

SURREY COUNTY COUNCIL**CABINET****DATE: 20 SEPTEMBER 2016****REPORT OF: MRS HELYN CLACK, CABINET MEMBER FOR WELLBEING AND HEALTH****LEAD OFFICER: HELEN ATKINSON, STRATEGIC DIRECTOR ADULT SOCIAL CARE AND PUBLIC HEALTH****SUBJECT: APPROVAL TO AWARD A CONTRACT FOR THE PROVISION OF AN INTEGRATED SEXUAL HEALTH SERVICE****SUMMARY OF ISSUE:**

The provision of sexual health services is a statutory duty of Local Authorities. The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 require Local Authorities to arrange for the provision of open access sexual health services including sexually transmitted diseases testing and treatment and free contraception.

The provision of effective sexual health services has an active role in supporting the Council's Corporate Strategy, and in particular the strategic goals of 'Wellbeing' and 'Resident's Experience' as well as delivering against the Council's nine priorities with a particular contribution being made to "keeping families healthy". Effective sexual health services have a positive effect on the health and wellbeing of Surrey residents and can prevent the need for more intensive and costly interventions from health, social care and the wider public service sector.

The budget for this service has been reduced following the reduction in the ring fenced public health grant distributed by the Department of Health. The Council is trying to maintain a good level of service within the financial resource available.

Following a full procurement and evaluation process, this Cabinet report seeks approval to award a contract to Central and North West London NHS Trust for the provision of an Integrated Sexual Health Service to commence on 1 April 2017. The recommended contract delivers best value for money and meets the needs of service users in Surrey. In awarding this contract the Council will secure a cashable saving of £2m per year.

Due to the commercial sensitivity involved in the contract award process, the scoring summary and value for money details have been circulated as a Part 2 report.

The Council has collaborated with NHS England (South East) Area Team (NHSE) to lead a joint procurement which incorporates HIV Treatment and Care and Sexual Health services in prisons for which NHSE are the responsible commissioner. The Council and NHSE will each award a separate contract for their own elements of service and following their own governance processes. This report relates solely to the Council's contract.

RECOMMENDATIONS:

It is recommended that a contract is awarded to Central and North West London NHS Trust at a maximum value of £4,333,383.00 per year.

The contract will be for three years from 1 April 2017 with an option to extend for a further two years, in any event the contract shall be for no more than five years in total.

REASON FOR RECOMMENDATIONS:

The recommended contract award will deliver an evidence based Integrated Sexual Health Service (as described in paragraph 5 of this report) that meets national guidance and fulfils the Council's duties. The service will be open access to all (universal) in line with statutory requirements and the national specification issued by the Department of Health, however there is a clear expectation that the service will be responsive to the needs of key priority groups as defined in the Surrey Sexual Health Needs Assessment. Priority groups in Surrey include sex workers, men who have sex with men (MSM), Black Africans and young people.

The three existing contracts for sexual health services are expiring at the end of March 2017 and cannot be further extended.

A full tender process, in compliance with the requirements of EU procurement Legislation and the Council's Procurement Standing Orders has been completed, and the recommendation provides best value for money for the Council following a thorough evaluation process.

The service will be delivered in Surrey from local bases and will provide apprenticeship opportunities to Surrey Young People whilst delivering efficiencies for Public Health Services.

DETAILS:

Business Case

1. The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 require Local Authorities to arrange for the provision of certain services including:
 - open access sexual health services available to everyone covering Sexually Transmitted Infections (STI) testing and treatment, notification of sexual partner of infected persons and:
 - free contraception and reasonable access to all methods of contraception.
2. It is important that appropriate contractual arrangements are put in place locally to cover such services, to ensure compliance with national clinical guidance, to minimise risk and to ensure value for money. The nature of sexual health services is such that, should appropriate services not be available in Surrey, a larger number of residents will access services in neighbouring authority areas. The Council will still be required to pay for the provision of these services but will have limited influence on the quality or cost.

3. This procurement is underpinned by a detailed sexual health needs assessment. The Surrey sexual health needs assessment particularly identified that:
 - In 2014 the Office of National Statistics (ONS) reported that there were 287 under 18 conceptions (rate of 14.2 per 1,000) with around a third of those resulting in a live birth. Outcomes, in terms of health and wellbeing are reduced for young mothers and their children.
 - This equates to 64.8% of under 18 conceptions in Surrey resulting in termination which indicates that these conceptions were unplanned and unwanted.
 - Runnymede and Spelthorne boroughs have historically shown higher than the national average rates of teenage conceptions (19.7 per 1,000 and 20.3 per 1,000 respectively in 2014). Preston ward within Reigate and Banstead has the highest rate in Surrey.
 - Woking has a higher than national rate of HIV. This has financial implications for both health and social care.
 - Chlamydia detection rates in 15-24 year olds are low (1296 per 100,000 in 2014) which increases the risk of onward transmission, untreated disease and the associated health issues.
4. In addition to offering the universal service, a key ambition is to address some of the inequalities and issues identified in paragraph 3. For example, targeted outreach that focuses on young people to reduce the countywide variation in unplanned conceptions that impact not only on health outcomes but also social care and education. A focus on HIV prevention to reduce late diagnosis of HIV will also result in reductions in costs to the NHS and the need for social care, and a focus on cross partnership working with substance misuse providers to reduce risk taking behaviours.

