London Borough of Hammersmith & Fulham **CABINET** **7 DECEMBER 2015**	
APPROVAL TO PROCEED TO PROCUREMENT OF ADULT COMMUNITY SEXUAL HEALTH SERVICES	
Report of the Cabinet Member for Health and Adult Social Care : Councillor Vivienne Lukey	
Open Report A separate report on the exempt part of the Cabinet agenda provides exempt financial information.	
Classification - For Decision **Key Decision:** Yes	
Wards Affected: All	
Accountable Executive Director: Liz Bruce, Executive Director of Adult Social Care and Health liz.Bruce@lbhf.gov.uk	
Report Author: Gaynor Driscoll, Head of Commissioning Substance Misuse, Sexual Health and Offender Health	**Contact Details:** Tel: 0207 361 2418 E-mail: Gaynor.driscoll@rbkc.gov.uk

1. EXECUTIVE SUMMARY

1.1 This paper is requesting approval to proceed with the procurement of

- Lot 1 - Adult community sexual and reproductive health services
- Lot 2 - Sexual health in primary care

1.2 This paper recommends that the Cabinet Members agree to:

- progress the procurement of the adult community and reproductive sexual health services and sexual health in primary care

- Hammersmith and Fulham Cabinet to delegate authority to the lead member for Adult Social Care and Public Health for Hammersmith and Fulham at the contract award stage.

1.3 The approval to proceed to the procurement of adult community and reproductive sexual health services was initially presented and an in principle agreement to progress was secured with Cabinet Members and key stakeholders. The proposed procurement timetable allows commissioners to

- address the concerns that the procurement timetable is too short
- dovetail the adult community procurement with the GUM (Genito-urinary Medicine) London transformation programme
- address the need to develop a contingency plan in light of the Government spending review and potential removal of the Public Health ring-fence.

1.4 Efficiencies have been identified with an average of 23% achieved across the three boroughs (17-26%) to be achieved within 2016/17. This equates to over £1.5 million across the three boroughs.

1.5 The redesign programme includes a partnership approach to developing a revised model of service delivery involving providers and service users in a number of consultation meetings and workshops.

1.6 All commissioned sexual health contracts are due to end in March 2017 across the three boroughs.

2. RECOMMENDATIONS

2.1 To agree to the procurement of the Lot 1 adult community and reproductive sexual health services and Lot 2 sexual health in primary care, as detailed in the report.

2.2 That authority be delegated to the Cabinet Member for Health and Adult Social Care for Hammersmith and Fulham at the contract award stage.

3. REASONS FOR DECISION

3.1 Current contracts are due for renewal 31 March 2017. This allows for a three month consultation period and full year procurement period from January 2016 and also allows for contingency.

3.2 The current sexual health system is not sustainable in its current form. Transformation across the system must take place in order to meet the changing needs of residents and reduce the transmission of Sexual Transmitted Infections (STI). The transformation of the system will also identify savings from acute services by providing a cheaper alternative to contraception within primary care settings.

3.3 Hammersmith and Fulham have an increasing trend in STI diagnosis and one of the highest for newly diagnosis of STI, and above the London average for HIV diagnosis.

4. OPTIONS

4.1 Three options have been considered for procurement of services all options have taken into account the removal of the Public Health ring fenced grant, the preferred option is option 2 analysis is detailed below:

Option 1: do nothing the current systems remains unchanged

Benefits of option 1

- avoids disruption of current services and services will naturally end on the 31st March 2017
- potential contract negotiation of the current system and further efficiency savings could be made within current contracts

Challenges presented by option 1

- the current configuration is not financially viable
- under-utilised and duplicated contracts add pressure to the system and the impact on the public health outcomes is difficult to quantify
- activity in GUM adds more pressure to the local authorities to manage demand if no sexual health promotion is commissioned.
- contracts all end on March 2017 after seeking a waiver extension based on the proviso services will procured
- no further extensions allowed on contracts post March 2017

Option 2: procurement of Lot 1 and Lot 2 adult community and reproductive health services to align with the GUM transformation project.

