

**13 DECEMBER 2022**

<b>REPORT TITLE:</b>	<b>UPLIFT TO PUBLIC HEALTH CONTRACT IN RESPONSE TO INFLATION PRESSURES</b>
<b>REPORT OF:</b>	<b>ASSISTANT DIRECTOR: CONSULTANT IN PUBLIC HEALTH</b>

### **REPORT SUMMARY**

This report seeks approval for a 4% uplift to the CGL Service Ltd Community Substance Misuse Public Health Contract for the 2022/23 financial year in order to mitigate the impacts of inflation.

The service provider delivers services across the borough and therefore this decision has potential to affect all Wards cross the Borough. The decision is not a key decision.

The activity outlined in this report supports the vision of the Wirral Plan 2021-2026, to 'create equity for people and place' and opportunities for all to secure the best possible future for resident, communities and businesses. It contributes directly or indirectly to delivering the following themes of the plan:

- Brighter Futures
- Inclusive Economy
- Safe and Pleasant Communities
- Active and Healthy Lives

### **RECOMMENDATION/S**

The Director of Public Health is recommended to approve a 4% inflationary uplift to the CGL Services Ltd Community Substance Misuse Public Health Contract for the 2022/23 financial year, at a total of value of £231,570.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The economic backdrop has changed considerably since this service was procured in 2019. 2022 has seen higher energy and commodity prices and persistent inflation. The annual inflation rate in the United Kingdom (UK) rose to 10.1% in September 2022 which is putting pressure on providers' ability to deliver services within the financial envelope agreed at contract award. Providers may also be under pressure to increase staff salaries to mitigate the impact of inflation on their workers and stay competitive in the jobs market.
- 1.2 Public Health services are funded by the ring-fenced Public Health grant which is allocated to each Local Authority on an annual basis. The grant has not increased at the current rate of inflation so it is not possible to pass this on to providers in full but an uplift of 4% (inline with the NHS pay award) can be supported via the grant and passed on to providers with a Wirral Council Public Health contract.
- 1.3 Financial pressures, due to the cost-of-living crisis, is included on the Provider's risk register. A breakdown on the specific cost pressures for the service has been provided and reviewed by officers within the Public Health team.
- 1.4 Awarding the 2022/23 inflation uplift to the CGL Services Ltd contract is consistent with the agreed approach for all other Public Health funded contracts.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The option to not pass on any inflation uplift was considered but with inflation projected to rise further and the provider reporting financial pressures this was not considered a viable option due to concerns that this could compromise the quality of the service being delivered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The contract held with CGL Services Ltd was awarded in 2020 and complied with Public Contract Regulations and Wirral Council's Contract Procedure Rules. The provider is commissioned to deliver a Community Substance Misuse Service that supports Wirral residents to move towards recovery from problematic alcohol and drug use and improve their long term physical and mental wellbeing. This benefits service users, their families and local communities. The contract term is 1<sup>st</sup> February 2020 – 31<sup>st</sup> January 2025 (with two twelve-month extension options).
- 3.2 The value of the proposed variation is within the Council's Contract Procedure limits. The uplift will be awarded for the 2022/23 financial year and relates to elements of the services commissioned via the Public Health grant only. The annual contract for CGL Services Ltd is £5,789,250; the value of the 4% uplift for 2022/23 equates to £231,570.

### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The inflationary uplift to the CGL Services Ltd contract is funded via the Public Health ring fenced grant. The value and availability of the Public Health grant for 2023/24 onwards is not yet known therefore the uplift only applies to the current financial year.

## **5.0 LEGAL IMPLICATIONS**

- 5.1 It is necessary to ensure the proposed procurement complies with the Public Contract Regulations 2015 and Wirral Council Contract Procedure rules. The inflationary uplift to this contract would not breach this requirement.

## **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There is no significant resource implication. The relevant Council Officer will issue a contract variation to the provider to reflect the change to the contract value. The contract will continue to be monitored in accordance with the Public Health contract management framework.

## **7.0 RELEVANT RISKS**

- 7.1 The Council will need to review all financial allocations to achieve a balanced budget over the next few years. The Public Health department has and maintains a five-year financial plan to provide assurance that the projected funding is in place for the commissions that it makes. This contract variation period is within this timeframe.
- 7.2 In the absence of any funding uplift, the ability of the provider to deliver the desired outcomes will be impaired. This would risk increasing the rates of drug and alcohol-related harms in Wirral.

## **8.0 ENGAGEMENT/CONSULTATION**

- 8.1 The original commission incorporated findings from a range of consultations and insight work, including with individuals accessing drug and alcohol treatment services, other front-line services and partners, as well as those not engaged with services.

## **9.0 EQUALITY IMPLICATIONS**

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.

The Equality Impact Assessment for this commission can be found at - <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments/equality-impact-assessments-2017/health>

- 9.2 The commissioned service is compliant with the Public Sector Equality Duty as contained in section 149 of the Equality Act 2010

## 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 During the procurement process for this contract, bids were evaluated on any social value added to the service. CGL Services Ltd indicated how they would have a positive impact on Wirral's environment and climate related to:

- Savings in CO2 emissions through de-carbonisation
- Car miles saved as a result of green transport options

This continues to be monitored quarterly through the contract management process.

## 11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 The inflationary uplift to this contract will support the service provider to maintain the quality of current service provision, supporting the health and wellbeing of some of the borough's most vulnerable residents.

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## APPENDICES

N/A

## BACKGROUND PAPERS

Wirral Council Public Health Contract (DN406009): Community Substance Misuse Services.

Invitation to Tender (ITT) Scope and Contract Specification for the supply of Community Substance Misuse Services. Contract Reference: DN406009

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
None	