Background

5. The Council has chosen to procure an integrated sexual health service with a lead provider using a 'hub and spoke' model, as evidence shows us that this is the most effective model. This model will combine the services currently provided under three separate contracts into one countywide service. The hubs will be centrally located and offer a full range of services whilst the spokes would offer generic services such as basic STI testing and condom distribution. The 'hub and spoke' model is used and endorsed nationally and broadly the objectives of the model are to:
 - ensure a service user is able to access a range of services at one location, in one appointment and usually with one healthcare professional
 - offer extended opening hours at accessible locations
 - offer an effective outreach service to 'at risk' groups to ensure targeted and appropriate prevention strategies are in place
 - ensure equitable service delivery across the county

- ensure care pathways are clearly defined and that service users experience quality interventions and seamless care provision
6. The provider will be required to work in partnership with GPs and pharmacies who also provide sexual health services as part of the wider treatment pathway. The provider will be required to develop links with secondary schools, colleges and other health and social care services in order to reach priority groups. The service will target young people via schools and colleges working alongside the Healthy Schools programme. The service will be required to work proactively with other services who engage with people aged 13 to 15 and in particular will provide support to deliver sex education in collaboration with Public Health, school nursing services and the Council's services for young people. The provider will support best practice within the school nursing service to enable the delivery of sexual health services and good relationships and sex education (RSE) in line with government guidance.

Procurement Strategy and options considered

7. Several options were considered when completing the Strategic Procurement Plan prior to commencing the procurement activity. These were to procure the individual elements of service separately, to procure an integrated sexual health service on behalf of SCC with a lead provider and to procure an integrated sexual health service on behalf of both the Council and NHS England (South East) Area Team (NHSE) with a lead provider.
8. After a full and detailed options analysis it was decided that commissioning a specialist integrated sexual health service on behalf of the Council and NHSE was the preferred option as this demonstrated best value for money from the options appraisal completed. A small number of expert providers exist in the market who could be commissioned to deliver the desired outcomes in relation to quality and activity and tenders were invited.
9. A project team was set up which included representatives from Public Health, NHSE, Legal Services, Finance and Procurement.
10. A Concept Day was held in December 2015 for interested stakeholders and attendees included representatives from provider organisations, Clinical Commissioning Groups (CCGs) and Public Health England. Views were sought on the potential commissioning models and specification and these were incorporated as appropriate into the options analysis and decision making process.
11. A full tender process, compliant with EU Public Contract Regulations and the Council's Procurement Standing Orders, has been carried out and this included advertising the contract opportunity in the Official Journal of the European Union.

Key Implications

12. By awarding a contract to Central and North West London NHS Trust for the provision of the Integrated Sexual Health Service, the Council will be meeting one of its duties in improving and maintaining the health and wellbeing of people in Surrey whilst ensuring that it secures best value for money for the service.

13. The staff employed by the current service providers will be offered the opportunity to transfer to the new provider under TUPE regulations. This will help to retain local knowledge and the local skill base whilst the service is redesigned to improve outcomes and deliver value for money.
14. The majority of service will be commissioned using the Integrated Sexual Health Tariff. The tariff enables services to be commissioned using a menu of agreed prices ensuring that the unit price paid reflects the complexity of the intervention. The tariff prices include all costs (clinical staff costs, on costs, cost of significant equipment and overheads). Adopting tariff based pricing enables the commissioner to pay for service actually delivered rather than the traditional block contract method with its associated void cost.
15. In addition the contract will include a small block contracted element of service for targeted outreach.
16. The contract will have a greater focus on prevention and innovation which will mean a shift from the traditional model of face-to-face consultations to a model where online booking, online triage and self sampling (where service users are sent testing kits in the post and return a sample to the provider for testing) become more prominent. This will allow consultant time to be carefully managed and targeted to focus more on acute 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 within a reduced budget envelope.
17. The three main national Public Health Outcomes Framework (PHOF) outcomes associated with sexual health are:
 - Under 18 conceptions – the measure is the rate of conceptions per 1000 of the under 18 population
 - Chlamydia diagnoses – this is measured by the amount of Chlamydia infections detected in the 15-24 year old population. The rate should be 2300 per 100,000
 - People presenting with HIV at a late stage of infection
18. Performance will be monitored through a series of Key Performance Indicators (KPIs) as detailed in the specification and reviewed at quarterly meetings. A number of KPIs are set nationally by the Department of Health (DoH) and these are in line with the PHOF, others are set locally to reflect local priorities as determined by the needs assessment.

