

# Birmingham City Council

## Report to Cabinet

27<sup>th</sup> July 2021



**Subject:** APPROVAL TO EXTEND CONTRACT FOR THE PROVISION OF SEXUAL HEALTH TREATMENT AND PREVENTION SERVICES

**Report of:** Dr Justin Varney,  
Director of Public Health

**Relevant Cabinet Member:** Cllr Paulette Hamilton, Health and Social Care  
Cllr Tristan Chatfield, Finance and Resources

**Relevant O &S Chair(s):** Cllr Rob Pocock - Health and Social Care  
Cllr Mohammed Aikhlaq - Resources

**Report authors:** Fharat Rehman – Senior Commissioning Offer, Adult Public Health Services  
[Fharat.S.Rehman@birmingham.gov.uk](mailto:Fharat.S.Rehman@birmingham.gov.uk)

Karl Beese – Commissioning Manager, Adult Public Health Services  
[karl.beese@birmingham.gov.uk](mailto:karl.beese@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: 009044/2021		
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 7.5-month contract extension to the current contract for the Provision of Sexual Health Treatment and Prevention Services, which is delivered by University

Hospitals Birmingham NHS Foundation Trust (UHB). Due to the unforeseen and unavoidable delays to the re-procurement timescales that have been experienced due to COVID, the existing sexual health contract with UHB requires extension for a period of 7.5 months to cover the period 10<sup>th</sup> August 2022 to 31<sup>st</sup> March 2023.

## **2 Recommendations**

### **2.1 It is recommended that Cabinet:**

Approves the extension of the contract for the Provision of Sexual Health Treatment and Prevention Services delivered by UHB to the value of £8,774,116.88 to cover the period 10<sup>th</sup> August 2022 to 31<sup>st</sup> March 2023 to be funded by the Public Health Grant as set out in this cover report.

## **3 Background**

- 3.1 The provision of Sexual Health Treatment and Prevention services is defined as one of the “grant conditions” of the Public Health Grant.
- 3.2 Cabinet awarded the contract for the provision of Sexual Health Treatment and Prevention Services to UHB as the lead provider with a supply chain of primary care and third sector providers on the 14<sup>th</sup> November 2014 following a procurement exercise.
- 3.3 The contract was awarded for a 5-year period and commenced on the 10<sup>th</sup> August 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 two years until 9<sup>th</sup> August 2022 was exercised in 2020, based on satisfactory performance and budget availability. The contract value for the extension period 10<sup>th</sup> August 2020 to 9<sup>th</sup> August 2022 is £28,077,174. The Delegated Authority Report to support this extension is detailed under Paragraph 13.
- 3.5 The Public Health Division’s support to the Birmingham Emergency COVID response in terms of leading the Health Protection Cell and supporting the Wellbeing & Communications, Corporate COVID and Health and Welfare Cells directly impacted the initiation of the Sexual Health Needs Assessment (SHNA) and subsequent activities necessary to procure a new Sexual Health contract by 10<sup>th</sup> August 2022.

- 3.6 Undertaking a comprehensive SHNA is essential in helping Public Health and Commissioners understand the sexual health needs of our citizens and subsequently informs the strategy for the city and service specification. Therefore, without a SHNA further re-procurement activity cannot take place. The original intention of the Public Health Commissioning team was to commence work on the SHNA in August 2020 in order to have an ample two-year lead in time for all of the constituent re-procurement activities to take place and for a new contract to be in place on 10<sup>th</sup> August 2022. Due to the disruptions to business as usual outlined in point 3.5, work on the SHNA could not commence until April 2021 with the completed SHNA due to be available in July 2021. The re-procurement timeline, taking into account this delay, is detailed under point 10 of this report.
- 3.7 The 7.5-month contract extension is required to mitigate against the unforeseen and unavoidable delays experienced as a direct result of the COVID-19 pandemic, specifically that the SHNA and subsequent re-procurement process could not be launched in time in order to meet the 10<sup>th</sup> August 2022 deadline. See Paragraph 10.1 below for further details.
- 3.8 The Public Health Division is now in a position whereby staff can undertake the necessary re-procurement activities, including the Sexual Health Needs Assessment (SHNA) in order to have a new contract in place by 1<sup>st</sup> April 2023.

