Subject Heading:	Permission to enter into an Memorandum of Understanding and subsequent Inter-Authority Agreement with the City of London Corporation to participate in the re-procurement process and subsequent contract for pan-London online services for sexual and reproductive health
Cabinet Member:	Councillor Gillian Ford, Cabinet Member for and Wellbeing
ELT Lead:	Kathy Freeman, Strategic Director Resources
Report Author and contact details:	Faith Nare, Commissioner Live Well faith.nare@havering.gov.uk
Policy context:	Local Authorities (LAs) are mandated under the terms of the Health and Social Care Act (2012) to commission open access sexual and reproductive health (SRH) services on behalf of residents.
Financial summary:	Estimated total spend for all participating boroughs is at £235 million over nine years, rising from £22 million to £29 million per annum over the lifetime of the contract.
	Havering's estimated spend over the full nine- year term is estimated at between £2.7 - 3.1 million, depending on service activity levels, and whether any optional treatment modules are activated. This is in addition to annual management cost fees, and one-off re- procurement contribution, estimated at £86k

Yes

(a) Expenditure or saving (including anticipated income) of £500,000 or more

CABINET

Is this a Key Decision?

When should this matter be reviewed?

13 August 2025

Reviewing OSC:

People's Overview and Scrutiny Sub Committee

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

People - Supporting our residents to stay safe and well X
Place - A great place to live, work and enjoy
Resources - Enabling a resident-focused and resilient Council

SUMMARY

This paper seeks permission from Cabinet to enter into a Memorandum of Understanding and subsequent Inter-Authority Agreement with the City of London Corporation to participate in the re-procurement process and subsequent contract for the provision of online services for sexual and reproductive health. The Council intends to enter into a new five-year agreement via the London Sexual Health Programme led by the City of London Corporation, with an option to extend for up to four additional years (5+2+2). Havering's spend over the full nine-year term is estimated at £2.7 - £3.1 million, dependant on activity volumes and the optional service modules that the Council choses to activate (if any).

RECOMMENDATIONS

Cabinet to approve:

- 1) Entering into a Memorandum of Understanding (MOU) in the form attached at Appendix 1 to participate in a multi-Borough procurement process for online services for sexual and reproductive health (e-service).
- 2) In principle approve entry into the subsequent contract for online services for sexual and reproductive health (e-service); and
- 3) Delegate authority to the Strategic Director of Resources to:
 - i) finalise and enter into all associated documentation including the MOU and an Inter Authority Agreement (IAA) regulating use of the awarded contract.
 - ii) agree any extension permitted under the terms of the IAA and contract
- 4) Note the decision as to activation of the optional service modules for contraceptive and PrEP care during the term of the contract will be taken by the Director of Public Health acting within their existing financial delegations and authorities.

REPORT DETAIL

1. Background:

1.1 Under the Health and Social Care Act 2021, local authorities are mandated to provide open access sexual health services, including free STI testing and treatment, notification of sexual partners of infected persons, advice on a broad range of contraception and advice on preventing unplanned pregnancy.

- 1.2 The inception of the London online services for sexual and reproductive health (eservice) arose from the need to address growing demands on sexual health services, which were becoming increasingly financially unsustainable. The eservice was part of a wider Pan-London sexual health transformation programme, which sought to improve equity, efficiency, reduce duplication and improve consistency of these services across London, in a way that could meet future clinical and population needs.
- 1.3 The current e-service contract was entered into by City of London Corporation (CoL) in 2018, acting as a 'lead authority' on behalf of 30 participating local authorities, who signed an Inter-authority agreement (IAA) to secure access to the services provided by the current supplier, Preventx. The current contract will end on 14th August 2026.
- 1.4 The main objective at the outset of the e- service was to channel-shift 30% of lower-risk and asymptomatic users from in-person sexual and reproductive health (SRH) services to the online service by 2021. This target was quickly exceeded, in large part due to the impact of COVID-19 and the restrictions which limited access to in-person services.
- 1.5 Continuing to offer an e-service forms a vital part of the Council's commitment to providing a range of accessible, high-quality sexual health services that can effectively meet the needs and preferences of a diverse range of local residents, and which support wider efforts to deliver improved sexual and reproductive health outcomes for the borough.

