

Notice of Non-key Executive Decision

Subject Heading:	Permission to implement modified block payment model for the Integrated Sexual Health Service Contract
Decision Maker:	Mark Ansell, Director of Public Health
Cabinet Member:	Cllr Gillian Ford
SLT Lead:	Mark Ansell, Director of Public Health
Report Author and contact details:	Emily Grundy, Assistant Director of Public Health Emily.grundy@havering.gov.uk
Policy context:	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.
Financial summary:	This paper relates to £105,105 (8.1%) of the annual contract value, and how this is to be made available to the provider through the delivery of a suite of activities of high value. These funds are contained within the existing total contract envelope, charged against the Public Health Grant.
Relevant Overview & Scrutiny Sub Committee:	Health

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Is this decision exempt from being called-in?	The decision will be exempt from call in as it is a Non key Decision.
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The subject matter of this report deals with the following Council Objectives

People - Things that matter for residents X

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This report requests agreement to vary the existing terms of the Integrated Sexual Health Service contract with Barking, Havering and Redbridge University Hospitals (BHRUT), to formalise the detail of the modified block payment model that was referred to in the Havering Cabinet report of the 14th of August 2024.

The Director of Public Health is recommended to:

- Approve the outlined payment model, and agree for the Integrated Sexual Health Service Contract held with BHRUT to be varied accordingly from 1 October 2024 - 30 September 2025.

AUTHORITY UNDER WHICH DECISION IS MADE

Constitution (under the Scheme of Delegations pre-1st April 2024)

3.3 Powers of Members of the Senior Leadership Team

Financial responsibilities

- (a) To incur expenditure within the revenue and capital budgets for their allocated portfolio as approved by the Council, or as otherwise approved, subject to any variation permitted by the Council's contract and financial procedure rules.

STATEMENT OF THE REASONS FOR THE DECISION

This report requests agreement to vary the existing terms of the Integrated Sexual Health Service contract to formalise the terms of the modified block contract arrangement that was referred to in the Havering Cabinet report of the 14th of August 2024.

Background

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In August 2024, Havering Cabinet agreed to approve the extension of the Barking and Dagenham, Havering and Redbridge Integrated Sexual Health Services Contract held with BHRUT for the remaining 1+1 years for a maximum cost to Havering Council of £2.594 million up until 30th September 2026 (with the decision to activate the final 1 year extension (October 2025 - September 2026) delegated to the Director of Public Health, subject to satisfactory service performance). The purpose of this extension was to ensure continuity of service provision and stability within Havering, Barking and Dagenham and Redbridge, and provide sufficient time to complete service recommissioning under new Provider Selection Regime (PSR) arrangements.

The Cabinet key decision report also outlined the proposal to proceed with implementing a modified block contract arrangement, whereby 91.9% of the annual contract value would be paid on block contract basis, with the remaining 8.1% of contract value to be paid against delivery of a suite of 'activities of high value' (AHVs). This model is intended to drive up priority sexual health outcomes for the local population, while also improving financial stability and sustainability of the service. In Havering, for 2024/25 this equates to £1,192,487 of the annual contract value being paid as block, and £105,105 being paid according to achievement against AHVs.

This paper seeks agreement to proceed with the proposed suite of AHVs and accompanying payment terms, and to vary the contract with BHRUT accordingly. The variation of the payment model in the contract with BHRUT will not increase the overall value of the contract with BHRUT.

Developing payment model for activities of high value

The model has been developed through an extended period of engagement and co-design with clinical and service leads at BHRUT. In developing the proposal, consideration has been given as to what would demonstrate a meaningful, but achievable improvement in performance and outcomes, while also offering the service appropriate opportunity for remuneration, reflective of the level of investment required to bring forward these improvements.

Payment model summary

The table below lays out a broad description of the AHVs and the proportion of the available financial allocation associated with each.

	AHV	Yr. 1 (%)	Annual maximum available payment (Havering)
1	Increasing the number of eligible patients receiving Hepatitis B vaccination	10.0%	£10,510.50
2	Increasing the number of eligible patients starting on HIV Pre-exposure prophylaxis (PrEP)	10.0%	£10,510.50
3	Increasing the number of 16-25 year olds taking up Long Acting Reversible Contraception (LARC) methods	10.0%	£10,510.50
4	Increasing equity in LARC uptake by ethnic group	10.0%	£10,510.50

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5	Delivering targeted engagement & outreach events	7.5%	£7,882.86
6	Increasing the number of patients from vulnerable cohorts accessing the service	15.0%	£15,765.75
7	Developing a bespoke website, branding and promotion offer	22.5%	£23,648.63
8	Utilising flexible capacity (bank staff) to deliver evidence based ad-hoc outreach	15.0%	£15,765.75
	Total	100%	£105,105

A detailed explanation of the payment model, targets and associated payment terms is laid out in Appendix A.

