

CABINET MEETING – 8th June 2023

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

NHS Commissioned Services funded via the Public Health Grant

Author(s):

Executive Director of Health, Housing and Communities

Purpose of Report:

The purpose of the report is to seek Cabinet approval for an extension to the contract for the provision of 0-19 Public Health Services in Sunderland and the arrangements for determining and agreeing future contractual uplifts and associated contract variations in relation to a number of Public Health commissioned services with NHS organisations.

Description of Decision:

Cabinet is requested to authorise the Executive Director of Health, Housing and Communities, in consultation with the Director of Finance and the Portfolio Holder for Healthy City:

1. to exercise the option to extend the existing contract for the provision of 0-19 Public Health Services in Sunderland for a further period of 24 months; and
2. to approve contractual uplifts and associated contract variations to Council contracts from time to time where appropriate arising from Agenda for Change pay awards for NHS staff, other agreed external funding pressures negotiated between the Council and providers and any uplifts to HIV pre-exposure prophylaxis (PrEP) funding allocations on an annual basis for a period of up to 5 years.

Is the decision consistent with the Budget/Policy Framework? **Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The terms and conditions of the current contract for the 0-19 Public Health Service include the option for the Council to extend the contract for a further period of up to 24 months, using 2 x 12-month extension periods. The exercise of this option to extend the

contract will provide stability and enable continued delivery of the service for local residents.

Current delivery of the NHS Commissioned Services offers good levels of access and value for money; they also support a wide range of public health priorities in Sunderland.

Increasing Public Health contract prices in line with national Agenda for Change pay awards for those specific contracts which include staff who are subject to NHS Agenda for Change Terms and Conditions is consistent with the conditions of the Public Health Grant. It will also help ensure the stability and sustainability of those Public Health contracts in Sunderland.

Increasing the funding of PrEP within the sexual health service will ensure continued access amongst those at high risk, thereby helping to prevent transmission of HIV to ensure the continuity of PrEP services in Sunderland

Ensuring the viability of the NHS contracts will enable residents in Sunderland to continue to have access to the services provided. The services aim to improve public health outcomes and reduce inequalities by preventing ill health and providing accessible and targeted interventions to those with an identified need or those most likely to experience poor health outcomes.

Alternative options to be considered and recommended to be rejected:

The following option was considered and rejected:

Do nothing – do not extend the current 0-19 Public Health Service contract and/or do not authorise the variation of existing contracts to uplift prices to address external funding pressures, cover costs associated with increases to salaries of staff subject to NHS Agenda for Change Terms and Conditions or any future uplifts to HIV PrEP funding. This is not a viable option as the Council has responsibility for ensuring the provision of mandated public health services, recurrent responsibilities for funding increases to salaries and other associated funding pressures in accordance with national guidance and the terms of the Public Health Grant and the increased funding of HIV PrEP.

Impacts analysed;

Equality Privacy Sustainability Crime and Disorder

Is the Decision consistent with the Council's co-operative values? Yes

Is this a "Key Decision" as defined in the Constitution? Yes

Is it included in the 28 day Notice of Decisions? Yes

NHS COMMISSIONED SERVICES FUNDED VIA THE PUBLIC HEALTH GRANT

Report of The Executive Director of Health, Housing and Communities

1. Purpose of the Report

- 1.1 The purpose of the report is to seek Cabinet approval for an extension to the contract for the provision of 0-19 Public Health Services in Sunderland and the arrangements for determining and agreeing future contractual uplifts and associated contract variations in relation to a number of Public Health commissioned services with NHS organisations.

2. Description of Decision (Recommendations)

- 2.1 Cabinet is requested to authorise the Executive Director of Health, Housing and Communities, in consultation with the Director of Finance and the Portfolio Holder for Health and Social Care:
- i. to exercise the option to extend the existing contract for the provision of 0-19 Public Health Services in Sunderland for a further period of 24 months; and
 - ii. to approve contractual uplifts and associated contract variations to Council contracts from time to time where appropriate arising from Agenda for Change pay awards for NHS staff, other agreed external funding pressures negotiated between the Council and providers and any uplifts to HIV pre-exposure prophylaxis (PrEP) funding allocations on an annual basis, for a period of up to 5 years.