Benefits of option 2

- supports significant innovation to improve outcomes and transform the system to a sustainable model
- allows the local authorities to dovetail the procurement of adult community sexual health services that is cost effective
- provides significant opportunities to make efficiencies through commissioning fewer contracts across the three boroughs
- allows the local authorities to gather further evidence of meeting demand including value for money and meeting equalities act requirements
- allows commissioning of a model to ensure the three boroughs achieve the economy of scale required

Challenges of option 2

- health inequalities not addressed due to the inconsistency of the configuration of the contracts
- full efficiencies might not be delivered given the number of contracts the local authorities hold
- the market may not be ready to deliver ambitious contracts

- no contingency post March 2017 should approval to proceed not be granted

Option 3: not to recommission the adult community sexual health services as they are not a mandatory requirement.

Benefits of option 3

- Potential short term cost saving
- Reduction in the number of the services the local authorities commission for sexual health

Challenges of option 3

- long term costs for residents unable to access services leading to increase of Sexually Transmitted Infections (STIs), and no support for people with HIV, therefore not achieving the public health outcomes
- potential increase costs in the acute services due to lack of alternatives and sexual health promotion

5. THE STRATEGIC CASE

5.1 Local Authorities took over the mandatory responsibility for commissioning sexual and reproductive health services from Primary Care Trusts (PCTs) in April 2013. These services are currently funded from the Public Health grant. The services that local authorities are responsible for include:

- comprehensive sexual health services including most contraceptive services and all prescribing costs, but excluding GP additionally-provided contraception
- sexually transmitted infections testing (including HIV testing) and treatment
- sexual health aspects of psychosexual counselling
- specialist services, including young people's sexual health, teenage pregnancy services, outreach, HIV prevention, sexual health promotion, services in schools, colleges and pharmacies.

5.2 Reshaping the provision of adult community and reproductive sexual health service is a priority for the three Local Authorities in order to ensure that services meet the needs of our residents and we achieve the Public Health Outcomes by:

- reducing inequalities and improving sexual health outcomes
- building an open and transparent model where everyone is able to make informed and responsible choices about relationships and sex
- providing accessible services in a way that meets the need of the local population and those at highest risk

5.3 Sexual ill health can impact on all parts of society and on the wider determinants of health which include:

- low educational attainment and teenage pregnancy
- increase in substance misuse and STI/HIV acquisition and transmission
- ageing with HIV and increased demand on future social and health care services

5.4 The return on investment has not been quantified for all STIs nationally or locally. The evidence behind the return on investment for HIV screening and treatment has not been refreshed for a number of years. The most recent information collected by Development Economics[1] considers three scenarios for the future of all STI rates in the UK. If the current rate of infections is to continue at the same pace until 2020, the report suggests there will be an increase in public health spending however it is not clear in the report by how much. The authors of the report recommended sexual health promotion is required in order to achieve a reduction in rates of infection and contain the costs of delivering services to meet demand. No work has been done on the costs to society by not investing in this area.

5.5 Public Health England has encouraged a whole systems approach to commissioning and the benefits associated with this approach. The Making it Work[2] document based on future financial challenges encourages the whole systems approach to achieve economic, health and social outcomes for all commissioning bodies of sexual health (see appendix 1 for the key outcomes).

6. THE PROPOSAL – KEY FEATURES OF THE NEW SERVICE

6.1 The current model is unsustainable and has not addressed the changing needs of the three boroughs population. The procurement will focus on innovation and target groups that are in greatest need. The model would also provide assurance and sustainability for the non-mandatory sexual health support services. The design principles of the new model are set out below and will require engagement with a broad range of stake holders:

- a new approach to sexual health promotion
- partnerships with secondary care, community and primary care providers
- an innovative design to primary care and delivery of reproductive services
- high quality sexual health services targeting priority populations
- incorporation of new technologies into service delivery
- working with commissioners in CCGs and NHS England responsible for other sexual health services
- services delivered by a well-trained and informed workforce
- development and implementation of a communication strategy

6.2 The procurement will also aim to contain the cost of contraceptive services by reapportioning funds. This will direct residents towards less expensive local services instead of attending open access services. We will maintain our mandatory duty by ensuring GUM services provide contraception to more complex residents as part of the transformation programme.

6.3 The new service delivery will be commissioned based on local need rather than open access and will improve the service user's experience including better information, clearer pathways, targeted provision and receiving the appropriate level of intervention.

