

Birmingham City Council

Report to Cabinet Member for Health & Social Care

31st July 2023



Subject: SEXUAL HEALTH TREATMENT & PREVENTION
PROCUREMENT STRATEGY

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 and 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 type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
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:		

1 Executive Summary

This report is to obtain approval of the Procurement Strategy and proceed with the procurement of the Sexual Health Treatment & Prevention Service.

The contract agreement will be for a period of 4 years commencing on the 1st April 2024, with an option to extend for a further period of 2 years, subject to satisfactory performance and budget availability. The contract will be funded via the ring-fenced Public Health Grant, the indicative value of the contract based on forecast data is £89.8m broken down as:

Indicative spend:

Financial year	Contract Value	Uplift
2024/25	£14,604,342	-
2025/26	£14,750,385	1%
2026/27	£14,897,889	1%
2027/28	£15,046,868	1%
Total value:	£59,299,484	

Indicative spend to be confirmed:

Financial year	Contract Value	Uplift
2028/29	£15,197,337	1%
2029/30	£15,349,310	1%
Total value:	£30,546,647	

The 1% uplift will be contingent on the ring-fenced grant receiving a minimum of 1% uplift without additional duties and responsibilities, separate from the NHS pay settlement uplift.

From 2024/25 the Public Health grant is responsible for the NHS pay settlements in public health provider contracts from 2024/5. The new contract will include a separate clause to the effect that this will be funded based on the national pay settlement for NHS contract staff, if DHSC provide the appropriate uplift to the Public Health Grant for the relevant year. If the provider is not an NHS provider and does not employ staff on national NHS terms and conditions, then this will not apply.

The above values are funded from the ring- fenced Public Health Grant from central government which is for use on public health functions. Sexual health service provision is a statutory public health function (Point 3.1). Further financial information is detailed under 7.3.

2 Recommendations

2.1 That the Cabinet Member for Health and Social Care:

2.1.1 Approve the contents of this report in order to implement the strategy and the commencement of procurement activity for Sexual Health Treatment & Prevention Service in accordance with the requirement and approach set out in paragraph 3.9.

2.1.2 Note that the outcome of the procurement process will be reported to Cabinet together with a recommendation for approval of contract award along with

delegation of the 2-year option to extend delegated to the Cabinet Member for Health and Social Care in conjunction with the Director of Public Health, Assistant Director – Procurement, the Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate).

3 Background

3.1 The responsibility for commissioning Sexual Health Services transferred to the Local Authority on the 1st April 2013. The provision of Sexual Health Services is a condition of the Public Health Grant that is received into the Council and is a statutory function whereby the council are 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.

3.2 Currently the Sexual Health Treatment & Prevention Service is delivered by University Hospitals Birmingham NHS Foundation Trust (UHB) under a contract which commenced on 9th August 2015 and expires on the 31st March 2024. The service is branded as Umbrella Sexual Health Services for Birmingham and Solihull.

Birmingham and Solihull Councils have historically jointly commissioned the service and this partnership approach will continue as part of this procurement process as it aligns with local integrated care system (ICS) arrangements. Birmingham and Solihull are in a stronger position to meet the needs of our populations through collaborating on Sexual Health and this approach allows us to pool both human and financial resources to avoid duplication in service delivery and financial overlap, saving each area both time and money. It should be noted that certain elements of service delivery are tailored to be able to meet the differing requirements of each geographical area. Birmingham contribute 90% of the total Umbrella contract value and Solihull 10%, this figure is also reflective in terms of clients accessing the service by local authority of residence.

3.3 The Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 – 2030 was approved by the Health & Wellbeing Board in September 2022 and Cabinet in May 2023 and published [here](#). A copy of the strategy is included as an Appendix under 8.1.

3.4 In October 2022, Cabinet (**Appendix 2**) approved the extension of the existing sexual health contract to 31st March 2024 in order commence procurement in 2023 for a new contract to commence on 1st April 2024. Approval of the Procurement Strategy was delegated to the Cabinet Members for Health and Social Care and Finance and Resources in conjunction with the Director of Public Health, Assistant Director – Procurement, the Director of Council Management (or their delegate) and the City Solicitor & Monitoring Officer (or their delegate).

3.5 Service Delivery Model

The current delivery model of the Sexual Health Treatment & Prevention Service is a place based fully integrated system delivered by UHB as the lead provider with sub-contracting arrangements. The model comprises of 4 tiers:

Tier 1

- 8 Umbrella Sexual Health satellite clinics covering Birmingham and Solihull

Tier 2

- GPs & Pharmacies: a network of approx. 170 Birmingham GP practices and 154 Pharmacies delivering sexual health advice and services

Tier 3

- Community and Prevention Services.
Delivery Partners:
 - RSVP (Rape & Sexual Violence Project); supporting people who have been subjected to sexual violence and abuse.
 - Loudmouth; delivering theatre in education to promote healthy relationships and increase knowledge in sexual health topics for young people aged 13-19 years and professionals.
 - BLGBT; advocating for and supporting lesbian, gay, bisexual and trans communities in Birmingham.
 - Birmingham Youth Service; open access service for young people between 11 and 25 years old.
 - BSWAID; supporting women and children affected by domestic violence and abuse.
- Community Partners:
 - Approx. 70 organisations are able to access Umbrella promotional material, condoms, STI kits and sexual health training delivered by Umbrella.