Three of the KPIs are illustrated in the table below out of a total of 46.

KPI	Target	Notes
Percentage of individuals accessing services who have sexual history and STI/HIV risk assessment	100%	British Association for Sexual Health and HIV (BASHH Standard 1)

undertaken.		
The ratio of all contacts of Chlamydia index case whose attendance at a Level 1, 2, or 3 sexual health service was documented as verified by a Health Care Worker, within four weeks of first Partner Notification discussion	At least 0.4 contacts per index case for all clinics (in and outside London) and documented within four weeks of date of first PN discussion	BASHH Statement on Partner Notification for Sexually Transmissible Infections National Chlamydia Screening Programme Standard 4
Documented evidence within clinical records that Partner Notification has been discussed with people living with HIV within 4 weeks of receiving a positive HIV diagnosis and within 1 week of identifying subsequent partners at risk	90%	British HIV Association (BHIVA) Standard 7 ¹

The management responsibility for the contract lies with Public Health and the contract will be managed in line with the contract management plan as laid out in the contract documentation and the Council's Supplier Relationship Management principles. Performance will also be robustly monitored locally at quarterly contract meetings. In addition, sexual health services are monitored by two national datasets. GUMCAD (Genitourinary medicine activity dataset) is the dataset for STI testing and treatment and SHRAD (Sexual health and reproductive activity dataset) is the dataset for contraception. All services are required to report into these systems.

Competitive Tendering Process

19. The contract has been let as a competitive tendering exercise. It was decided that the open procedure was appropriate and bidders were given 45 days to complete and submit their tender. One tender was received from a large, established provider of healthcare services (including sexual health) and they were evaluated against both cost and quality criteria and weightings, the results being that Central and North West London NHS Trust achieved a total score of 61.33%. A full score summary is provided in the Part 2 report.
20. This is the first time that a clinical service, which is commissioned to NHS guidelines has been procured by the Council. The tender evaluation panel included representatives from Public Health, NHSE, Children Schools and Families, a consultant representative and a GP and pharmacy representative. In addition a panel of two young people took part in the evaluation process.

¹ British HIV Association (2013). *Standards of Care for People Living with HIV*
<http://www.bhiva.org/documents/Standards-of-care/BHIVAStandardsA4.pdf>

CONSULTATION:

21. Commissioners from Public Health, Children, Schools and Families, colleagues from Finance, Legal Services and Procurement have been involved and consulted throughout the process.
22. Relevant external stakeholders were consulted at various stages in the process at both the Concept Day (see paragraph 10 above) and at the market engagement event for providers held on 27 April 2016 prior to the issue of the tender.
23. The Local Pharmaceutical Committee and the Local Medical Committee have been informed and have had the opportunity to comment. Representatives from each committee attended the Concept day, Market Engagement Event and/or received all relevant documentation.

RISK MANAGEMENT AND IMPLICATIONS:
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24. The contract includes relevant termination clauses including a termination for convenience clause which will allow the Council to terminate the contract with 6 months notice should priorities change. In addition, immediate termination is possible if the service provider commits a breach of the terms of contract or the provider at the time of the contract award, has committed an offence under the Public Contract Regulations 2015.
25. The short listed bidder successfully completed the standard financial checks.
26. The following key risks associated with the contract and contract award have been identified, along with mitigating activities:

Category	Risk Description	Mitigation Activity
Financial	The budget allocated may be insufficient should volumes of activity increase significantly or should the service redesign take longer than envisaged	The Council and the provider will work in partnership to manage demand and any seasonal variation. The provider will be flexible and have the ability to alter clinic times to ensure any 'dead' time is removed from the system. The provider will ensure staff time is used appropriately e.g. consultant time is used only where necessary. The provider and Council will work closely with GPs and Pharmacies and will cross refer service users as appropriate to primary care provision to ensure efficiency across the whole system.
	Further cuts to the Public Health budget	The Council and the provider will work together to manage any future cuts and minimise the impact on both volumes and the quality of service delivery.