2. Current service

- 2.1 At present, the e-service service is provided by Preventx, with the service being promoted to the public as 'SHL.UK'. The service is available to sexually active individuals aged 16 years and older, residing in one of the 30 London authorities that participate in the current contract, and includes several key components:
 - A digital 'front door', offering centralised access to remote STI testing, alongside access/signposting to other sexual health advice and support;
 - User registration and sexual history risk assessment, to ensure that individual users are offered appropriate testing according to their sexual history and practices;
 - STI kit provision and home delivery;
 - Laboratory services and results notification;
 - Remote telephone support and referral to local services as required;
 - Remote treatment for uncomplicated Chlamydia infection;
 - An optional module for prescribing and dispensing emergency hormonal contraception and routine contraceptives – note, Havering does not currently utilise this module.
 - Results and patient record system, to enable improved repeat use, as well as reporting on service user demographics, kit return rates, positivity rates, repeat usage etc.
- 2.2 Users can also collect SHL.UK testing kits from local SRH services, which are then returned by post for processing, offering a direct route to divert simple STI testing from in-person services, where this is appropriate.

- 2.3 Performance of the current contract is monitored by the CoL, with participating local authority commissioners updated through quarterly management board meetings.
- 2.4 Key benefits of the existing contract arrangement includes:
 - 1. **Financial efficiency**: Online STI testing has a lower 'cost-per-test' than equivalent tests conducted in clinical settings, and can reduce charges for out-of-borough care that arise when Havering residents access STI testing via sexual and reproductive health services commissioned by other local authorities.
 - 2. **Improved access**: The e-service offers residents access to testing in the comfort of their own home, at a time that is convenient for them. It also enhances access by offering greater anonymity, which helps overcome barriers to testing, such as cultural sensitivities or the stigma often associated with STIs.
 - 3. **Equity**: The service has been instrumental in improving access to STI testing for Black African and Black Caribbean communities, women, and younger individuals.
 - 4. **Acceptable and well-regarded service**: High levels of user satisfaction and strong usage data reflect the value residents place on the flexibility and ease of service use.
 - Optimised clinical resources: By shifting routine STI screening to the e-service pathway, clinical capacity in face to face sexual health services is preserved for patients with more complex or urgent needs.
- 2.5 The e-service is one of a number of sexual health services commissioned by the Council. Other services include the local specialist sexual health service (provided by Barking, Havering and Redbridge University Hospitals NHS Trust), and contraceptive care provided in local GPs and pharmacies.

3. Service use and acceptability

- 3.1 SRH clinics across London provide vital care to residents, but are expensive to run and not all residents need, or want to access them. In most cases of 'simple' STI infections (i.e. when a patient is asymptomatic, or with only mild symptoms), an online STI screening and treatment pathway is both clinically appropriate and preferable to the patient.
- 3.2 All eligible users are offered a full sexual health screen (chlamydia, gonorrhoea, HIV and syphilis), with some users offered additional tests depending on their sexual history (e.g. hepatitis B and C). Those with symptoms of more severe or complex infections are referred back to local specialist sexual health services for assessment and treatment.
- 3.3 It should be noted that the availability of the e-service does not preclude residents from accessing face to face services for STI testing, if this is deemed more appropriate and/or acceptable, or if residents face barriers around digital access.
- 3.4 The e-service is an incredibly popular resource across London, with continued usage in growth over the lifetime of the contract. A 2024 survey of 1,420 London residents found that over a third of respondents had used the e-service.
- 3.5 In the London region, the e-service is widely used by younger people, with high usage rates amongst women aged 15–34 years. Young people are disproportionately affected by STIs, so evidence of acceptability amongst this cohort is positive.
- 3.6 Amongst Havering residents, utilisation of the service has continued to grow, with 10,453 test kits orders in 2024/25 approximately 76% of these test kits were

completed and returned for analysis. There is a significant rate of repeat access, with 76% of Havering users in 2024/25 having used the service in the past, indicating a good level of user satisfaction. This is also reflected in excellent service user feedback, with 98.6% of Havering users surveyed saying they would recommend the service to friends or family (based on 477 responses).