[1] Unprotected nation the financial and economic impacts of restricted contraception and sexual health services development economics January 2013

[2] Making it work A guide to whole system commissioning for sexual health, reproductive health and HIV September 2014 (revised March 2015)

It is also intended to deliver improvements in quality and move the balance of care away from the GUM acute services to the more accessible and responsive community based services and to:

- reduce the transmission and stigma of HIV, STIs and Blood Borne Viruses (BBV)
- reduce late diagnosis of HIV, and improving the sexual health including among gay, bisexual and other men who have sex with men and men and women from Black Asian and Minority Ethnic (BAME) communities
- ensure prompt access for earlier diagnosis and treatment
- provide better access for high risk communities
- reduce the number of people repeatedly treated for STIs
- increase the use of effective good quality contraception
- contribute to reductions in under 18 conceptions and STIs
- work in partnership to improve support for people vulnerable to, and victims of, sexual coercion, sexual violence and exploitation.

6.4 The three boroughs will require a flexible system that responds to the needs of residents, provides outcomes that are evidence based and reduces the transmission of STIs.

7. THE LOCAL PICTURE

7.1 In all three boroughs the number of tests undertaken increased between 2013 and 2014; 10.5% in H&F, 13.5% in RBKC and 14% in WCC. Although the number of positive test has also increased, the overall percentage of tests identifying an infection has decreased.

7.2 The table below shows the proportion of the STI tests undertaken on our residents where an infection was identified.

Table 1 : Sexual Transmitted Infection Testing

STI testing positivity rate	2012	2013	2014
Hammersmith and Fulham	5.8% (3010/ 51623)	5.4% (2885/ 53417)	5.5% (3225/ 59050)
Kensington and Chelsea	6.3% (2219/ 35499)	5.6% (2029/ 35960)	5.5% (2265/ 40826)
Westminster	6.5% (3700/ 57010)	6.3% (3595/ 57190)	6.2% (4046/ 65197)

7.3 Local data indicates, as shown in appendix 3 and 4, the number of people developing new sexually transmitted infections in the three boroughs has increased substantially each year until 2013. The number of STIs diagnosed has increased in all three boroughs. Per 100,000 population, the rate of infection is high in comparison to other London boroughs.

8. BENEFITS

8.1 Investment in adult community sexual health services has been inconsistent and based on historical agreements. No formal procurement process has been undertaken since transfer of responsibilities to the local authority. This process will allow services to provide the sustainability needed to achieve the local authorities ambition of reducing the cost of acute GUM services, and to commission a model that is based on local need.

8.2 The benefits for recommissioning and aligning local procurement with the London wide transformation project are:

- efficiencies of affiliating provision and reducing the number of contracts
- ability to introduce new innovative projects
- ability to utilise existing externally funded initiatives and PHE commissioned services to target higher risk groups
- ensuring a robust structure in place to identify the return on investment
- ensuring a level of sustainability in future service models
- meeting the needs of residents by investing in effective services and interventions

9. RISKS

9.1 Market Testing is a risk noted on the Shared Services risk register, risk number 4 achieving best value high quality services for the local taxpayer. Public Health risks are monitored according to the Shared Services risk management guidance, they are reviewed on a quarterly basis by the management team and are noted on the Shared Services risk register, risk number 5.

9.2 Without the procurement the following risks will need to be managed:

- essential sexual health services may not be sustainable due to funding restrictions and changing trends resulting in services not being fit for purpose
- resources will not be targeted effectively to support sexual health promotion and early diagnosis
- destabilisation of small organisations whose income is generated from sexual health services only
- changes with the sector and staff may destabilise provision of services that have not been commissioned since the 1990s and have historical arrangements that are costly
- if the GUM transformation programme does not meet its milestones a clear contingency plan will need to be agreed
- unless we reprocure the Local Authorities will not be able to sustain the current level of investment and to plan within the procurement strategy a financial plan where services can remain sustainable
- an increase in cost in reproductive services due to ad hoc commissioning and no control over cost and volume if it remains in its current status.

Risk Implications completed by:

Michael Sloniowski Shared Services Manager ext. 020 8753 2597

10. FINANCE

10.1 As set out in the exempt report on the exempt Cabinet agenda.

11. PROCUREMENT IMPLICATIONS

11.1 It is proposed that Westminster City Council lead on the procurement process on behalf of the other two boroughs in line with current Public Health shared services arrangements. WCC will enter into one contract with the successful provider for service delivery across the three boroughs. The other two boroughs will enter into an Inter Authority Agreement with WCC which sets out terms and conditions about shared liability and payments to WCC from the other two boroughs.

