



CABINET

Subject Heading:

Delegation of award of Contract of the Provision of an Integrated Sexual Health Service (ISHS) in Havering, Barking & Dagenham and Redbridge (BHR)

Cabinet Member:

Councillor Jason Frost, Lead Member for Adult Services and Health

SLT Lead:

Mark Ansell, Acting Director of Public Health

Report Author and contact details:

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Policy context:

Under the Health and Social Care Act 2012, local authorities have a duty to provide open access services for contraception and for testing and treatment of sexually transmitted infections (STIs) for their residents. This is mandatory and entails the key principles of providing services that are free, confidential, open access and not restricted by age.

Financial summary:

Estimated contract value for LBH is £12,000,000 for 8 years. The service is activity based and the provider will be paid for activities undertaken using the London Sexual Health Tariff plus Geographical Weighting capped at 10%.

The estimated cost is based on the borough spend in the past 3 years. Adoption of the new tariff and channel shift to the more cost effective home sampling e-service (subject of a previous London wide procurement) will reduce activity and costs to the Council going forward. However, in the longer term, any saving is likely to be eroded as activity and costs rise as a result of population growth and

increasing complexity of needs.

Is this a Key Decision?

This is a key decision under the grounds of expenditure in excess of £500,000

When should this matter be reviewed?

Not applicable

Reviewing OSC:

Health

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

The Council has a statutory duty to ensure that residents have open access to services for the purposes of screening and treatment of Sexually Transmitted Infections (STI) and contraception.

Currently, Barking Havering and Redbridge University Hospitals NHS Trust (BHRUT) are commissioned to provide an Integrated Sexual Health Service (ISHS). That contract is due to expire on 30th September 2018.

London Borough Havering (LBH) in partnership with the London Boroughs of Barking and Dagenham (LBBD) and Redbridge (LBR) has undertaken a three-borough procurement of the ISHS with LBBD leading the procurement exercise on behalf of the other two boroughs.

RECOMMENDATIONS

That Cabinet:

Delegates the power to the Director of Public Health acting in consultation with the Director of Legal and Governance and the Director of Finance to make the decision to award a contract for the provision of the Barking & Dagenham, Havering and Redbridge (BHR) Integrated Sexual Health Service (ISHS) to Barking Havering and Redbridge University Hospitals NHS Trust (BHRUT) for a period of 5 years from 1st October 2018 to 30th September 2023 with the option to extend for a further three-year period on an annual basis at the sole discretion of the Councils.

REPORT DETAIL

1. Background

- 1.1. Under the Health and Social Care Act 2012 local authorities have a duty to secure the provision of open access services for contraception and for testing and treatment of sexually transmitted infections (STIs) for their residents. This is mandatory and entails the key principles of providing services that are free, confidential, open access and not restricted by age.
- 1.2. The term 'open access' refers to the fact that such services are available to anyone requiring testing for sexually transmitted infections and subsequent treatment (not including HIV treatment) , irrespective of their personal characteristics, place of residence or GP registration, without referral. This accessibility requirement impacts on the ability of all Councils to predict service demand and manage the budget effectively. This therefore results in financial

uncertainty for Local Authorities as the level of activity is unpredictable.

- 1.3. Sexual ill health is not equally distributed within the population. Strong links exist between deprivation and STIs, teenage conceptions and abortions, with the highest burden borne by women, men who have sex with men (MSM), teenagers, young adults and black and minority ethnic groups. Similarly, HIV infection in the UK disproportionately affects MSM and Black Africans. Some groups at higher risk of poor sexual health face stigma and discrimination, which can influence their ability to access services
- 1.4. A three-borough (Barking & Dagenham, Havering and Redbridge) competitive procurement exercise undertaken for the service in January 2014 and subsequent negotiated procedure to obtain fresh tenders in early 2015 were both unsuccessful. The existing provider, Barking Havering and Redbridge University Hospitals NHS Trust (BHRUT) agreed an interim contract ending September 2018 to allow for a further procurement.
- 1.5. The service currently provided by BHRUT delivers an integrated service which brings together all sexual and reproductive services, GUM and HIV. NB. Services relating to HIV treatment are separately commissioned and paid for by NHS England.
- 1.6. The service provided by BHRUT consists of:-
 - One Level 3 (specialist) hub at Barking Hospital providing a comprehensive range of GUM and family planning services.
 - Level 2 spokes providing testing and ‘uncomplicated ‘(low risk, but including the fitting and removal of long acting removable contraception (LARC))) contraception services at Loxford and Hainault Health Centres and Queens Hospital.