Tier 4

- Self-Care and Community Engagement: promoting reducing stigma, expanding preventative work and self-care by creating access for groups that were previously excluded from accessing services.

The ethos of the model is to move non-complex services away from hospital settings and into the community – as detailed above. It is the intention to keep this fully integrated service delivery model as opposed to separating into different lots and enhance the services delivered by GPs, pharmacies and community prevention services and strengthen self-care and community engagement.

3.6 Service Overview in Numbers

Action	Aug 2021 – July 2022
Clinic attendances	83,670
Self-testing kits issued	55,376
Contraceptives for <18s	3,661
Long-acting reversible contraception (LARC) fitted:	9,636
- Clinic	2,828
- GP	6,431
- Pharmacy	377
Chlamydia screens of 18 – 24 year olds	23,796
HIV tests	38,193
Pharmacy Interventions	54,344
Hits on the Umbrella webpage	407,393

3.7 Expected Outcomes of the Service

The sexual health service is a statutory requirement and as local authority we are mandated to commission:

- Open access sexual health services
- Sexually transmitted infection (STI) testing and treatment
- Advice and access to a broad range of contraception and preventing unplanned pregnancy

In addition, there are five Public Health Outcomes Framework (PHOF) indicators related to sexual health:

- Reducing under 18 conceptions
- Prescribing long-acting reversible contraception (LARC)
- Reducing the late diagnosis of HIV
- New STI diagnoses
- Increasing chlamydia diagnosis in 15-24 year-olds

For information, the PHOF focuses on the high level outcomes we want to achieve across the public health system in order to increase healthy life expectancy, reduce differences in life expectancy and healthy life expectancy and reducing differences between people and communities from different backgrounds.

3.8 Market Analysis

3.8.1 Market engagement took place in the form of a soft market testing exercise from 23rd March 2023 to 5th April 2023 on the Government Find A Tender webpage:

Birmingham and Solihull: Sexual and Reproductive Health Service - Contracts Finder

Four key questions were asked as part of the soft market testing exercise:

- *Turnover* - the expectation that this is at least double the annual value of the contract – circa. £30m
- *Cash reserves* – the expectation that this is at least 5% of the annual contract value – circa. £750k
- *Experience of service delivery* – delivering at least 2 contracts for a local authority and/or NHS
- *Contract mobilisation period* – desired period of 3 months in order to ensure minimal disruption to service delivery

There were nine responses to the market sounding exercise, with three service providers expressing an interest in bidding for all elements of the sexual health service:

- University Hospitals Birmingham NHS Foundation Trust (UHB) – the incumbent service provider
- Provider B – Large (>250 employees) private healthcare & technology provider
- Provider C - Large (>250 employees) private community services provider

3.8.2 The responses received from Providers B & C highlighted potential risks in terms of delivering a large contract to accommodate the size of Birmingham's population, and the contract mobilisation period. Utilising the negotiated procedure without prior publication of Public Contract Regulations (PCR) 2015 in order to mitigate against these identified risks was considered but discounted as the applicable criteria could not be met; namely the services could only be supplied by a particular economic or competition is absent for technical reasons.

3.9 Strategic Procurement Approach

The following options were considered:

- Decommission the service: the council has a statutory requirement to provide the services, therefore this is not a viable option. This is not recommended.
- Extend the current contract: there is no scope to extend the current contract via delegated authority. This is not recommended.
- Delivering the service in-house: this option is not viable as the Council does not have the capacity, resources or clinical knowledge and experience to deliver the service. This is not recommended.
- Open tender: in the Cabinet report for the extension of the contract (**Appendix 2**) it was stated that the proposal for the procurement of the sexual health contract post March 2024 would be via the open tender route to market. This is the recommended option.

3.10 Procurement Approach

Duration and Advertising Route

The contract will be awarded for a period of 4 years with the option to extend for a further 2 years subject to funding availability and satisfactory performance and will be advertised on Find a Tender, Contracts Finder and

www.finditinbirmingham.com

The contract term aligns with the Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 – 2030 (**Appendix 1**) and is recommended on the basis that this provides stability and consistency of sexual health service delivery to the Birmingham population.

3.11 Sourcing Strategy

The contract will be awarded to a lead provider and will be a partnership collaborative with specified sub-contracting provision.