11.2 The Public Contracts Regulations 2015 (the Regulations) came into force at the end of February and implement revisions to the European public procurement regime as it applies in the UK.

11.3 The services that are the subject of this report used to be classified as "Part B" services under the previous Regulations of 2006; this meant that they were exempt from the requirement to tender them in accordance with those previous regulations, provided that there was not likely to be cross-border interest. This distinction has now been abolished. Health and social services are now classified as Schedule 3 services as described in legal implications below.

12. BUSINESS IMPLICATIONS

12.1 There are no business implications in relation to this proposed procurement however there is considerable social value.

13. LEGAL IMPLICATIONS

13.1 Health and Social Services are Schedule 3 services for the purposes of the Public Contracts Regulations 2015 (Regulations). Schedule 3 services are subject to the "light touch regime", if the value of the contract exceeds the current threshold of £625,050.00. As the value of the proposed contract exceeds the current threshold for Schedule 3 services, the authorities are required to comply with the requirements set out in the Regulations, which include the requirement to advertise the contract opportunity on OJEU.

13.2 Legal Services will be available to provide assistance throughout the procurement exercise.

Implications completed by: Kar-Yee Chan, Solicitor (Contracts), Shared Legal Services, 020 8753 2772.

14 EQUALITY IMPLICATIONS

14.1 The services are currently provided by the independent sector and NHS trusts . The transfer of functions may have equality implications. A full EIA has been completed as

part of the review and will be revisited and updated as part of new proposals for service provision prior to starting a tender process.

14.2 The community sexual health services are non-mandatory unlike GUM services where Local Authorities are responsible for commissioning GUM services for their residents due to the open access legislation. The EIA highlighted the current service delivery is to provide psychosocial support for residents, these services are not open access and will be commissioned in the future for local resident's needs.

14.3 The EIA indicated the services over the years and prior to the move to Local Authorities a number of services had been commissioned by other Local Authorities to ensure fair access similar to a pan London approach. However the way in which resident's access services has changed and the service model needs to reflect this, The services where they work with a small number of three borough residents will not be extended.

14.4 The current make up of commissioned community and reproductive sexual health services is inconsistent. There is duplication of services, not aligned with current need and contracts and service level agreements are no longer fit for purpose.

14.5 A number of the current services are out of borough and therefore making it difficult for residents to access, the proposed new model will focus on services delivering from within our local areas and therefore can be more accessible and responsive to local residents and identified needs.

15. REVISED TIMEFRAME FOR PROCUREMENT

Key milestones June 2015

1. User engagement (on-going)
2. Waiver of contracts to be extended
3. Decommissioning of contracts no longer required
4. Redesign of current model
5. Procurement plans developed
6. OJEU notice published
7. Publish Pre-Qualification Questionnaires (PQQ)
8. Issue Invitation to Tenders (ITT)
9. Bids submitted
10. Redesign of the service delivery model,

    Transition for the contracts and staff (TUPE, Restructure etc.)
11. Bid scoring/moderation
12. Contracts awarded
13. Mobilisation
14. Service goes live December 2016

LOCAL GOVERNMENT ACT 2000

LIST OF BACKGROUND PAPERS USED IN PREPARING THIS REPORT

No.	Description of background papers	Name/ Ext of holder of file/copy	Department/ Location
1.	None		

LIST OF APPENDICES:

Appendix 1: Summary of Whole Systems Approach

Appendix 2: ***contained in the exempt report on the exempt Cabinet agenda***

Appendix 3: Trends in Sexually Transmitted Infection Rates

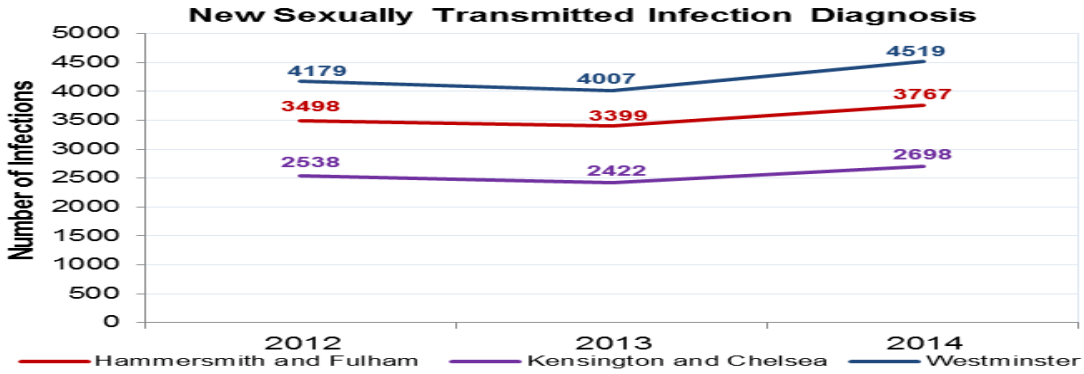
Appendix 4: Prevalence of Sexually Transmitted Infections (STIs) and Human Immunodeficiency Virus (HIV) across Hammersmith and Fulham, Kensington and Chelsea, and Westminster

