


<p style="text-align: center;">London Borough of Hammersmith & Fulham</p> <p style="text-align: center;">CABINET</p> <p style="text-align: center;">9 OCTOBER 2017</p>	
<p>CONTRACT AWARD: GENITO-URINARY MEDICINE (GUM) AND SEXUAL AND REPRODUCTIVE HEALTH SERVICE</p>	
<p>Report of the Cabinet Member for Health and Adult Social Care - Councillor Ben Coleman</p>	
<p>Open report A separate report on the exempt part of the Cabinet agenda provides financial and legal information.</p>	
<p>Classification - For Decision Key Decision: Yes</p>	
<p>Wards Affected: ALL</p>	
<p>Accountable Director: Mike Robinson Director of Public Health</p>	
<p>Report Author: Gaynor Driscoll Head of Commissioning Public Health Helen Byrne Senior commissioning manager Public Health</p>	<p>Contact Details: Tel: 07967347800 E-mail: Gaynor.driscoll@rbkc.gov.uk Tel: 02076411240 E-mail: hbyrne@westminster.gov.uk</p>

1. EXECUTIVE SUMMARY

- 1.1 This report requests the approval to award the contract for Genito Urinary Medicine (GUM) clinics and Sexual and Reproductive Health (SRH) services to the preferred provider. Awarding the contract is part of the London Sexual Health Transformation Programme (LSHTP). The procurement was advertised in the OJEU and proposed an open procedure.
- 1.2 This contract reflects our determination that our residents should continue to receive an exemplary service.
- 1.3 LSHTP devolved responsibility for re-procuring and commissioning of the GUM and SRH services to sub regions, Hammersmith and Fulham's sub region is Inner North West London (INWL). The approvals process for the London Borough of

Hammersmith & Fulham (LBHF) was granted in January 2016. Public Health undertook a competitive tendering procurement on behalf of the LSHTP.

- 1.4 It is proposed that the contract for these services go live on the 1st April 2018 allowing for a realistic mobilisation period. This is necessary due to the complexity and extent of changes required for the preferred provider to deliver a new pricing structure and new delivery system. This period will involve staff consultations and transitioning to the new operating model.

2. RECOMMENDATIONS

- 2.1 That Cabinet call off from the framework agreement and enter into a contract for five years from 1st April 2018 until the 31st March 2023, with the option to extend for a further two years using 1+1 framework (subject to performance and financial constraints), with the recommended provider at a five year projected contract cost of £14,461,589.

3. REASONS FOR DECISION

- 3.1 The proposed model will adopt the new Integrated Sexual Health Tariff (ISHT) pricing structure, which projects to make savings shown in section 9.
- 3.2 Screening for Sexually Transmitted Infections (STIs) and contraception are mandatory services for local authorities to commission, the preferred provider will deliver services for London at a reduced costs based on the ISHT.
- 3.3 The new services are designed to improve key outcomes, reduce inequalities and ensure that residents access the most appropriate service for their needs, following a thorough triage and risk assessment. The key features of the service are to provide;
 - Contraception including Long Acting Reversible Contraception (LARC)
 - HIV testing and diagnosis
 - Testing and treatment for STI
- 3.4 The new system will divert low and medium threshold cases from acute services to local community or e-services. This will be achieved by embedding effective clinical pathways and demand management strategies to transform services and focus on working with a population that are the most at risk of sexual health.

4. PROPOSAL AND ISSUES

- 4.1 By awarding this contract we are ensuring that our residents will continue to receive exemplary services at a reduced cost. The new service will focus on positive outcomes which will include targeted behaviour change initiatives. Residents will experience no reduction in the quality or accessibility to the services they need in their local area. There are additional opportunities through the e-services which will enhance the offer to residents.