The Sexual Health Governance programme

- 1.7. The Sexual Health Governance Programme (SHGP) superseded the London Sexual Health Transformation Programme (LSHTP) when it ended in March 2017. The LSHTP was designed to foster partnerships between local authorities across London to deliver a new commissioning model for open access sexual health services. The original aims and objectives of the group remain steadfast and continue in the more recently developed Sexual Health Governance programme.
- 1.8. The aim of the programme continues to be to design, agree and procure a system that will deliver measurably improved public health outcomes, meet increasing demand and deliver better value. There are three main strands to the programme:
 - Integrated sexual health tariff and pricing strategy
 - E-services including home sampling
 - Sub-regional re-procurement of face-to-face/clinic provision

- 1.9. The programme was set up with the specific aim of reducing the costs of sexual health care across the capital, specifically STI testing and treatment through innovation, service redesign, demand management and pricing strategy. The continued growth of activities has led to further collaboration amongst London commissioners to manage growth and contain escalating costs. To this end, LSHTP has been exploring alternatives to traditional service models, directing asymptomatic patients away from the costly clinical environment to lower cost service options.
- 1.10. The SHGP has been working on a new set of prices for London known as the London Integrated Sexual Health Tariffs (ISHT) that more accurately reflect the cost of care provided. A rigorous due diligence process confirmed that significant savings can be achieved across London through implementation of ISHT. Further audit has been carried out to ensure that the financial risk to commissioners is minimal. There is now broad agreement across London that ISHT will be the payment mechanism for sexual health services from 1 April 2018 (or when local procurement allows its introduction). .
- 1.11. In addition to the ISHT, a business case for developing an on-line sexual health service that supports signposting and self-sampling for STIs was agreed by participating boroughs including LB Havering and a London wide procurement was undertaken by SHGP to identify the best provider.. Roll out of the service is now underway and will deliver cost savings through channel shift to the cheaper, more convenient home sampling option for eligible patients.
- 1.12. The procurement and commissioning of sexual health services is led on a sub-regional basis allowing Councils to determine the most appropriate procurement process. All participating local authorities have identified the need to develop models that will allow them to meet increasing demand within decreasing resources.
- 1.13. This is a key driver for BHR boroughs to come together to jointly commission a more joined up and seamless service to residents, while achieving potential savings, economies of scale and enhancing quality. The proposed approach for the three boroughs is to commission a three-borough ISHS commencing on 1st October 2018.

Three-borough Integrated Sexual Health Service

- 1.14. Historically the ISHS has been commissioned as a three-borough Barking, Havering and Redbridge service (although based on individual borough contracts that mirrored each other).
- 1.15. There is evidence from sexual health commissioning across the country and from previous arrangements that a jointly commissioned service, albeit with local variation to meet specific local priorities, gives greater scope for cost efficiencies in relation to provider overheads e.g. the provision of senior clinical leadership of the

service. The financial viability of a single borough service is less certain and therefore less likely to attract market interest if put out to procurement in this form.

1.16. As a result, the Directors of Public Health for the three Boroughs, together with relevant commissioners agreed that the three boroughs would jointly procure a three-borough ISHS with LBBD leading the procurement on behalf of the other two boroughs. This arrangement was formally agreed in a Memorandum of Understanding (MoU) between all three Boroughs which was drawn up by LBBD and duly signed by all. The MoU described the arrangement including the re-charge mechanism setting out clear roles and responsibilities of each party along with their obligations.

1.17. It was agreed by the Councils that the service would be delivered on a multilateral contract developed by LBBD legal team. The contract would have a stipulated notice period and also include a clause to enable variations to be made if the financial position changes prior to the contract end. LBBD legal services and Corporate procurement have been closely involved in the work and have provided support and advice throughout.

The service specification is consistent with the London service specification for integrated sexual health services that aims to improve sexual health by providing easy access to services where the majority of sexual health and contraceptive needs can be met on one site. This includes working with the London sexual health e-service and ensuring online triage and self-sampling kits are available. This will allow consultant time to be carefully managed and targeted to focus on more complex care with dual trained nurses (trained to deliver both contraception services and genito-urinary medicine) providing a significant element of the general care. This move to a more modern and efficient model of service delivery is in line with changes being made nationally by other local authorities and will enable the Council to continue to deliver services in a cost effective way.