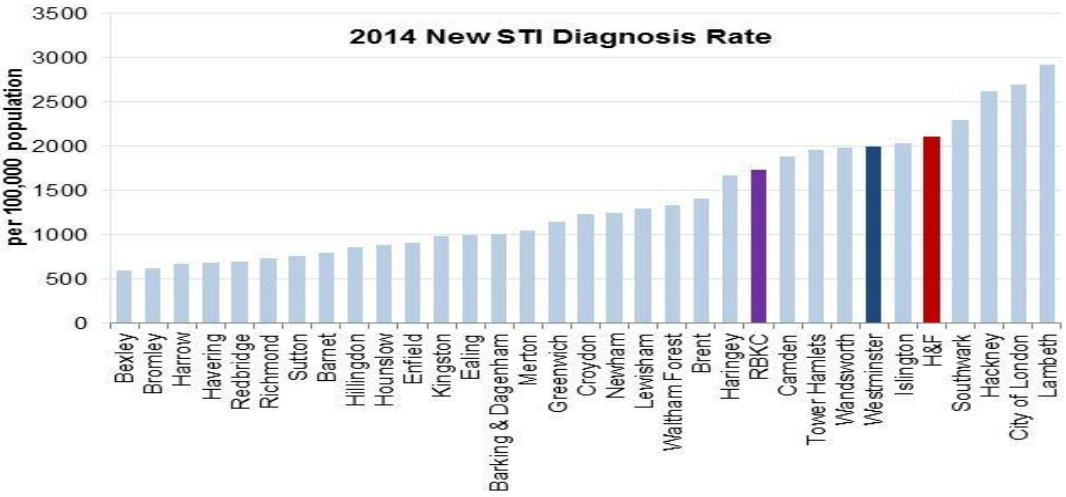
Appendix 1: Summary of Whole Systems Approach

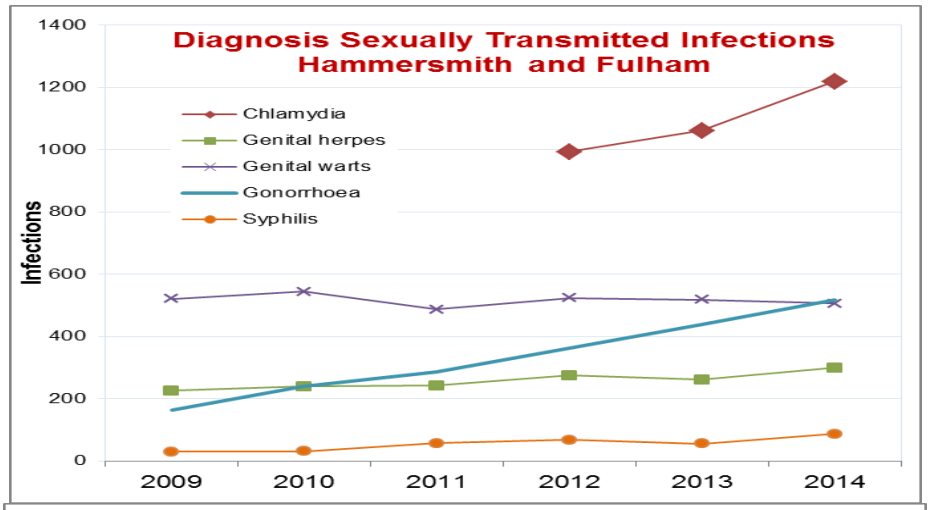
Key objectives in a framework for sexual health improvement in England	Benefits at the individual level	Benefits at the public health/population level	Other benefits (economic, health and social outcomes)
Reduce the rates of STIs among people of all ages	Treatment of STIs Reduce the risk of other health consequences	Reduction in the prevalence and transmission of infection Opportunities to test for other STIs and HIV in those diagnosed with chlamydia Reaching young people with broader sexual health messages Increase uptake of condom use	Reduced use of gynaecology services **CCG** √ Increased sexual health uptake of sexual health services by young people **LA** √ Increase in chlamydia diagnoses enabling more treatment and consequent reduction in prevalence. **LA** √
Reduce the onward transmission of HIV and avoidable deaths	Access to treatment Better outcomes/prognosis Improved ability to protect partner from HIV	Fewer people acquiring HIV Greater contribution of people living with HIV to workforce and society Less illness and fewer deaths	Lower health and social care costs for HIV **NHS/LA/CCG** √ Lower healthcare costs for associated conditions and emergency admissions **CCG** √ Enhanced public health/ prevention **LA** √
Reduce unintended pregnancies among women of a fertile age	Better control over fertility for women at all life stages through access and choice Optimisation of health for women prior to becoming pregnant Improved quality of life	Fewer unwanted pregnancies Improved pregnancy outcomes Improved maternal health and reduced maternal mortality	Investment in contraception is cost effective in reducing pregnancies and abortions **CCG** √ Lower health care costs through reduced antenatal, maternity and neonatal costs due to better management of pregnancy and improved outcomes **CCG** √ Reduced social care costs for infant and child care **LA** √