- 4.2 The procurement process has been delayed by 12 months, due to the alignment of specifications required across London. The final London Specification and agreement with INWL GUM proposal delayed the process by 9 months. In addition, timescales shifted in agreeing the ISHT pricing strategy adopted by LSHTP.
- 4.3 Following the delay in procurement, it was agreed by legal, procurement and the directors within adult social care and public health, the option to progress with the preferred provider to negotiate the changes to the service specification and adopting the ISHT. Implications have been covered by legal in section 8.
- 4.4 All London Boroughs participating in LSHTP will retain sovereignty. The boroughs are collaborating to develop a new delivery model that is cost effective to transform the wider sexual health system.
- 4.5 The proposed model for the GUM and SRH services payment system will be based on the ISHT pathways and currencies, further details on the currencies can be found in section 9. Implementing the new ISHT will deliver immediate savings on a cost and volume contract. The new service model is aimed at high risk and symptomatic individuals who are at risk of acquisition and transmission of STIs and reduce unplanned pregnancies.
- 4.6 The service is open access and activity led which means residents can present to any service in London or nationally and costs are recouped through NHS cross charging principles.
- 4.7 Public health commissioners in INWL will act as the lead commissioner for the London boroughs that are named in the contract. The public health team will mobilise, implement, manage and maintain the contract on behalf of the London boroughs participating in the LSHTP.
- 4.8 In addition to the procurement of GUM clinics, the LSHTP undertook a procurement exercise for an online portal to offer home sampling testing of STIs, also known as e-services. The e-service provision is a cheaper alternative to the GUM clinics as it is designed to target asymptomatic patients. Hammersmith and Fulham have signed the Inter Authority Agreement to participate in this programme. The e-services will work alongside the GUM clinics and is part of the transformation of sexual health services across London.

5. OPTIONS AND ANALYSIS

- 5.1 The sexual health system is complex and requires transformation in order to move asymptomatic or low need individuals from GUM and sexual health services to the community based and the newly procured London e-services. The options following the tender evaluation are:
 - 5.2 Option 1 – award the contract to the preferred provider.

Benefits of Option 1:

- Significant opportunities to make efficiencies through implementing the ISHT and reducing the cost of the tariffs throughout the life of the contract.
- The ability to move asymptomatic patients to the e-service provider to reduce the attendance at clinics.
- Allows the local authority to gather further evidence of meeting demand including value for money and meeting equalities act requirements.
- Enables greater collaboration with local community services to reduce the long term costs associated with STIs and unplanned pregnancies.

Challenges of Option 1:

- The channel shift assumptions to the e-services provider may not be realised and therefore the potential savings will be lower than planned.

5.3 Option 2 - not to award the contract to the preferred provider and re run the procurement.

Benefits of option 2

- Current configuration of services could remain and no impact to patients accessing services,
- No other benefits have been identified.

Challenges of option 2

- Immediate savings in adopting the ISHT will be delayed.
- Not financially viable to local authorities to continue in the current format
- London boroughs might not agree to cross charging arrangements if ISHT is not implemented

5.4 Option 1 is the preferred option.

6. CONSULTATION

6.1 Cabinet Members and relevant Directors have been updated on the progress of the commissioning throughout the process.

6.2 The work of the LSHTP has involved extensive consultation with providers, clinicians, stakeholders and service users. Further co-production and consultation will be on-going to develop a sustainable system across London.

6.3 A survey questionnaire was developed by the LSHTP between May 2015 receiving 1500 responses. This was repeated April in 2016. Both paper and online surveys were completed and over 2200 responses from across all London GUM clinics were returned.

6.4 Table 1 below is the high level summary of the responses from both surveys:

6.5 Table 1

	May 2015 responses	April 2016 responses
I don't have symptoms but I attend regularly for sexual health tests	23%	52%
I have symptoms that I think are a STI and want to be tested	33%	19%
I am starting a new relationship and I want a sexual health test	19%	18%
I need contraception (including emergency contraception)	14%	9%

6.6 Supplier Engagement

The LSHTP conducted a Prior Information Notice (PIN), a number of common themes emerged across all the responses to the PIN questionnaires and in subsequent one to one meetings and focus groups. The key themes from the supplier engagement event including management of asymptomatic/ low risk patients, how to embed behaviour change into services, utilising technology for communication and diagnostics and collaborating with the wider system to transform services to reduce the acquisition and transmission of STIs.

7. EQUALITY IMPLICATIONS

7.1 GUM clinic services are open access and mandatory for all local authorities to provide. There will be minimal impact on residents as services will be accessible in each borough and will adopt fully the NHS hospital trusts policies linked to equalities.

8. LEGAL IMPLICATIONS

8.1 The procurement is subject to the Public Contracts Regulations 2015 (as amended) ("the Regulations") but because the services are health and social care services the council has a greater degree of flexibility over the procedure it uses to award the contract than would ordinarily be case.