1.18. The new ISHS operating across BHR commencing 1st October 2018 will deliver evidence based integrated sexual health care that meets national guidance and fulfils the Council's statutory duties. It is anticipated that the new service will: -

- Improve the Havering's sexual health outcomes in relation to the incidence of sexually transmitted infections.
- Reduce the incidence of late diagnosis of HIV.
- Improve access and availability of contraception and reducing unwanted pregnancies.
- Provide stronger leadership in relation to reducing teenage conceptions
- Improve links between sexual health services and other commissioned services working with young people and adults at particular risk of poor outcomes e.g. substance misuse, mental health and public health nursing services
- Improve sexual health and related outcomes for vulnerable groups through effective partnerships with schools, colleges, health, police and other

statutory early help and children and family services.

- Protect the vulnerable from risk of infection, unwanted pregnancy, sexual exploitation, abuse, inappropriate relationships and female genital mutilation.
- Improve engagement of communities at increased risk of HIV infection in effective screening programmes that will protect them and others from the poor outcomes associated with late diagnosis of HIV

- 1.19. Having delivered a successful procurement and secured approval for award of the contract, LBBD, LBR and LBH will enter into a collaborative agreement with London Borough of Havering leading on the contract management of the new service for the duration of the contract.

Tender Criteria and Evaluation

- 1.20. The procurement was undertaken using the open competitive tender procedure with negotiation under the Public Contract Regulations 2015. The service falls within the description of services covered by the Light Touch Regime under the Public Contracts Regulations 2015. The value of the contract is above the threshold; therefore, the tender opportunity was advertised in the Official Journal of the European Union (OJEU) as required by the Regulations, Contracts Finder, the Barking and Dagenham's Council's procurement portal (Bravo) and the Council's website. Bidders were required to respond to technical method statement questions to assess Quality (80% weighting) and to submit pricing requirements in a pricing schedule (20% weighting). Only one bidder (BHRUT) responded to the Invitation to Tender and this was evaluated in line with the tender evaluation criteria.

Technical Evaluation

Responses to each technical question were assessed and scored on the 0 – 10 range marking schemes shown in the table below:

Scoring evaluation	Score
Unacceptable: No response given, or response is unacceptable	0
Poor: very limited response provided or a response that is inadequate or substantially irrelevant	1-2
Below expectations: The response only partially addresses the question. A below expectation response.	3-4
Satisfactory: An adequate response in most areas but less detail provided which reduces the extent to which the response merits a good score	5-6
Good: A good response submitted in terms of detail and relevance which meets the requirements in most areas/all areas	7-8

Superior: An excellent and comprehensive response submitted in terms of detail and relevance which clearly meets or exceeds the requirements in all areas.	9-10
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Table: Breakdown of Quality 80% score

Method Statement

The Tenderer's scores for individual method statement were calculated by dividing the Tenderer's actual score by the maximum obtainable score per section and then multiplying this by the % weighting allocated for each quality element. The key areas and issues addressed by the questions were broadly:

- a) How the service will enable transformation as outlined in the Barking, Havering and Redbridge Integrated Sexual Health Service (ISHS) service specification
- b) System wide transformation of Long Acting Reversible Contraception (LARC) provision through innovative solutions, clinical leadership and partnerships
- c) How the service will improve service delivery to users and encourage those who are currently accessing services outside of the three boroughs to use the local service.
- d) How the proposed service will engage in research (e.g. trials, pilots) that will add value to the local population and inform future strategic improvements of service
- e) How the service model will generate additional social value across the three boroughs.
- f) How the service will facilitate and improve partnership working between agencies contributing to good sex health outcomes e.g. GPs, pharmacies, abortion providers and the voluntary sector across the three boroughs.
- g) Arrangements to ensure business continuity
- h) Safeguarding procedures
- i) Effective service mobilisation

The tender submission was evaluated independently by a panel consisting of:

- 1. Mark Ansell; Interim Director of Public Health, London Borough of Havering
- 2. Deborah Redknapp; Public Health Principal, London Borough of Havering
- 3. Rebecca Nunn; Consultant in Public Health, London Borough of Redbridge
- 4. Martin Murchie; President of the Society of Sexual Health Advisers and Clinical Adviser for Nursing and Sexual Health Advising in Specialist Integrated Sexual and Reproductive Health Services/Trainer/Clinical Supervisor
- 5. Dr Jan Clarke FRCP; Consultant Physician in Genitourinary Medicine Leeds Teaching Hospitals Trust

Final scores for each bid were agreed by all evaluators in a moderated meeting facilitated by the Lead Officer for the Procurement, Adebimpe Winjobi, Senior Procurement and Contracts Manager, London Borough of Barking and Dagenham

Provider	Score
BHRUT	43.9%

Breakdown of Price (20%) score

The price element of the Tender submissions was evaluated on the basis of the lowest Tender within the price ceiling being awarded the full percentage score 20%. Scores were allocated based on the following formula: -

Lowest price Tender divided by the next Tenderer's bid and then multiplied by the 40% weighting for price to give an overall score.