3.7 The e-service also delivers important clinical benefits for local residents – in 2024/25, e-service testing amongst Havering residents enabled the identification of 348 cases of chlamydia, 86 cases of gonorrhoea and numerous other STIs, who could then be referred on to receive appropriate treatment. The e-service also reported 37 reactive HIV tests amongst those Havering residents tested, which may have included previously undiagnosed cases.

4. Financial Commitment

- 4.1 The e-service offers a financially efficient model for STI testing, while helping to alleviate pressure on clinical time within face to face SRH services.
- 4.2 Funding for the e-service comes from the Council's ring-fenced Public Health grant allocation. This grant is agreed on an annual basis, with Havering's 2025/26 Public Health grant allocation being £13,263,994.
- 4.3 Havering's financial contributions to the e-service to date have included:
 - An initial one-off payment of £1,499.84 (2018);
 - An average monthly spend on service activity (on a fee-per-service basis) of approximately £21,500 for 2024/25, rising from an average of £10,436 in 2019/20:
 - Annual pre-paid contributions toward shared management and programme delivery costs, averaging around £8,900 per annum.
- 4.4 In participating in the proposed re-procurement, Havering will also be liable for a oneoff contribution towards the shared procurement costs of £6,587, alongside on-going fee-per-service costs and contract management costs.
- 4.5 The graph below provides a summary of the financial spend by the council on the current e-service contract:

Graph 1: Havering annual expenditure on e-service activity (not including management contributions) by LBH, 2018/19 – 2024/25.



* Figures for 2018/19 do not reflect a full year of activity-based payments

- 4.6 After a dramatic rise in service costs in 2020/21 in light of the Covid-19 pandemic just under 60% growth from 2019/20 growth in spend on the e-service has slowed, with only 4% growth seen in 2023/24, with growth for 2024/25 anticipated to be at a similar or slightly lower levels (based on outturn data up to month 11).
- 4.7 As part of their commissioning business case for the new contract, CoL has provided indicative modelling of future STI testing costs for each participating borough, presented for Havering in table 1. These projections included an annual 2% growth in total fee-per-service costs across all service lines (based on the 2023/24 outturn), to account for population growth and accompanying increase in demand.
- 4.8 While Havering does not currently utilise the contraceptive care module, and the HIV pre-exposure prophylaxis (PrEP) care module is not part of the existing contract provision, projections for potential spend for each borough have also been provided. These estimates are based on a range of assumptions.
- 4.9 Contraceptive module projections are based on a proportion (8.7%) of total estimated STI care costs, reflecting the existing patterns of usage in participating local authorities. Estimated emergency contraception usage has been forecasted down, to reflect widened pharmacy-based access commissioned by NHS England, expected to be rolled out from October 2025.
- 4.10 PrEP care activity has been modelled on the basis of current in-person clinic activity and best clinical practice, and the assumption that there will a phased channel-shift of users from face to face to digital PrEP services.
- 4.11 Management costs paid to the CoL have remained relatively static over the course of the existing contract term, and while fees are reviewed on an annual basis, significant growth or variance in these costs are not anticipated.

Table 1: Estimated fee per service costs over the maximum nine-year contract term (2026 – 2035)

^{**} Figures for 24/25 are up until the end of month 11 (Feb 24). Final expenditure for 24/25 is likely to match or slightly exceed 2023/24 figures.