3. Introduction/Background

- 3.1 As set out in the Health and Social Care Act 2012 the Council has responsibility for improving the health of the population in Sunderland. In order to meet this responsibility the Council commissions a range of Public Health functions from NHS providers that operate in the City.
- 3.2 The costs of these contracts are funded via the Public Health Grant, which is allocated to the Council annually by the Department of Health and Social Care.
- 3.3 The 0-19 Public Health Service Contract, which includes delivery of the mandated public health functions of prescribed public health services for children aged 0-5 years and the National Child Measurement Programme, was let for an initial period of 5 years, commencing on 1st July 2018. The contract includes an option for the Council to extend the existing contract on the same terms and conditions for a further period of up to 24 months via 2 x 12 month extension periods. These extension periods can be utilised at the discretion of the Council, based on continued evidence of need and satisfactory performance of the contract. It is recommended that Cabinet approves the exercise of the Council's option to extend the contract in light of performance of the services and to provide stability and continued service delivery for local residents.
- 3.4 NHS staff are predominantly subject to national Terms and Conditions of employment that are known as "Agenda for Change", which includes annual national

pay deals (if awarded) for staff subject to Agenda for Change. The Council has responsibility for ensuring any responsibilities for funding increases to salaries of staff subject to NHS Agenda for Change Terms and Conditions are met, in accordance with national guidance issued and the conditions of the Public Health Grant.

- 3.5 The Council as commissioner has responsibility for working alongside providers to ensure the ongoing viability and provision of services, particularly for those which deliver the mandated public health functions. This would apply to the 0-19 Public Health Service referenced above and the Integrated Sexual Health Service, given the mandated requirements to provide open access sexual health services for sexually transmitted infection testing and treatment and contraception.
- 3.6 In 2016 a national trial of HIV PrEP was commissioned by NHS England to examine its use within sexual health services in England to help prevent transmission of HIV amongst those at high risk. The trial concluded that PrEP is a successful and cost-effective measure and it is now recognised in UK guidelines as a key part of preventative approaches to reducing transmission of HIV, resulting in the recommendation that PrEP should be part of the mainstream commissioning of sexual health services by local authorities. In 2020 funding was provided to local authorities by NHS England and Improvement to support the continued delivery of PrEP via local commissioning arrangements, the allocation for Sunderland was £26,763. The Council subsequently varied the Integrated Sexual Health Service contract from October 2020, to accommodate the provision and additional cost of providing PrEP in Sunderland for the remainder of the contract. The funding allocation was based on the levels of activity undertaken during the trial.
- 3.7 In 2021/22 the Public Health Grant allocation for Sunderland included a ringfenced allocation of £45,472 for PrEP, reflecting an uplift to cover the costs of the further roll out of PrEP. A further contract variation was undertaken to reflect the additional funding allocation.
- 3.8 In December 2022 the Executive Director of Health, Housing and Communities varied the sexual health contract to ensure the continuity of PrEP services in Sunderland. This followed a review of the funding arrangements, which identified underpayments to the ISHS for the provision of PrEP for the period of October 2020 to September 2022.
- 3.9 For the remaining years of the sexual health contract (October 2022 – September 2024) an annual cost of £45,472 will be paid. The costs can be met from the Council's Public Health Grant allocation.

4. Current Position

- 4.1 There are currently 3 contracts with NHS organisations funded from the Public Health Grant, although it should be noted that this could change in the future as a result of any contracts ceasing or newly procured contracts with the NHS as the provider organisation. The current NHS contracts held by the Council and funded via the Public Health Grant are as follows:
 - 1. Harrogate and District NHS Foundation Trust – providing the 0-19 Public Health Service in Sunderland (this provides access to family nurse partnership, health visiting and school nursing).

2. South Tyneside and Sunderland NHS Foundation Trust – providing the Sunderland Integrated Sexual Health Service
3. South Tyneside and Sunderland NHS Foundation Trust – providing the Child Vision Screening service (for children aged 4-5 years).

- 4.2 The annual value of the 0-19 Public Health Service contract in 2022/23 (1st July 2022 to 30th June 2023) is £7,510,910.20.
- 4.3 The annual value of HIV PrEP in 2022/23 (1st April 2022 to 31st March 2023), embedded within the sexual health contract, is £45,472.
- 4.4 The annual value of the Vision Screening Service contract in 2023/24 (1st April to 31st March 2023) is £116,379.
- 4.5 The NHS Agenda for Change pay awards are negotiated nationally. In 2018/19 a three year pay award was agreed for 2018/19 to 2020/21, a further pay award was agreed for 2021/22 and most recently a pay award has been accepted for 2022/23, including a non-consolidated payment, and 2023/24. The average pay award levels are illustrated below with an expectation for the Public Health Grant to fund the increased employment costs arising under the relevant public health contracts with NHS organisations.