8.2 The risk of a challenge being made is low.

8.3 Further information is set out in the exempt part of the Cabinet agenda

8.4 Legal Implications verified by: Keith Simkins Solicitor

9. FINANCIAL AND RESOURCE IMPLICATIONS

9.1 The current budget for GUM services is detailed in Table 2 and a projection of GUM services assuming a steady state and no assumptions of patient flows.

9.2 Table 2 – GUM budget and projected 5 year budget

Borough	Budget 17-18	Projected 5 year budget
Hammersmith and Fulham residents	£4,000,000	£20,000,00

9.3 The commissioning of the GUM services includes a pricing strategy to ensure the coding and delivery of the services is reflected accurately. Adopting the ISHT supports greater efficiencies based on person centred care and clinical need. Tenderers were asked to price the cost of the service against the ceiling tariff prices indicated in Table 3; these prices will form a baseline from where contract negotiations can progress throughout the life of the contract and additional tariffs may be added to reflect pathways and activities.

9.4 The returned prices differ from the original tender documents due to more currencies being added and a full review of the pathways that sit behind the tariff prices. The review of the tariff prices formed part of the delay to awarding the contract. The work was completed by a project team within the LSHTP and included clinicians and a challenge group to ensure the pathways and currencies are robust and transparent.

9.5 Table 3 – Integrated Sexual Health Tariffs

Currency	Tariff prices	
	Primary	Additional
STI Intervention A	£28.68	£20.69
STI Intervention B	£114.61	£96.81
STI Intervention C	£280.37	£248.23
T7 HIV Test	£55.65	£29.64
T6 Hepatitis Test*	£32.19	£24.57
T5 HSV Test	£77.08	£70.63
T4 Full Screen	£86.44	£59.76
T3 Chlamydia, Gonorrhoea and Syphilis Test	£65.88	£46.71
T2 Chlamydia and Gonorrhoea Test	£52.15	£32.97
TT Triple Site Test	£67.92	£67.92
TS Microscopy	£16.29	£16.29
SRH Complex*	£145.84	£117.83
SRH Std	£59.94	£33.98
Counselling	£133.94	£123.19
Ultrasound	£49.23	£49.23
T20 Shigella Test (New)	£70.02	£51.99
DT Dual Site Test (New)	£35.99	£35.99

LARC IUS Insertion (New)	£193.56	£174.21
LARC IUD Insertion (New)	£107.58	£88.23
LARC Implant Insertion (New)	£144.88	£124.09
EHC (New)	£58.77	£40.73
LARC Removal (New)	£63.95	£39.99
Assisted self-sample test	£7.11	£ 7.11

- 9.6 Table 4 shows the estimated spend of clinics over a five year period of the contract. The financial projections for these clinic services are based on a number of assumptions including patient flows, expected level of growth, the channel shift to e-services and the introduction of the ISHT. To note the projected spend increases in 20/23 due to population growth.

Table 4 – Estimated GUM Clinics Expenditure 2018/19 to 2022/23

	18/19 baseline	19/20 projected	20/21 projected	21/22 projected	22/23 projected	Total
H&F	£3,776,082	£2,476,871	£2,318,693	£2,387,887	£2,460,265	£13,419,798

- 9.7 In addition to the spend on the GUM clinic services we will also be investing in e services with each borough having a capped spend based on assumptions of channel shift. Table 5 indicates the e services spend which is capped, and Table 6 shows the combined costs of e services and clinic services. Both GUM clinic services and e-services will be funded through the same budget.

Table 5 – GUM e services budget estimates 2018/19 to 2022/23

	18/19 baseline	19/20 projected	20/21 projected	21/22 projected	22/23 projected	Total
H&F	£67,035	£164,414	£265,544	£269,810	£274,988	£1,041,791

Table 6 – Combined GUM services budget estimates 2018/19 to 2022/23

	18/19 baseline	19/20 projected	20/21 projected	21/22 projected	22/23 projected	Total
H&F	£3,843,117	£2,641,285	£2,584,237	£2,657,697	£2,735,253	£14,461,589

9.8 Savings Against Projected Budget

- 9.9 Table 7 provides an indication of the potential savings over the five years when comparing the new combined clinics and e services to the steady state budget as presented in table 2.