See example below:

$$\frac{\text{Lowest Price Bid}}{\text{Next Tenderer's Bid}} \times 20$$

Provider	% score
BHRUT	20%

The service is activity based, the provider will be paid for activities using the London Sexual Health Tariff plus Geographical Weighting capped at 10%.

Final Breakdown of scores- Quality and Price Score

The Final Combined Evaluation Scores are detailed in the table below:

Provider	Method Statement	Price	Total
BHRUT	43.9%	20.0%	63.9%

Two further negotiation meetings were held with BHRUT on 15th March and 7th June 2018 respectively to discuss and agree the following areas for mobilising the new contract:

- Service Model
 - Hub/ Spoke
 - Staffing/ Access to Senior/ Medical Opinion
 - Location/ Hours
 - IT (Electronic Patient Record, patient interface; primary care), Pathology; microscopy, medicines etc

- Governance of relationships with sub-contractors
 - Clinical leadership
 - Repatriation Plan
 - KPIs
 - Finance
 - Relationship with commissioners
 - Service Mobilisation
- Training to deliver new service model
- Identified management resources
- Risks and their Mitigation including subcontractors and IT

REASONS AND OPTIONS

Reasons for the decision:

The procurement exercise ensured compliance with the Council's Contract Rules and EU Legislation and (subject to contract) the award of contract will ensure the Council fulfils its statutory duty to provide sexual health services to local residents.

Other options considered:

Option 1: Do Nothing

This option is not viable because the Council is mandated to provide open-access, accessible and confidential contraceptive and sexually transmitted infections (STIs) testing & treatment services for all age groups in the borough. Withdrawing services to support residents at this preventative and health protection level will result in further investment being required in relation to health and social care costs associated with unplanned pregnancies and the more expensive provision of care for those with long term health conditions such as HIV.

It is important that appropriate contractual arrangements are put in place locally to cover such services, to ensure compliance with national clinical guidance, minimise risk and ensure value for money. The nature of sexual health services is such that, should appropriate services not be available in Havering, a larger number of residents will access services in neighbouring authority areas and the Council will still be required to pay for the provision of these services but will have limited influence on the quality or cost.

Option 2: Procure as a single Borough Service

Going out to market just for a Havering only service was considered but rejected on the basis that it would not offer the same opportunities for economies of scale (thereby maximising value for money) that a Three-borough tender across BHR would offer. There would also be the risk that the market would focus on the larger procurement and that there would be little interest in a Havering only procurement. As most BHR residents currently access service from the same provider, there would be the added risk of a Havering only procurement de-stabilising BHR provision if it were not part of the same procurement.

Option 3: Undertake a competitive process for a three-borough service (preferred option).

The procurement of a three-borough service was the preferred option. There was evidence from sexual health commissioning across the country and from previous arrangements that a jointly commissioned service, albeit with local variation to meet specific local priorities, gives greater scope for cost efficiencies in relation to provider overheads, particularly in relation to some of the more complex clinical leadership. This was a key driver for BHR boroughs to come together to jointly commission a more joined up and seamless service to residents, while achieving potential savings, economies of scale and enhancing quality

The procurement exercise ensured compliance with the Council's Contract Rules and EU Legislation and ensure continued provision of sexual health services to local residents beyond the contract end date of 30th September 2018. The Council is therefore able to fulfil its legal obligation to its residents by having an open access sexual health service. As a result, they will have no need to go elsewhere for treatment which is expected to lead to a reduction in the Council's non-contracted spend.

IMPLICATIONS AND RISKS

Financial implications and risks:

The cost of sexual health services is significant and the tri-borough contract was deemed to be the most appropriate option in getting the appropriate interest that could also offer the greatest opportunity for efficiencies. However, given the requirement to provide the service and despite there being only one interested bid, it would be reasonable to award the contract to the winning bid.

Prior year actuals suggest the current 2018/19 annual budget provision of £2,104m will be sufficient to cover the £1.500m annual contract value however, there is a need for sufficient provision in respect of the demand led aspect of the contract, which should be adequate, as illustrated in the following table.

