

Forward Plan reference number: FP/356/03/22

Report title: Procurement of an Integrated Sexual Health Service	
Report to: Cabinet	
Report author: Councillor John Spence, Cabinet Member for Health and Adult Social Care	
Date: 24 May 2022	For: Decision
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County Divisions affected: All Essex	

Confidential Appendix

This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

1. Everyone's Essex

- 1.1. Everyone's Essex is an all-embracing programme which seeks to achieve renewal, equality and ambition across all parts of the Essex geography and population. In dealing with issues around sexual health, this means building and improving on the success achieved in the contract now nearing completion; while recognising that prevalence of poor sexual health disproportionately affects those in less-prosperous and certain other sections of the population. The more that can be done both to address poor sexual health and to avoid its occurrence, the more we achieve levelling up
- 1.2. The Essex Sexual Health Service will play a key role in helping us achieve these commitments. The service will be delivered through a place-based working approach, joining up with partners to deliver better care that meets the needs of residents, and in turn reducing health inequalities.
- 1.3. The above points align to the national guidance set out by the Department of Health and UK Health Security Agency (UKSHA) and the Office of Health Improvement and Disparities (OHID).
- 1.4. The service will also support the Council's levelling up commitments set out in Everyone's Essex.
- 1.5. This decision will lead to the commissioning of services which do emit carbon but will work towards the Essex Climate Change Commission recommendations.

2. Recommendations

- 2.1. Agree to launch a competitive procurement using the open procedure to procure a provider to deliver an Essex-wide sexual health service at a maximum total value of £65.3m over the 7 year contract period, profiled as set out in the confidential appendix. The estimated cost in year 1 is £8.8m
- 2.2. Agree that the contract length will be 7 years with an option to extend for three years.
- 2.3. Agree that the following award criteria is applied in the procurement: 30% price: 70% quality (of which 10% of the quality score will assess social value)
- 2.4. Agree that the Cabinet Member for Health and Adult Social Care is authorised to award the contract to the winning bidder following completion of the procurement process.

3. Background and Proposal

- 3.1. Essex County Council has a statutory duty to commission Contraceptive and Sexual Health services, including the treatment of sexually transmitted infections (STI's) through Genito-urinary Medicine.
- 3.2. The provision of integrated sexual health services is supported by national policy and guidance issued by the Department of Health and UK Health Security Agency (UKSHA) and the Office of Health Improvement and Disparities (OHID). Provision of these services must be in accordance with this evidence base.
- 3.3. Sexual ill health is not equally distributed within the population. Strong links exist between deprivation and STIs, teenage conceptions and abortions. The highest burden is borne by women, men who have sex with men (MSM), teenagers, young adults, and black and minority ethnic groups. Similarly, HIV infection in the UK disproportionately affects MSM and Black Africans in the UK. Some groups at higher risk of poor sexual health face stigma and discrimination, which can influence their ability to access services.
- 3.4. ECC currently has a contract with Provide CIC to deliver sexual health services for Essex. The contract was awarded to Provide CIC, following the completion of a competitive procurement process. The contract commenced on 1 April 2016 and is due to expire on 31 March 2023.
- 3.5. Provide CIC currently acts as the lead provider for the provision of sexual Health Services. It subcontracts and coordinates a partnership of NHS and voluntary sector providers, including East Suffolk and North Essex NHS Foundation Trust (ESNEFT), Essex Partnership University NHS Foundation Trust (EPUT), Essex Pharmacies, GP's, the Terrence Higgins Trust, Brooke and SH24, the online testing provider.