## **4 Recommended Proposal**

- 4.1 To approve the 7.5-month extension of the contract for the provision of Sexual Health Treatment and Prevention Services to the organisation UHB to cover the period 10<sup>th</sup> August 2022 to 31<sup>st</sup> March 2023.
- 4.2 The cost of the 7.5-month extension is £8,774,116.88 to be met by the Public Health Grant. This cost is based on the current yearly contract value of £14,038,587.

## **5 Consultation**

- 5.1 The Public Health Contracts Board and the Health & Wellbeing Board has been advised of the contract extension.

## **6 Risk Management**

- 6.1 The decision to seek a 7.5-month contract extension up until 31<sup>st</sup> March 2023 negates the potential organisational and operational risks associated with Birmingham not having a contracted Sexual Health Treatment and Prevention service post August 2022.

- 6.2 Financial – The available financial resources are identified through the Public Health Grant allocation for the 7.5-month contract extension.
- 6.3 Inflation has been agreed with UHB and is built into the cost for the 7.5 months' extension amount of £8.774m. Moreover, inflation has been built into the five-year forecasts for Public Health, which illustrates that the service can continue to live with its means for the next five years.
- 6.4 Contract Performance will continue to be monitored through quarterly contract review meetings and the Public Health Contracts Board.
- 6.5 Quality Assurance - UHB 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 Sexual Health testing, treatment and prevention services 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
- 7.2 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).

## **8 Legal Implications**

- 8.1 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.
- 8.2 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.

## **9 Financial Implications**

- 9.1 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.

- 9.2 The cost of £8,774,116.88 for the 7.5-month contract extension will be met by the Public Health Grant.

## **10 Procurement Implications**

- 10.1 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.
- 10.2 The unforeseen circumstances arose as a result of the COVID-19 pandemic and could not have been foreseen. The pandemic caused disruptions to the Public Health Division in terms of the latter being unable to undertake business as usual due to supporting the Birmingham Emergency COVID response in terms of leading the Health Protection Cell and supporting Wellbeing & Communications, Corporate COVID and Health and Welfare Cells. This had a direct impact on the preparation of the required SHNA which could not commence in August 2020 as originally planned, commencement of which was delayed until April 2021. The completed SHNA is due to be available in July 2021. Undertaking a comprehensive SHNA is essential in helping Public Health and Commissioners understand the sexual health needs of our citizens and subsequently informs the strategy for the city and service specification. Therefore, without a SHNA further re-procurement activity cannot take place.
- 10.3 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.
- 10.4 An indicative timeline for the commissioning and future procurement of the Sexual Health Treatment and Prevention Services contract is set out below:

Activity	Timeline
Joint BCC / SMBC Sexual Health Needs Assessment	July 2021
Develop sexual health strategy	July to September 2021
Develop service specification	July to September 2021
Public consultation	October to December 2021
Analysis of public consultation responses	January 2022
Produce consultation summary report	February 2022
Produce procurement and commissioning strategy	March 2021 – April 2022
Cabinet approval of procurement and commissioning strategy	May 2022
Invitation to Tender (ITT) developed	May 2022 to June 2022
Issue ITT	July 2022 to September 2022
ITTs returned and contract award	September 2022
Contract award approved by Cabinet	October 2022
Mobilisation of new contract	October 2022 to March 2023 (6 months)

## 11 Human Resources Implications

11.1 No Birmingham City Council staff or UHB staff are affected.

## 12 Public Sector Equality Duty

12.1 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.

## 13 Appendices

13.1 None

## 14 Background Documents

14.1 [Cabinet Member Decision 1 November 2019 - Contract Extension for the Provision of Sexual Health Treatment and Prevention Services](#)