	Cost Centre	2015/16 £'000s	2016/17 £'000s	2017/18 £'000s
Annual Expenditure				
STI Testing and Treatment	A48001	1,617	1,472	1,302
Contraception	A48002	501	445	448
Advice, Prevention and Promotion	A48003	161	51	52
Total Annual Expenditure		2,278	1,968	1,802
Grant funding (Income)				
STI Testing and Treatment	A48001	1,649	1,438	1,484
Contraception	A48002	540	543	569
Advice, Prevention and Promotion	A48003	159	72	51
Total PH Grant (share)		2,348	2,053	2,104
Deficit / (Surplus)		(70)	(85)	(301)

3 Year Actual spend on Sexual Health relative to the Grant funding

Should the award progress as recommended, it is anticipated that up to £4.828m savings will be generated however, this is subject to demand led activities being within prior year levels. One of the main conditions of the grant is that all the Public expenditure must be used in delivering PH outcomes, with any underspends being transferred into the Public Health Reserve. As a consequence, any underspends will either be redirected to other Public health areas or transferred to the Reserves, which has current balance of approx. £1,178,299 as at the end of 2017/18.

		8 Year Term		
	Cost Centre	5 Year Estimated Value £'000s	3 Year Contract Extension £'000s	Total £'000s
Proposed Contract Award		7,500	4,500	12,000
Contract Total		7,500	4,500	12,000
Annual Grant Income				
STI Testing and Treatment	A48001	7,419	4,451	11,870
Contraception	A48002	2,844	1,706	4,550
Advice, Prevention and Promotion	A48003	255	153	409
Grant / Budget Total		10,518	6,311	16,828
Net Funding position - Shortfall/(Savings)		(3,018)	(1,811)	(4,828)

The greatest risk to the Authority is the expected cessation of the Public Health Grant at the end of the 2020/21 financial year. The expectation is that suitable replacement funding will be made available however; there is a risk around the size of whichever replacement funding is announced. Given the expected change in funding arrangements, suitable provision should be made within the contract allowing for early termination or reduction in contract value to reflect the financial position.

Legal implications and risks:

- 1.1. This report seeks Cabinet approval to delegate the power to make the decision to the award a contract relating to the Integrated Sexual Health Service (ISHS) (the “Services”) to the Director of Public Health acting in consultation with the Director of Legal and Governance and the Director of Finance.
- 1.2. Under rule 2 of Part 3 [Responsibility for Functions] of the Council’s Constitution (the “Constitution”) the Leader of the Council is responsible for arranging for the exercise of all executive functions and may by way of written notice delegate executive functions to, inter alia, staff.
- 1.3. The proposed contract award is to Barking Havering and Redbridge University Hospitals NHS Trust (BHRUT), for a period of five years from 1 October 2018 up to 30 September 2023, with an option to extend for a further three years.
- 1.4. This is a key decision, subject to the requisite (call-in) procedure under rule 17 of Part 4 [Rules of Procedure] Overview & Scrutiny Committee Procedure Rules) of the Constitution.
- 1.5. The Council is a local authority as defined by section 270 of the Local Government Act 1972 and has a general duty under Section 1 of the Care Act 2014 to promote the well-being of individuals. “Well-being” in relation to an individual is defined within the 2014 Act as including physical and mental health and emotional well-being.
- 1.6. The Council also has a duty under the Health and Social Care Act 2012, to provide its residents with open access services for contraception and for the testing and treatment of sexually transmitted infections (STIs).
- 1.7. The Council partnered with the London Boroughs of Barking and Dagenham (LBBD) and Redbridge (LBR), with LBBD acting as the lead on behalf of the other two boroughs, to procure the Services. The estimated total value of the Services attributable to the Council is £12,000,000, over the full eight years.
- 1.8. In accordance with paragraphs 16.5 and 16.6 of Part 4 [Rules of Procedure] Contract Procedure Rules) of the Constitution contracts with a value of more than £10,000,000 must be reported to the Leader or Cabinet for

approval and award of contract, setting out the details of all stages of the tender evaluation process.

- 1.9. The procurement exercise appears to have been conducted in compliance with CPR 12 which requires the Council to conduct all tender processes in accordance with the CPR requirements, the Financial Procedure Rules, the European procurement rules, and the Procurement Strategy.
- 1.10. There are no implications for the Council under the Transfer of Undertakings (Protection of Employment) Regulations 2006.

Human Resources implications and risks:

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would directly or indirectly affect either the Council or its workforce.

Equalities implications and risks:

An Equalities Impact Analysis (EIA) has been completed (see background papers) and approved by the Corporate Equalities Officer. The analysis has found that awarding the contract will have no negative impact on the nine protected characteristics as set out in the Equality Act 2010.

BACKGROUND PAPERS

Equalities Impact Analysis Report