Should the final 1 year extension available on this contract be taken (October 2025 - September 2026), AHVs and terms for these will be agreed in a subsequent executive decision paper.

Recommendation:

This paper is recommending that the Director of Public Health:

- Approve the outlined payment model, and agree for the Integrated Sexual Health Service Contract held with BHRUT to be varied accordingly from 1 October 2024 - 30 September 2025. This model is intended to drive up priority sexual health outcomes for the local population, while also improving financial stability and sustainability of the service. In Havering, for 2024/25 this equates to £1,192,487 of the annual contract value being paid as block, and £105,105 being paid according to achievement against AHVs.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1: Consider other activities of high value

This option is not advised as agreement of the AHVs has been reached jointly between commissioners and the provider, and are agreed to offer a pragmatic means of improving key sexual health outcomes for the local population. There will be an opportunity to revisit the payment model prior to the start of the 2025/26 contract extension (if applied), to ensure that activities continue to reflect priority areas for improvement locally.

Option 2: Continue with previous 87% block arrangement

This option is not advised as the evidence from the provider has demonstrated that the existing contract payment method does not cover service costs, and limits the ability of the service to develop and enhance the service to improve accessibility and maximise outcomes for local residents.

Option 3: Revert to original contract terms of payment by activity

This option has been rejected as financial monitoring data from the provider suggests that reverting back to payment by activity (based on the pan-London tariff model)

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would result in a significant financial deficit, which would pose a significant immediate risk to service stability and sustainability.

PRE-DECISION CONSULTATION

Discussion has been undertaken between the borough Sexual Health commissioners and BHRUT.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Emily Grundy

Designation: Assistant Director of Public Health (Place)

Signature:



Date:07/10/2024

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Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has the power to vary the contract for these services under Section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Additionally, the Council has the power to vary the contract through its general power of competence under Section 1 of the Localism Act 2011 to do anything that individuals generally may do. There are limitations on the general power of competence, but the limitations do not apply to this decision.

Therefore, the Council can vary the contract.

FINANCIAL IMPLICATIONS AND RISKS

Following the agreed Cabinet decision on 14 August 2024, which referred to the 8.1% variation to the Block contract totalling £105 105. This reports seeks to enact the decision.

The funding will be met from the Public Health Grant for the first extension of the Integrated Sexual Health Service Contract from October 2024 to September 2025. This will enable the Council to meet its obligation under the Health and Social Care Act 2012.

See extract of Table 1 below:-

Table 1: Modified Payment Model Costs

Council	Annual Contract Value	91.9% Annual Block value	8.1% Annual Performance Based Activity value
Havering	1,297,592	1,192,487	105,105

The maximum the authority will be liable to pay under the variable element of the contract is £105 105, however this could be reduced if activity targets are not achieved.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

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

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

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The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- I. the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- II. the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- III. foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. The action undertaken will include monitoring how the service meets the needs of all eligible users, including those from ethnic minority communities and the disabled. The Council will also ensure that potential providers have undertaken equality training and adhere to the Council's Fair to All Policy or their own equivalent.

The funding model proposed includes specific activities to address known inequalities in sexual health service access and outcomes. This includes increasing equitable uptake of long acting reversible contraception amongst different ethnic groups and amongst young people, and improving service access amongst populations that may be particularly vulnerable to poor sexual health outcomes or challenges to service access (for example, sex workers, homeless populations).

The provider is required to produce an annual equity audit, which enables commissioners and providers to review access and outcomes by different strands of equality. This will be used to inform elements of targeted outreach and engagement that form part of the funding model described.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

None

BACKGROUND PAPER

Havering Cabinet Key Decision paper: Permission to enact the final two year extension for the Integrated Sexual Health Service. August 2024. Available at: <https://democracy.havering.gov.uk/ieListDocuments.aspx?CId=153&MId=7870>

APPENDIX

Appendix A Detailed summary of proposed payment model for BHRUT Integrated Sexual Health Service (Oct 24 - Sept 25):

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Details of decision maker

Signed 

Name: Mark Ansell

Director of Public Health

Date:13/11/24

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____