Birmingham City Council will be leading on the open procurement supported by Solihull Metropolitan Borough Council, the resulting contract will be between both Birmingham & Solihull Councils and the successful provider.

3.12 Procurement Route

The contract will be tendered following the 'Open' Procedure that will enable the specification to be considered by the wider market and will be advertised on Find a Tender, Contracts Finder and www.finditinbirmingham.com

3.13 Scope and Specification

Details of the Sexual Health Treatment & Prevention Service to be delivered from 1st April 2024 will be set out in a revised service specification. This will be co-produced with key stakeholder's and members of the BCC People for Public Services Forum. Clinical engagement and partnership working with Primary Care within the Integrated Care System will be an integral part of service specification development.

The new service specification will incorporate the following new policy direction and local strategic planning in order to confidently develop and enhance sexual health services that can meet current and future priorities. This will include (but not limited to):

- The Birmingham and Solihull Sexual Health Needs Assessment 2021
- The Sexual Health Strategy 2023 -2030 (Birmingham and Solihull)
- Towards Zero: the HIV Action Plan for England - 2022 to 2025
- Fast Track Cities Action Plan 2023 (Birmingham)
- Women's Health Strategy for England published July 2022
- Proposed national Sexual and Reproductive Health Strategy/Action Plan (publishing date TBC)

3.14 Tender Structure (Including Evaluation and Selection Criteria)

3.14.1 Evaluation and Selection Criteria

The quality/price balances below were established having due regard for the corporate document 'Evaluating Tenders' which considers the complexity of the

services to be provided. The tender documents will include the Council's Terms and Conditions appropriate to the marketplace.

3.14.2 The evaluation of tenders will be assessed as detailed below:

The assessment will be divided into the following stages:

Stage 1 – Selection Stage

Stage 2 – Invitation to Tender

Stage 1 – Selection Stage

Criteria	Evaluation
STAGE ONE - Selection Stage	
Company Information	Pass / Fail
Financial Information (including Insurance)	Pass / Fail
Health and Safety	Pass / Fail
Compliance with Equalities	Pass / Fail
Quality Management	Pass / Fail
Grounds for Mandatory Exclusion	Pass / Fail
Grounds for Discretionary Exclusion	Pass / Fail
Modern Slavery Act 2015	Pass / Fail
3rd party data protection requirements	Pass / Fail
Cyber Security Requirements	Pass / Fail
Technical and Professional Ability	Pass / Fail
Any Additional Questions	Scored or Pass / Fail
Declaration	Pass / Fail

Tenderers will be required to pass Stage 1 in order to progress to Stage 2.

Stage 2 – Invitation to Tender Stage

Evaluation and Selection Criteria

Tenders will be evaluated using the quality / social value / price in accordance with a pre-determined evaluation model. The quality element will account for 60%, social value 20% and price 20%. This quality/social value/price balance has been established having due regard to the corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

Tenders will be evaluated against the specification in accordance with the pre-determined evaluation model described below:

Quality (60% Weighting)

Criteria	Overall Weighting	Sub-weighting
System Structure	100%	10%
System Outcomes		40%

Service Pathways & Partnerships		25%
Contract Mobilisation & Transition		25%

Social Value (20% Weighting)

The Social Value template is detailed as **Appendix 5**

	Sub-Weighting	Sub-Criteria	Theme Sub-Weighting
Living Wage			Pass/Fail
Qualitative	8%	Local Employment	10%
		Innovation	20%
		Partners in Communities	70%
			TOTAL 100%
Quantitative	12%	BBC4SR Action plan	Total of Action Plan Value (£) score
			TOTAL 100%

Price (20% Weighting)

The total 6 year contract value is £94.6M indicative. Suppliers will submit a 6-year budget plan detailing the build cost, organisation, and resource costs as well as ongoing management and development to ensure upgrades to the technology are included annually. The lowest priced bid will be given 100%. Other quotation prices will then be expressed as a proportion of the lowest price. This gives the adjusted price score. The % weighting for Price is then applied to each adjusted Price score to give the weighted price scores.

Overall Evaluation

The evaluation process will result in comparative quality and price scores for each tenderer. The maximum quality score will be awarded to the bid that demonstrates the highest quality. The lowest price will be given the maximum score. Other tenderers will be scored in proportion to the maximum scores in order to ensure value for money and the proposed contract will be awarded to the first ranked tenderer.

3.15 Evaluation Team

The evaluation of tenders will be undertaken by officers from the Birmingham Public Health Division, BCC Adults Commissioning Team, Solihull Metropolitan Borough Council, a representative from the Integrated Care Board (ICB) supported by BCC Corporate Procurement Services.