Reputational	The move to a fully integrated service requires significant service redesign which will impact staff and service users	The Council and provider will work together throughout the mobilisation period and into the life of the contract to ensure such changes are managed sensitively and effectively. Appropriate consultations will take place and a communication plan (both internal and external) will be set out.
Service Delivery	Quality of service delivered does not meet objectives and needs.	Strong contract management and quarterly contract review meetings. Detailed mobilisation period with sufficient time (6 months allocated).

Financial and Value for Money Implications

27. Further details of the value for money and financial implications are set out in the Part 2 report.
28. The procurement activity will deliver a service within budget and will generate a saving of £2m per year which will contribute to savings required within the Medium Term Financial Plan (MTFP) for Public Health.
29. In addition the following Value for Money implications should be noted:
 - The outreach element of service will focus on prevention work and behaviour change to increase healthy sexual behaviour and reduce the need for clinical services. The ambition is to reduce the countywide variation in unplanned conceptions for young parents that can impact not only health outcomes but also social care. Within the Family Nurse Partnership trial it was identified that almost 60% of children involved in serious case reviews were born to mothers under 21.
 - The contract will include HIV prevention and aim to reduce late diagnosis of HIV which will reduce costs to the NHS as well as reduce the need for social care and the associated costs for the Local Authority.
30. It is recognised nationally that spending money on sexual health services can save significant amounts of money further down the line to both health and non health (including local authority) services. The report 'Unprotected Nation 2015' commissioned by the Family Planning Association shows the potential impacts of a reduction in access to services. It illustrates that:
 - nationally a 10% reduction in access could result in the total cost of unintended pregnancies and STIs increasing from £69.092 billion to as much as £77.750 billion over the period 2015 – 2020. A significant portion of this increase (circa £7.2 billion) would relate to non health costs such as social welfare, housing and education.
 - nationally reductions to the public health ring fenced grant already announced become the norm over the next five years, nationally every £1 of expenditure cut could cost as much as £86 further down the line.

- nationally a 10% reduction scenario could cause an extra 72,299 STIs by 2020, this equates to a cost of £363 million and includes 20,000 additional gonorrhoea cases, at a time when we are seeing the emergence of antibiotic-resistant strains of the infection
31. The model selected for this procurement aims to minimise these impacts through the move to more innovative service delivery. Indeed, the bidder has confirmed within their tender submission that they would be able to service the current volumes albeit through the greater use of self sampling, more targeted appointments and clinic times and appropriate use of staff skill mix.

Section 151 Officer Commentary

32. The S151 Officer is supportive of the bid as it moves the service financially into a more cost efficient position, which is a priority to meet cost savings within this budget area. This integrated service uses some new ways of working to achieve a more efficient model of delivery and achieve savings, whilst delivering all the services required. This work will be monitored to ensure delivery continues successfully.

Legal Implications – Monitoring Officer

33. The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, National Health Service Act 2006, and Local Government and Public Involvement in Health Act 2007 require local authorities to arrange for the provision of sexual health services.
34. The procurement process was undertaken in accordance with procurement legislation and the Council's own internal procedures as outlined in the constitution.

Equalities and Diversity

35. Under section 149 of the Equality Act 2010, Cabinet must comply with the public sector equality duty, which requires it to have due regard to:
- a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act,
 - b. advance equality of opportunity between persons who share a relevant characteristic and persons who do not share it,
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
36. An Equalities Impact Assessment has been written and is attached as Annex 1. It sets out the impacts of the recommendation on each of the protected group for each service. A range of positive impacts have been identified for some groups.

Safeguarding responsibilities for vulnerable children and adults implications

37. The terms and conditions of contract stipulate that the provider will comply with the Council's Safeguarding Adults and Children's Multi-Agency procedures, any legislative requirements, guidelines and good practice as recommended by the

Council. This will be monitored and measured through the contractual arrangements.

38. The service will operate a client centred approach, working collaboratively with other Health and Social Care Services.

Public Health implications

39. The specification stipulates that the provider will develop links and referral mechanisms into other health improvement programmes such as services for young people – particularly Youth Support Service, early help, substance misuse services (including alcohol) and smoking cessation.

WHAT HAPPENS NEXT:

40. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	27 September 2016
Contract Signature	28 September 2016 – 1 March 2017
Contract Commencement Date	1 April 2017

41. Ordinarily the Council has an obligation to allow unsuccessful bidders the opportunity to challenge the proposed contract award by observing an 'Alcatel' standstill period. Legal advice in this case is that the Alcatel period does not need to be observed as only one bid was received.
42. The Council will work closely with the new provider and the current providers to ensure a smooth transfer of services. The new provider will be required to put in place a full mobilisation plan and co-ordinate the process.

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Annexes:

Equality Impact Assessment

Sources/background papers: None