

London Borough of Hammersmith and Fulham Record of Officer Decision

The has expired and the decision can be implemented.

- ❖ Draft Decision List published on: 14 July 2025
- ❖ Confirmed Decision List published on: 17 July 2025

1. **TITLE: Contract Award for Hammersmith & Fulham's Genito Urinary Medicine (GUM) services**

2. **DECISION MADE BY:** Executive Director of People

3. **DECISION:**

1. To note that Appendices 1 and 2 of this report are not for publication on the basis that they contain information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).
2. To approve the award of a contract to Chelsea & Westminster Foundation NHS Trust for the delivery of high-quality GUM Sexual and Reproductive Health Services in Hammersmith & Fulham for an initial term of two-years commencing 5th August 2025 to 4th August 2027, with an option to extend for up to two further periods of two-years ('2+2+2'). The value of the initial two-year term is £6,665,982 (£3,390,000 in the first year and £3,275,982 in the second year), with a maximum value of £18,569,734 (£2,975,938 per annum in subsequent years) should all options to extend the contract be taken up and dependent upon the annual ring-fenced Public Health Grant.

4. **REASON FOR DECISION:**

1. Local Authorities are required to provide a range of Sexual and Reproductive Health Services. The Health and Social Care Act (2012) stipulates the mandated functions, which requires each local authority to provide, or secure the provision of, open access sexual health services in its area including: access to all types of contraception; treating, testing and caring for people with Sexually Transmitted Infections (STIs) and partner notification; the provision of HIV Pre-Exposure Prophylaxis (PrEP), the preventative medication taken by HIV negative individuals at greatest risk of getting HIV.
2. There is a lot of mobility around access, with many individuals choosing to access services outside their area and therefore pan-London arrangements and partnering agreements are in place to support this arrangement. The London Sexual Health Programme (LSHP) exists as a partnership of 30 London local authorities that coordinates strategy and planning of sexual health services in the capital and enables Hammersmith & Fulham to benefit from cost effective tariffs for sexual health.

3. The City of London Corporation hosts the LSHP partnership and holds the management function of the programme. The LSHP partnership is in turn divided into sub-regions, with Hammersmith & Fulham part of the Inner North West London sub-region, comprising Westminster City Council as lead commissioner and Royal Borough of Kensington and Chelsea. Each member authority remains sovereign within this arrangement, with the ability to end their own contracts.
4. The existing GUM contract expired on 31st March 2025. A short extension of said contract with the incumbent provider was granted to ensure compliance for 4 months to allow for the collaborative Provider Selection Regime (PSR) process to be completed.
5. Under PSR legislation, commissioning authorities have the option to directly award a contract to an incumbent provider if they are satisfied with the performance, quality and value of the current contract and are satisfied it is likely to continue.
6. Commissioners from the Inner North West London sub-region agree the CWFT are providing a service that performs well, meets quality standards, demonstrates value for money, and are satisfied that CWFT can deliver the new contract to a sufficient standard against the five key criteria (further information included in Appendix 1 and 2).
7. Following an evaluation of CWFT's responses to both the key and basic selection criteria, commissioners are confident that CWFT successfully meets the requirements to deliver the proposed contract to the expected standard.

5. **ALTERNATIVE OPTIONS CONSIDERED:**

8. **Option 1: Do Nothing** – not possible. This would mean that when the current contract expires, the service would cease to exist. The Local Authority has a statutory duty to commission open access sexual health services, which is funded via ringfenced Public Health grant fund.
9. **Option 2: Continue to operate the current service under the existing framework** – not possible. The current framework agreement was tendered for an initial 7 years and there is no opportunity to extend for further years under the new PSR regulations as the original framework agreement has now expired.
10. **Option 3: Competitive re-procurement process** – not recommended. This process is permitted under the new PSR regulations; however, it has been agreed by commissioners that the current provider is providing services to a high standard and a full competitive process would not be a good use of public funds.
11. **Option 4: Most Suitable Provider process** – not recommended. Although this is a valid route under PSR regulations, allowing direct award based on five key criteria, it is not recommended as the absence of competition increases the risk of challenge and less robust from a governance and transparency perspective.
12. **Option 5: Use of Direct Award Process C under the PSR – Recommended.**
This requires a two-stage test to be followed:

Test 1:

- (a) The relevant authority is not required to follow Direct Award Process A or Direct Award Process B. Satisfied.
- (b) The term of an existing contract is due to expire, and the relevant authority proposes a new contract to replace that existing contract at the end of its term. Satisfied.
- (c) The “considerable change” threshold is not met – See Test 2.
- (d) The relevant authority is of the view that the existing provider is satisfying the existing contract and will likely satisfy the proposed contract to a sufficient standard. Satisfied.
- (e) The procurement is not to conclude a framework agreement. Satisfied.

Test 2:

The considerable change threshold. If any of the following apply, then the procurement would fail item (c) as above, and could not follow Direct Award Process C.

- (a) The proposed contracting arrangements must not be materially different in character to the existing contract when that existing contract was entered into. Satisfied.
- (b) Consideration of:
 - i. changes in the relevant health care services to which the proposed contracting arrangements relate (compared with the existing contract) are attributable to a decision of the relevant authority.
 - ii. the lifetime value of the proposed contracting arrangements is at least £500,000 higher than the lifetime value of the existing contract when that existing contract was entered into.
 - iii. the lifetime value of the proposed contracting arrangements is at least 25% higher than the lifetime value of the existing contract when that existing contract was entered into.

The considerable change threshold is not met, and with the other general tests being satisfied under Test 1, Direct Award Process C can be used and is therefore recommended.

6. **CONFLICTS OF INTEREST DECLARED AND DISPENSATIONS GRANTED:**

None

Date of Decision
14 July 2025