3.16 Indicative Implementation Plan

DPR Approval (Strategy)	July 2023
ITT Issued	19 th September 2023
ITT Return	30 th October 2023

Evaluation Period	November 2023
Cabinet Approval (Contract Award)	December 2023
Contract Award	January 2024
Mobilisation period	January 2024 - March 2024
Contract Start	1 st April 2024

3.16 Service Delivery Management

3.16.1 Contract Management

The contract will continue to be managed operationally by the Public Health Commissioning Team within the Adult Social Care Directorate with support from Public Health.

There will be a formal review at 6 and 12 months post contract commencement to ensure that the service is delivering the required outcomes for citizens. This will be in addition to the required contract management with regular reporting and contract review meetings.

3.16.2 Performance Management

The contract for the period 1st April 2024 to 30th March 2030 will include a range of performance measures which will be monitored on a quarterly basis via the Contract Management process. This will include a range of updated outcome and quality measures.

3.16.3 Partnership Board

A Partnership Board that includes the parties to the contract and representatives of the subcontracted organisations will be established. The Board will meet quarterly and members will have equal representation on matters relating to national policy and strategic development of the Birmingham and Solihull sexual health system including identified quality and improvement activity.

4 **Options considered and Recommended Proposal**

4.1 Alternative procurement options are shown in paragraph 3.9.

5 **Consultation**

5.1 The Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 – 2030 Strategy included in this report under **Appendix 1** was approved by Cabinet on 16th May 2023.

5.2 The contents of this report have been shared with the Birmingham Director of Public Health and 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.

5.3 Officers from City Finance, Corporate Procurement and Legal and Governance have been involved in the preparation of this report.

6 Risk Management

- 6.1 The Procurement Strategy has been developed through a robust project management programme that includes the management and identification of risks that are tracked as part of the project delivery.
- 6.2 The 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 Adult Social Care Directorate and CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.

7 Compliance Issues:

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

7.1.1 The proposals 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 Birmingham Business Charter for Social Responsibility (BBC4SR)

7.1.3 Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of these contracts. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with the tender structure set out in paragraph 3.14 and the action plan of the successful tenderers 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 3.8) 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 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.

7.2.3 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.

7.3 Financial Implications

7.3.1 This is a procurement process for a fixed fee contract, with the cost of the Sexual Health Contract 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 the extension of this contract.

7.3.2 The overall total value of the proposed 6 year contract will be £89.8m

7.3.3 The yearly contract value detailed under point 1.1 includes a 1% uplift, clauses will be added to the new contract (under general conditions) from 1st April 2024 to 31st March 2030 and will 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 sexual health services.
- From 2024/25 the Public Health grant is responsible for the NHS pay settlements in public health provider contracts from 2024/5. The new contract will include a separate clause to the effect that this will be funded based on the national pay settlement for NHS contract staff, if DHSC provide the appropriate uplift to the Public Health Grant for the relevant year. If the provider is not an NHS provider and does not employ staff on national NHS terms and conditions then this will not apply.
- A caveat advising that if there are cuts to Public Health Grant Funding then the Council will reserve the right to revisit the yearly contract values and reduce accordingly.
- Working collaboratively with the service provider, Public Health and Commissioners prior to a new contract being issued to standardise Primary Care Tariffs.

7.4 Procurement Implications

7.4.1 This report concerns the procurement strategy for the Sexual Health Treatment & Prevention Service and the implications are detailed throughout this report.

7.4.2 There is no further delegated provision to extend the current contract, as the original extensions have already been utilised. The Sexual Health Contract commenced on 10th August 2015 with University Hospitals Birmingham and expired on the 31st August 2020. Subsequent extensions approved by

Cabinet on 1st November 2019, 27th July 2021 and 11th October 2022 have brought the contract end date to 31st March 2024

- 7.4.3 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.

7.5 Human Resources Implications (if required)

- 7.5.1 None.

7.6 Public Sector Equality Duty

- 7.6.1 Detailed in **Appendix 3**, EQUA961 was undertaken as part of the contract extension detailed in **Appendix 2** with a review date of 11th August 2023. The Birmingham Sexual Health Treatment & Prevention Service is open to anyone in Birmingham (predominantly 13+) and is not discriminatory towards any of the 9 protected characteristics detailed in the Equality Act 2010.
- 7.6.2 The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy will be incorporated into the new contract.
- 7.6.3 The requirements of the Equality Act 2010 will be included in the new contract to ensure compliance with the Act.

7.7 Environmental and Sustainability Implications

- 7.7.1 Attached as **Appendix 4**.

8. Appendices

- 8.1 **Appendix 1:** Birmingham & Solihull Sexual and Reproductive Health Strategy 2023 - 2030
- 8.2 **Appendix 2:** Cabinet Report - Sexual Health Contract Extension, 11th October 2022.
- 8.3 **Appendix 3:** Equality Impact Assessment
- 8.4 **Appendix 4:** Environment and Sustainability Assessment
- 8.5 **Appendix 5:** Social Value Rationale