ONLINE COSTS	Y1 26-27	Y2 27-28	Y3 28-29	Y4 29-30	Y5 30-31	Y6 31-32	Y7 32-33	Y8 33-34	Y9 34-35	Total
STI care only	£272,799	£278,255	£283,820	£289,497	£295,287	£301,193	£307,216	£313,361	£319,628	£2,661,056
PrEP care	£8,401	£17,132	£21,827	£22,264	£22,709	£23,163	£23,626	£24,099	£24,581	£187,801
Contraception care	£21,726	£22,160	£22,603	£23,055	£23,517	£23,987	£24,467	£24,956	£25,455	£211,926
Total	£302,926	£317,548	£328,251	£334,816	£341,512	£348,342	£355,309	£362,415	£369,664	£3,060,783

Note: contraceptive care cost modelling does not include potential condom distribution, costs of which are considered marginal

- 4.12 As outlined in Table 1, the estimate for Havering's expenditure over the permissible 9-year contract term is £2.66M if only the STI care module is activated, rising to £3.1M if both optional contraceptive and PrEP modalities were to be activated from the outset of the contract.
- 4.13 CoL have also modelled the clinical costs avoided by delivering this activity online, as opposed to in face to face in specialist sexual health services paid on the London Sexual Health Tariff. Over the full 5+2+2 lifetime of the contract, clinical costs avoided are estimated at £5.3M for STI care, or £5.6M including PrEP and contraceptive modules. Note that the local specialist sexual health service is paid on a modified block contract arrangement, so this does not represent a like-for-like saving, but does give an indication of the likely scale of additional resource that would be required were online provision to cease and the same volume of testing activity be redirected into the local service. In this scenario, any testing activity displaced into other London specialist sexual health services would be paid on the London Sexual Health Tariff fee-per-service, and would therefore be charged at a significantly higher unit cost than achieved via the e-service.
- 4.14 It is not necessary for Havering to indicate its intention to participate in either of the optional contraceptive or PrEP care modules at this time, with participating authorities reserving the right to activate these at any point during the contract term. A decision as to whether Havering wishes to participate in these optional modules will be informed by a number of factors, including the North East London digital PrEP pilot, and emerging evidence about enhanced pharmacy provision for emergency contraceptives. Any decision to activate one or more optional modules will be taken through appropriate internal governance processes.
- 4.15 As outlined, the vast majority of expenditure related to this contract arises from feeper-service provision, meaning that the total annual expenditure is almost entirely dependent on levels of service use. It is possible for local authorities to apply at utilisation cap (i.e. a maximum number of tests that can be provided to residents in a given period). While this is not desirable, given that it will limit service access for residents, it does offer a route to mitigate against unexpected growth in service use and costs that may otherwise pose a risk to financial sustainability.
- 4.16 It should also be noted that these estimates are based on existing fee-per-service charges paid under the current contract. There may be opportunity to reduce these charges through the proposed competitive tender route (see section 5), which will have implications for total contract costs.

5. Procurement approach and market testing

- 5.1 CoL have indicated that the initial contractual term will be 5 years (August 2026 August 2031), with an extension option built in of two 2-year terms (5+2+2), potentially extending the agreement to August 2035. Authorities reserve the right to cease their use of the contract following the first two years of the contract term.
- 5.2 A competitive procurement process was being recommended by the LSHP Strategic Board in October 2024, with support for this approach from the majority of participating local authorities. This approach is preferred over available PSR direct awards or "most suitable provider" routes, due to the extent of development within the field of remote testing and care since the existing contract was awarded and given the number of potential providers in the market. It is anticipated that a competitive process will offer the best opportunity to secure a reduction in fee-perservice pricing compared to the existing contract.
- 5.3 As outlined, this competitive process will be led by CoL, acting as a lead authority on behalf of participating local authorities. In participating, Havering will be liable for a one-off financial contribution towards this procurement exercise of £6,587.
- 5.4 The tender evaluation panel will include nominated sexual health leads from each sub-region. Tender assessment will be weighted on the basis of 60% quality 40% price.
- 5.5 Soft market testing conducted by CoL suggests that there are a good number of providers in the market that would be interested in tendering for the contract, with a number of providers indicating that they would be in a position to deliver all elements of the service offer that had been outlined.