Source: Department of Health. Making it Work. A guide to whole system commissioning for sexual health, reproductive health and HIV. September 2014 (Revised March 2015)/

Appendix 3: Trends in Sexually Transmitted Infection Rates



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Hammersmith and Fulham
Chlamydia
Genital herpes
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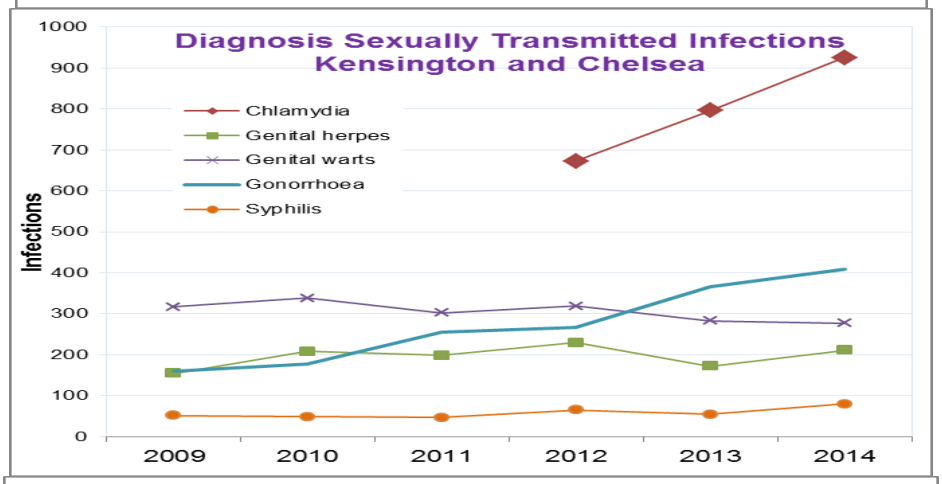