Table 7 – Savings from GUM contract budgets 2018/19 to 2022/23

	18/19 baseline	19/20 projected	20/21 projected	21/22 projected	22/23 projected	Total
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H&F	£156,883	£1,358,715	£1,415,763	£1,342,303	£1,264,747	£5,538,411
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9.10 2018/19 savings are significantly lower than later years as the movement to e-services will be lower in the first year of operation. As this becomes established the target expectations in respect of channel shift are much higher in later years.

9.11 These savings will form part of the councils' financial plans. No decision has been taken on the additional savings required to be made at this stage. Not all of the efficiencies made will be cashable as consideration needs to be given to potential investment in other targeted work separate to these contracts most notably the London wide e-service.

9.12 The budget for each contract will be held within the respective sovereign boroughs. The provider will be paid by invoicing each sovereign borough. The budget holder for the project is Gaynor Driscoll, Head of Commissioning Public Health.

9.13 Financial Implications verified by: Brighton Fong Finance Manager Public Health

10. BUSINESS IMPLICATIONS

10.1 There are no business implications in relation to this proposed procurement however, there is considerable social value in sustaining investment in sexual health services.

11. RISK IMPLICATIONS

11.1 Growth in demand could exceed assumptions of level of activity.

11.2 Challenge from the public regarding a perceived loss of access to their preferred operating system.

11.3 Business Continuity is a corporate risk, number 6 on the Corporate Risk Register. The risks associated with these contracts regarding the outgoing providers will be managed by the service as part of contract mobilisation and implementation when the contract is awarded. There will be some end of contract risks regarding the outgoing providers but the service will address these.

11.4 Risk implication completed/verified by: Michael Sloniowski, Risk Manager

12. PROCUREMENT IMPLICATIONS

12.1 The author of the report requests approval from Hammersmith and Fulham Cabinet for the award of a Call Off Agreement to enable Hammersmith and Fulham to access services under a Framework Agreement procured by the lead authority for the provision of Genito-Urinary Medicine and Sexual and Reproductive Health Services.

- 12.2 The Framework Agreement is still to be awarded by the lead authority and until such time as it is awarded it is not possible for a participating authority to award a Call Off Agreement to it. The award of the Call Off Agreement is therefore provisional and dependent on the subsequent award by the lead authority of the Framework Agreement.
- 12.3 The procurement of the Framework Agreement by the lead authority is subject to the Public Contract Regulations 2015 (as amended) (“the Regulations”); specifically those applying to social and other specific services as contained in Regulation 74 of the Regulations, the so called “Light Touch Regime”.
- 12.4 The procurement of the Framework Agreement was commenced as an Open Procedure but upon the submission of only one tender the procedure was changed to the Negotiated Procedure without Prior Notification as provided by Regulation 32 of the Regulations. This change of procedure is only permissible when it can be demonstrated that one of the grounds contained in Regulation 32 has been met.
- 12.5 There were requirements made by the London Sexual Health Transformation Board to make changes to the GUM specification which was not originally available at the outset of the procurement. As there was only one tender to the original submission the decision to engage the Negotiated Procedure was agreed between Public Health representing the commissioning authorities, Adult Social Care, Legal Services and Procurement Services. The cost and time of commencing a re-procurement was considered and rejected as not providing value for money for either Council. There is no risk of challenge to LBHF.
- 12.6 The estimated value of services to be procured under the proposed Call Off Agreement under a maximum term of five years is in excess of £14 million. Hammersmith and Fulham Contract Standing Order 17.3.1 requires that any contract with a value of £5million or above is awarded by the Cabinet.
- 12.7 Implications completed by: Tim Lothian, Procurement Officer, 020 8753 5377

13. IT IMPLICATIONS

- 13.1 The privacy impact assessment is to be reviewed to ensure all information governance (IG) requirements are satisfactory and in line with NHS requirements. No further IT implications.
- 13.2 Implications completed by Ciara Shimidzu, Head of Information, Strategy and Projects

Mike Robinson - Director of Public Health

Local Government Act 1972 (as amended) – Background papers used in the preparation of this report

No.	Description of Background Papers	Name/Ext of holder of file/copy	Department/ Location
1	Approval to proceed to procurement - <i>published</i>	Helen Byrne	Public Health
2	Procurement strategy - <i>published</i>	Helen Byrne	Public Health

List of Appendices:

Appendix 1 – Procurement process – contained in the exempt part of the Cabinet agenda.