6. Contract governance

- 6.1 To participate as a named authority in the e-service procurement process, authorities must sign an MOU, which describes the nature of the relationship between the CoL and authorities, including process oversight, governance and roles and responsibilities (see Appendix 1).
- When CoL enters into the contract with the appointed supplier, the authorities who wish to participate in the contract will be required to enter into an Inter-Authority Agreement (IAA).
- 6.3 To enable the effective oversight and assurance around the contract, there are dedicated governance arrangements administered by CoL on behalf of participating authorities

To continue participating in the LSHP, Havering must:

- Sign the new Programme Memorandum of Understanding (MOU) with the CoL formalising its role as a named authority in the procurement process and as part of the relevant governance structure
- Participate in the e-Service Management Board, ensuring local representation in decision-making
- Pay annual financial contributions, which support the shared infrastructure and service oversight
- Indemnify the CoL Corporation, protecting it from Legal or financial liabilities arising from the programme

REASONS AND OPTIONS

Reasons for the decision:

The reasons are set out in the main report

Other options considered:

Option1: Do Nothing

There is the option to do nothing and stop the e-Service when the contract ends on 17 August 2026. This option is not advised as it could compromise accessibility and the efficient use of resources, ultimately affecting the quality of sexual and reproductive health services delivered. While Local Authorities can meet their statutory minimum requirements without the e-Service, the recommendation to maintain it is focused on ensuring accessibility for residents, efficient use of financial resources, and optimal utilization of clinical expertise.

Option 2: Independently procure an e-service for Havering:

This option is not advised. One of the key benefits of the pan-London approach is the delivery of economies of scale that would not otherwise be realised at a local level. Jointly procuring this service enables the total London activity volumes to be reflected in provider's pricing strategy, which will offer significant advantage in terms of fee-per-service costs that can be secured. Any independent procurement exercise by LBH would inevitably result in a higher unit cost and an increased pressure on the Council's Public Health grant. Equally, the Council would have to bear the costs of an independent procurement, contract monitoring etc.

Option 3: Combine the E-Service with the Integrated Sexual Health Service:

This option was considered and has been rejected - as with Option 2, any route that involves commissioning at a smaller geographical footprint will not yield the economies of scale delivered at a London level and therefore will not represent good value for money for the Council. Commissioners are keen to ensure that the focus of our integrated sexual health service contract provider remains on enhancing our local face-to-face clinical offer, to support improved outcomes for Havering residents.

IMPLICATIONS AND RISKS

Financial implications and risks:

This report is seeking Cabinet approval to enter into a memorandum of Understanding and subsequent Inter-Authority Agreement with the City of London Corporate to participate in the re-procurement process and subsequent contract for online services for sexual and reproductive health (e-service). The contract is expected to be a 5+2+2 with any decisions on on-going participation in the contract to be delegated to the Director of Resources and options to activate contraceptive and PrEP modules delegated to the Director of Public Health.

Estimates based on 23/24 spend uplifted by 2% per year over the duration of the entire contract suggest the contract cost will be in the region of £2.6m. Spend is based on take-up numbers and so is subject to variation up or down. If the optional contraceptive and PrEP

modules are activated the cost would rise to £3m with estimates being based on Londonwide experience. These figures exclude the cost paid to the City of London Corporation for the procurement and management of the contract; these costs are an initial one-off amount of £6,587 and then annual contributions of approximately £8,900 per year.