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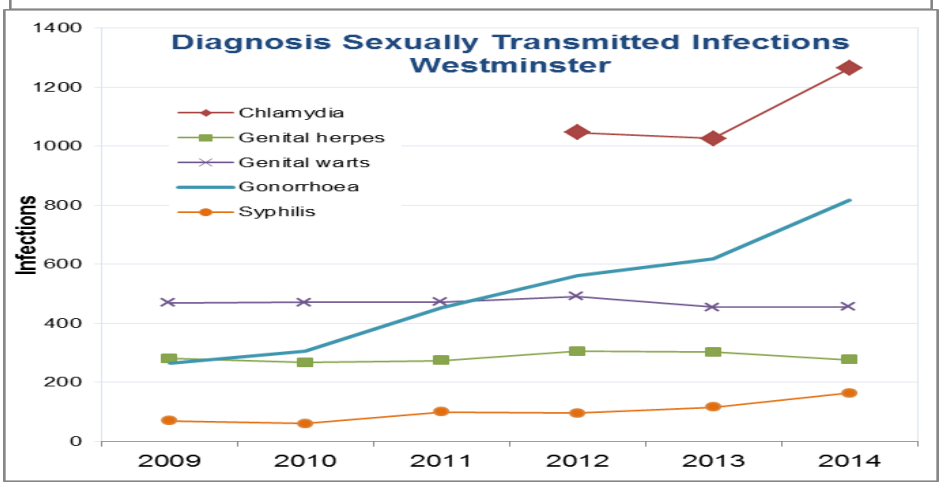
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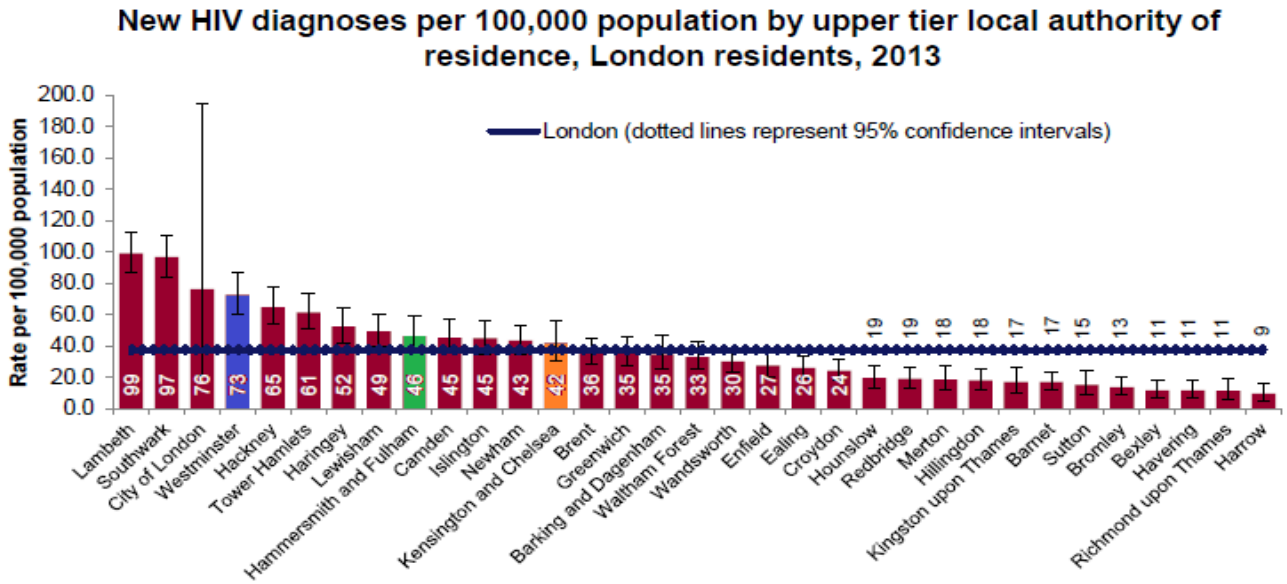
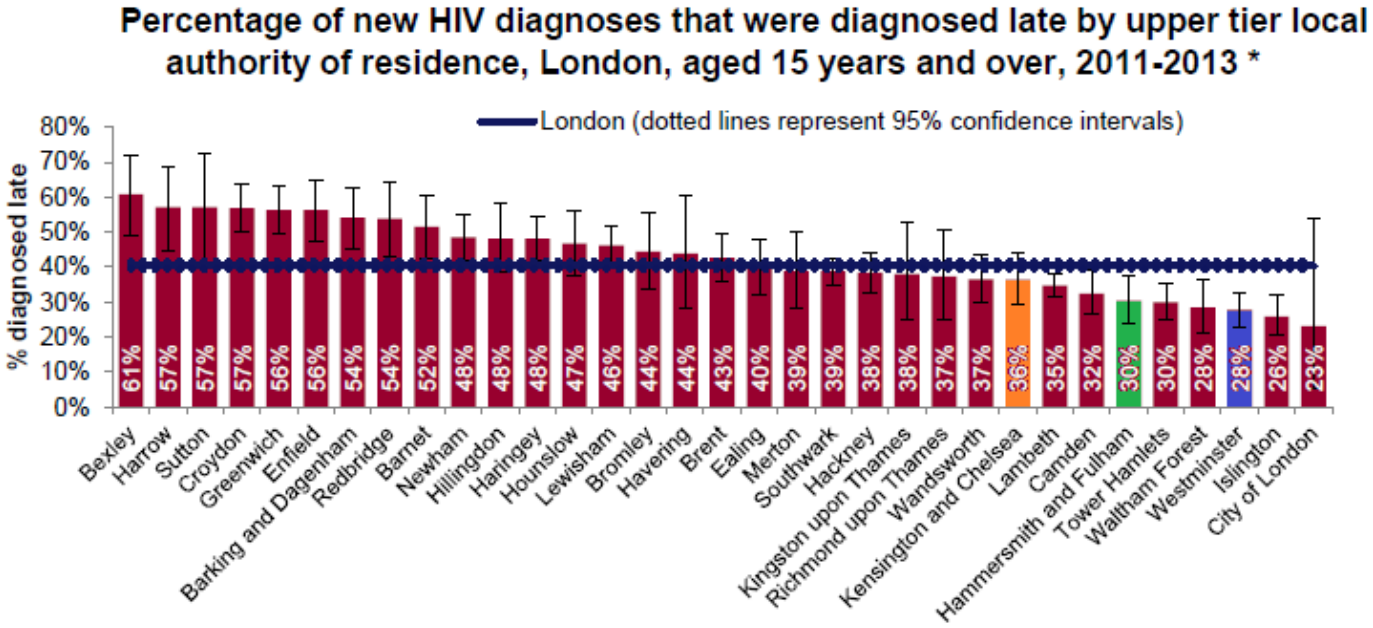
Appendix 4: Prevalence of Sexually Transmitted Infections (STIs) and Human Immunodeficiency Virus (HIV) across Hammersmith and Fulham, Kensington and Chelsea, and Westminster