Year	Average Pay Award
2018/19	3%
2019/20	1.7%
2020/21	1.67%
2021/22	3%
2022/23	4.47% (plus a non-consolidated payment of at least £1,655)
2023/24	5%

5. Reasons for the Decision

- 5.1 The terms and conditions of the current contract for the 0-19 Public Health Service include the option for the Council to extend the contract for a further period of up to 24 months, using 2 x 12-month extension periods. The exercise of this option to extend the contract will provide stability and enable continued delivery of the service for local residents.
- 5.2 Current delivery of the NHS Commissioned Services offers good levels of access and value for money; they also support a wide range of public health priorities in Sunderland.
- 5.3 Increasing Public Health contract prices in line with national Agenda for Change pay awards for those specific contracts which include staff who are subject to NHS Agenda for Change Terms and Conditions is consistent with the conditions of the Public Health Grant. It will also help ensure the stability and sustainability of those Public Health contracts in Sunderland.
- 5.4 Increasing the funding of PrEP within the sexual health service will ensure continued access amongst those at high risk, thereby helping to prevent transmission of HIV.
- 5.5 Ensuring the viability of the NHS contracts will enable residents in Sunderland to continue to have access to the services provided. The services aim to improve

public health outcomes and reduce inequalities by preventing ill health and providing accessible and targeted interventions to those with an identified need or those most likely to experience poor health outcomes.

6. **Alternative Options**

The following option was considered and rejected:

Do nothing – do not extend the current 0-19 Public Health Service contract and/or do not authorise the variation of existing contracts to uplift prices to reflect Agenda for Change pay awards, other agreed external funding pressures or future uplifts to the PrEP funding allocation. This is not a viable option as the Council has responsibility for ensuring the provision of mandated public health services, recurrent responsibilities for funding increases to salaries and other associated funding pressures in accordance with national guidance and the terms of the Public Health Grant and the increased funding of HIV PrEP.

7. **Impact Analysis**

Introduction

Public Health services and interventions aim to improve public health outcomes and reduce inequalities by preventing ill health and providing accessible and targeted interventions to those with an identified need or those most likely to experience poor health outcomes. Impacts are analysed below.

- (a) **Equalities** – A full integrated impact assessment on the proposals has been completed. A copy of the assessment is attached for Cabinet's information. In summary, there are no negative impacts associated with the proposals.
- (b) **Privacy Impact Assessment (PIA)** – There are no identified implications in relation to privacy associated with this proposal.
- (c) **Sustainability** – There are no identified implications in relation to sustainability associated with this proposal.
- (d) **Reduction of Crime and Disorder – Community Cohesion / Social Inclusion** – There are no identified implications in relation to reduction of crime and disorder associated with this proposal.

8. **Other Relevant Considerations / Consultations**

- (i) **Co-operative Values** – the public health services described here further the Co-operative values by through offering interventions universally and to those communities which have the highest levels of need, with the aim of reducing health inequalities.
- (ii) **Financial Implications** – The increased costs will be met from the Public Health revenue budget utilising the funding provided in the annual Public Health Grant allocation.
- (iii) **Legal Implications** – The 0-19 contract includes an express option for the Council (exercisable at its absolute discretion) to extend the current contract

for a further period of up to two years. This option to extend was included in the original procurement documents for the contract. As a consequence, the proposed extension of the 0-19 contract in accordance with the terms of this original option is a lawful modification for the purpose of Regulation 72(1)(a) of the Public Contracts Regulations 2015.

In addition, the proposed variations to the specific public health contracts with NHS organisations is limited to reflect the actual costs arising as a direct result of increases in employment costs for the relevant contract personnel as a consequence of national NHS Agenda for Change pay awards and to reflect the receipt of the increased grant funding for the existing HIV PrEP provision within the sexual health contract. In the circumstances, it is considered that these proposed variations do not constitute a substantial change to the existing contracts for the purpose of Regulation 72(1)(e) of the 2015 Regulations and are therefore lawful variations.

- (iv) **Policy Implications** – Implementation aims to support the shared values within the Sunderland Healthy City Plan, focusing on prevention, tackling health inequalities and equity.
- (v) **Procurement** – All work in respect of the proposed extension and variations to the current contracts will be undertaken in consultation with the Corporate Procurement service.

10. List of Appendices

Appendix 1: Integrated Impact Assessment.