Table to summarise costs:

ONLINE	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Total
costs	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	Total
STI care only	£272,799	£278,255	£283,820	£289,497	£295,287	£301,193	£307,216	£313,361	£319,628	£2,661,056
PrEP care	£8,401	£17,132	£21,827	£22,264	£22,709	£23,163	£23,626	£24,099	£24,581	£187,802
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Total	£302,926	£317,547	£328,250	£334,816	£341,513	£348,343	£355,309	£362,416	£369,664	£3,060,784

Contract	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Total
administration	26-27	27-28	28-29	29-30	30-31	31-32	32-33	33-34	34-35	Total
Initial Procurement	£6,587									£6,587
Annual Management	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£80,100
Total Payable to CofL	£15,487	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£8,900	£86,687

Total	£318 /13	£326 AA7	£337 150	£3/3 716	£350 /13	£357 2/3	£364 300	£371 316	£378 564	£3.147.471

Since the contract was last tendered, there have been developments in the technology and availability of STI testing kits and the market is strong therefore the competitive procurement process could return a lower cost per unit than is currently being paid.

The cost of the contract will be met from the Council's Public Health grant. Havering will receive £13,263,994m in 2025/26; this contract has been budgeted for within overall funding availability. There is a risk that the amount of Public Health funding might decrease over the term of the contract – if this is the case the service will have to review spend which is not mandated or contractually obliged in order to continue to meet the commitments of this contract and/or consider use of Public Health reserves.

The Council could opt to procure its own online testing service, however, it is unlikely to be afforded the economies of scale which will be gained by this pan London collaboration. The Council could decide not to offer an online service, however, this will result in higher numbers visiting face to face settings for routine testing which would reduce capacity within those settings to deal with more complex needs. It is likely that some of those visits would be out of area and would therefore be charged at a significantly higher unit cost than online testing. Channel shifting low risk cases from face to face services to online services delivers value for money and provides flexibility and convenience for residents.

Legal implications and risks:

The Council can rely on various legal powers in support of the decisions recommended in this report. Section 1 of the Localism Act 2011 allows the Council to do anything an individual can do subject to any statutory restrictions which may apply. None of the constraints on the Council's Section 1 power are engaged by this decision. Section 111 of the Local Government Act 1972 permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

Paragraph 9 of the MOU requires participating Councils to contribute to procurement costs. It includes a mechanism whereby procurement costs may increase above those stated. The decision as to whether and by how much costs may rise is decided by the Procurement Oversight Board (POB), whose membership consists of a n officer from each participating Council. POB decisions are by consensus rather than vote. Thus the risk is somewhat mitigated.

Likewise, the extent of the indemnity for costs and claims (including legal costs) associated with the procurement given under the MOU to City of London Corporation as lead authority by each Council (MOU Paragraph 8.8) is determined by the POB. This may be viewed as somewhat mitigating the extensive nature of the indemnity.

Entry into the MOU does not bind the Council to enter into the proposed IAA. The Council's legal team will provide advice on the terms of the IAA following the procurement process and as required.

Human Resources implications and risks:

There are no identified Human Resources implications or risks

Equalities implications and risks:

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring. 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, gender, race and disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

Health and Wellbeing implications and Risks

Havering Council are committed to protecting and improving the health of our residents. Sexual and reproductive health is a vital component of population health and wellbeing, having implications for residents across the life course.

Under the 2012 Health and Social Care Act, local authorities are mandated to commission comprehensive open access sexual health services, including free STI testing and treatment.

The timely detection and treatment of STIs is vital to protect affected individuals from the short and longer term clinical outcomes that can be associated with these infections if left untreated (e.g. infertility, chronic pain), and their sexual contacts from the risk of further onward infection.

Participating in the new London e-service contract will mean Havering residents can continue to benefit from this efficient, acceptable and well-regarded route for accessing STI testing, the use of which releases resource in face to face clinical services for the management of more complex sexual health needs. The opportunity to switch on contraceptive and PrEP modules also offers the potential to continue to widen access to these services, both of which contribute to improved public health outcomes.

Not continuing to participate in the London e-service may have a number of negative consequences, including increased pressure on locally commissioned sexual health services, increased expenditure incurred through residents accessing out of borough sexual health provision, reduced STI testing rates and increasing population burden of STIs and associated complications.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

Reduces unnecessary travel to face to face clinics for those patients who are appropriate for remote service access

BACKGROUND PAPERS

Appendix 1: Memorandum of Understanding (MOU)