a) *Prevalence of HIV taken from the Public Health England's Annual Epidemiological Spotlight on HIV in London 2013:*

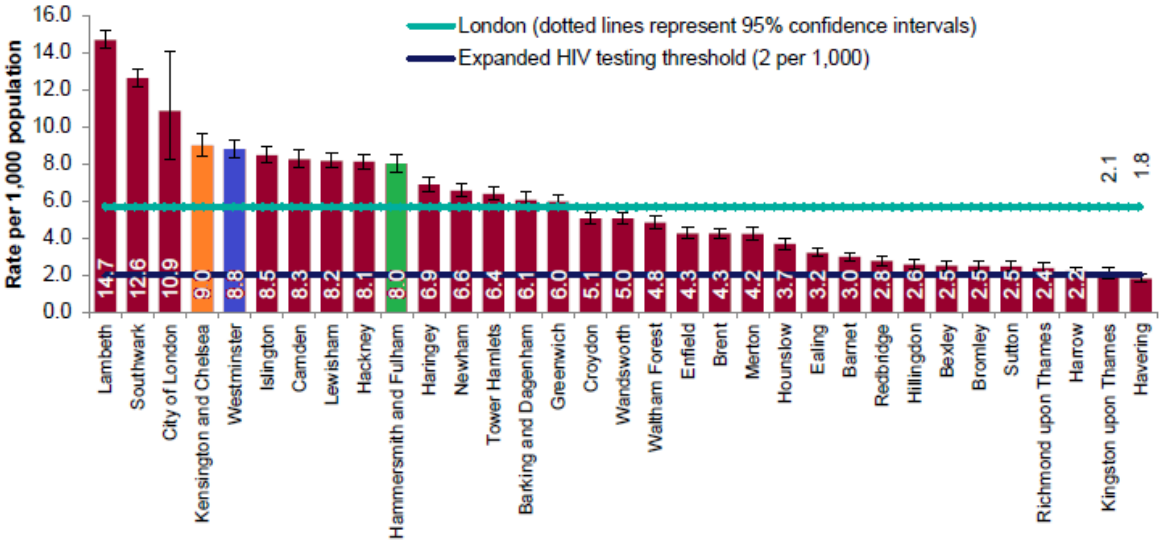


Source: Public Health England, HIV and Aids New Diagnosis Database (HANDD).



Source: Public Health England, HIV and AIDS New Diagnosis Database, CD4 Surveillance, Survey of Prevalent HIV Infections Diagnosed (SOPHID).

Diagnosed HIV prevalence per 1,000 residents aged 15-59 years by local authority, London, 2013



Source: Public Health England, Survey of Prevalent HIV Infections Diagnosed (SOPHID).