.

5 Consultation

5.1 N/A

6 Risk Management

6.1 Should the option to discontinue the vision screening service at the end of August 2024 be taken, the following risk has been identified:

6.1.1 This could lead to an increase in permanent visual impairments for children due to a lack of early detection of amblyopia.

7 Compliance Issues:

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

7.1.1 The recommended decision supports Birmingham City Council's Corporate Plan 2022-2026 To Support, To Serve, To Level Up

- An Inclusive Birmingham.
- A Healthy Birmingham.

7.1.2 The recommended decision supports Change for Children and Young People 2023-2028

- Healthy as possible and nurtured throughout our life course.

7.1.3 The recommended decision is consistent with Creating a Bolder, Healthier City: Health and Wellbeing Board Strategy 2022-2030.

7.2 Legal Implications

- 7.2.1 The commissioning of vision screening became the responsibility of local authorities in April 2013, as part of the Healthy Child Programme.
- 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 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.

7.3 Financial Implications

- 7.3.1 The responsibility for commissioning The Healthy Child Programme transferred to the Local Authority on the 1st April 2013. Local authorities are responsible for commissioning vision screening as part of this programme.
- 7.3.2 In September 2023 the Council issued 2 Section 114 notices as part of the plans to meet the council's financial liabilities relating to equal pay claims and an in-year financial gap within its budget. An Improvement and Recovery Plan (IRP) has since been developed and is now in progress.
- 7.3.3 The vision screening element of the Healthy Child Programme is not funded through the General Fund of the local authority.
- 7.3.4 The vision screening service is funded through the Ring Fenced Public Health Grant.
- 7.3.5 The overall cost for the 3 providers to deliver the vision screening service, for the period 1st September 2024 – 31st August 2029, would be £1,233,709.
- 7.3.6 Vision screening has a positive impact for children, their families and Birmingham City Council Services. Of significance is the impact on identifying early visual impairment, which ensures more positive outcomes for the child and their family. In addition, early identification can reduce the need for and use of Birmingham City Council's Special Educational Needs and Disability (SEND) Services and in the longer term, contribute to increasing educational outcomes and attainment.

7.4 Procurement Implications (if required)

- 7.4.1 The recently introduced Provider Selection Regime and Direct Award process 'C' will be followed. This is because the following tests have been satisfied:

Considerable Change

The proposed contracting arrangements are not changing considerably from the existing contract; as set out in Regulation 6(10) of the PSR, the threshold for considerable change is met where the change:

- a. renders the proposed contracting arrangements materially different in character to the existing contract when that existing contract was entered into; or:

- b. meets all the following:
 - the change, (to the proposed contracting arrangements as compared with the existing contract), is attributable to a decision made by the Council.
 - the lifetime value of the proposed new contract is at least £500,000 higher (i.e., equal to or exceeding £500,000) than the lifetime value of the existing contract when it was entered into.
 - the lifetime value of the proposed new contract is at least 25% higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into.

The thresholds for considerable change in a) and b) above are not met, the proposed contract is not materially different from the existing contract and the lifetime values of the new contracts are within the £500,000 and 25% tolerances.

Satisfying the Existing Contract

The Council believes the existing providers are satisfying the existing contract to a sufficient standard, and will likely satisfy the proposed contract to a sufficient standard taking into account the Key Criteria as follows:

(a) Quality and innovation. There are 5 Programme Standards included in the service specification for each provider to meet and they are managed as Key Performance Indicators. They are 1) Identify the population, ensure coverage 2) Maximise performance of the screening test 3) Maximise reporting of results 4) Ensure timely entry into care pathway for diagnostic assessments 5) Reduce the incidence of false positive outcome. All providers have continued to meet the Programme Standards since we took over the contracts in Autumn 2021. The Standards will continue to be reviewed against the national specification expectations and if required, will be updated prior to any new contracts being agreed.

(b) Value. Since the service came across from Birmingham and Solihull (BSol) Clinical Commissioning Group (CCG) in October 2021, the providers delivered the services without any additional costs to the Public Health Grant for the first 2 years of the contract. Due to increasing inflationary pressures, and in line with other Public Health contracts, they have received a 3% increase for 2023/24. For 2024/25 a 1% increase has been agreed, again in line with other Public Health contracts.

(c) Integration, collaboration and service sustainability. The screening programme is dependent on effective working relationships (formal and informal) between the screening programme, ophthalmology departments, community orthoptic services, local educational services, optometric services, and primary care professionals, including school nursing/healthy

child services, optical practices and GPs. It is essential that the responsible care provider is identified at all times, including during and after handover of care.

The Providers are expected to fully contribute to ensuring that cross boundary systems are in place to maintain the quality and safety of the entire screening pathway.

(d) Improving access. The provider is expected to ensure fair access to screening and referral to subsequent diagnostic testing. This is delivered through approaches such as the design of the service, to ensure that there are no obstacles to access on the grounds of the 9 protected characteristics as defined in the [Equality Act 2010](#).

(e) Social value. As the contract was inherited from BSol CCG there was not the opportunity to agree Birmingham City Council social value expectations. This will be addressed and agreed with any new contracts.

In addition, the basic selection criteria will be applied to each of the providers prior to any award being made.

7.4.2 Therefore, given the above, the Council wishes to follow Direct Award process C for the award of these contracts. Furthermore, these arrangements will not establish a framework agreement.

7.4.3 Council Officers involved in the procurement of this service have been requested to complete the 'Procurement and Contract Governance Rules, Conduct and Conflict of Interest' form and no conflicts have been declared.

7.5 Human Resources Implications (if required)

7.5.1 None.

7.6 Public Sector Equality Duty

7.6.1 In having regard to the Public Sector Equality Duty, it is noted that the decision set out in this report is likely to support the Council's need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

7.6.2 Please see **Appendix 2** for the Equality Impact Assessment Forms.

7.7 Environmental and Sustainability Implications

7.7.1 Please see **Appendix 1** for the Environmental and Sustainability Assessment.

8 Appendices

Appendix 1 - Environment and Sustainability Assessment

Appendix 2 - Equality Impact Assessment Forms

Appendix 3 - Procurement Cabinet Member Briefing

9 Background Documents

9.1 N/A