- 3.6. The current contract with Provide implemented a County-Wide integrated sexual health service. This marked a significant change and improvement to the service quality and patient experience for sexual health services. Historically, sexual health care was uncoordinated, inefficient, and fragmented across various acute hospital settings. There is now a single point of contact, the 'Intelligence Centre' which coordinates access to venues or directs to the online service using a triage protocol. The current service ensures 99% of urgent appointments are offered within 48 hours. The workforce model is nurse led with the expertise and specialism of the doctor workforce being focussed on training, supervision, governance oversight and referral.
- 3.7. The ambitious and innovative model implemented in the contract with Provide has helped transform the culture associated with sexual health services from one of shame, mystery, and dependency, to a culture of normality, transparency, and independence whilst preserving central tenets of confidentiality and open access.
- 3.8. It is proposed to go out to the market to procure a provider to deliver integrated Sexual Health Services on behalf of ECC so that arrangements will be in place when the existing contract expires next year. An integrated sexual health service model aims to improve sexual health by providing easy access to services through open access 'one-stop-shops', where most of the sexual health and contraceptive needs can be met at one site, usually by one health professional, in services with extended opening hours and accessible locations.
- 3.9. The contract will be 7 years in duration with the option to extend for a further 3 year period.
- 3.10. ECC has recently conducted a comprehensive sexual health needs assessment (SHNA). This involved extensive consultation, including the voice of young people, captured through the Essex Relationships and Sex Education survey. Recommendations included improvements in strategic approaches, partnerships, integration, prevention, and equity.
- 3.11. The proposed contract will tackle these inequalities by using performance measures to incentivise the contractor to address inequalities of services amongst geographies and cohorts. In addition, specific actions have been identified to address variation in the provision of contraception, HIV testing coverage, STI testing and monitoring across the county, as well as development of the wider workforce and increasing resident engagement.
- 3.12. Service performance will be managed on a monthly basis through a suite of key performance indicators and remedial action will be taken to recover any shortfall in the planned trajectories.
- 3.13. The introduction of Integrated Care Systems (ICSs), partnerships between the organisations that meet health and care needs across an area, provides an opportunity to coordinate services and to plan in a way that improves population health and reduces inequalities between different groups. There are to be three ICSs in Essex: Mid and South Essex, Herts and West Essex and Suffolk and North East Essex. The sexual health service specification for this procurement

will include specific requirements to develop joint working within these systems and commissioners will ensure that there is a continued drive for joint working and partnerships with the new provider for the benefit of Essex residents by providing more joined up services in particular areas of overlap. For example there is an opportunity to tackle teenage conception rates by joint working between NHS maternity services and ECC public health contraception services.

3.14. The open procedure will be used to procure a provider. Although these services fall under the 'light touch regime' it is proposed that the open procedure is used which follows the full OJEU requirements of the Public Contract Regulations 2015.

3.15. It is proposed that bids are evaluated using high level scoring of 30% price: 70% quality (of which 10% of the quality score will assess social value). Based on the comparative CIPFA data above the benchmarking indicates that there is not likely to be any opportunity for financial savings.. The service will be reliant on quality and innovation to manage risks moving forwards hence the emphasis on quality.

3.16. One feature of these services is that ECC is currently expected to pay other authorities when they provide services to Essex residents. As with the current contract, it is proposed that the contractor meets this cost out of the money provided by this contract. This provides an incentive for the contractor to encourage Essex residents use ECC commissioned services rather than those provided by others.

4. Links to our Strategic Ambitions

4.1 This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Develop our County sustainably
- Connect us to each other and the world
- Share prosperity with everyone

4.2 This report links to the following strategic priorities in the Organisational Strategy, *Everyone's Essex*:

- Health wellbeing and independence for all ages
- A good place for children and families to grow

4.3 This report links to the following commitments in the Health Plan:

- Health lifestyles
- Promoting independence
- Place-based working
- Levelling up health

4.4 This report links to all the outcomes in the Children and Young People's Plan:

- Resilient Children and Young People
- Stable and thriving families
- Inclusive and supportive schools and communities
- Safe and accessible neighbourhoods

4.5 Approving the recommendations will work towards the Council's ambition to be net carbon neutral by 2030: The new model will contribute to the Council's commitment to reducing its carbon footprint by:

- Increased provision of digital solutions including Test at Home options, and
- bespoke super hub centres providing a range of Essex localities will result in the reduction of unnecessary travel and minimised carbon impact.

5. Options

5.1 **Option 1:** Proceed with the re procurement – for the reasons set out above, it is recommended that the Council undertakes a procurement process to appoint a single lead provider for the Essex Sexual Health Service. A new contract needs to be in place on expiry of the existing contract to ensure that the services will continue to be delivered.

5.2 **Option 2:** Do nothing and let the current contracts cease - This option is not recommended. The existing contractual arrangements for delivery of services will expire on 31 March 2023. The Council has a statutory public health duty to provide sexual health services.

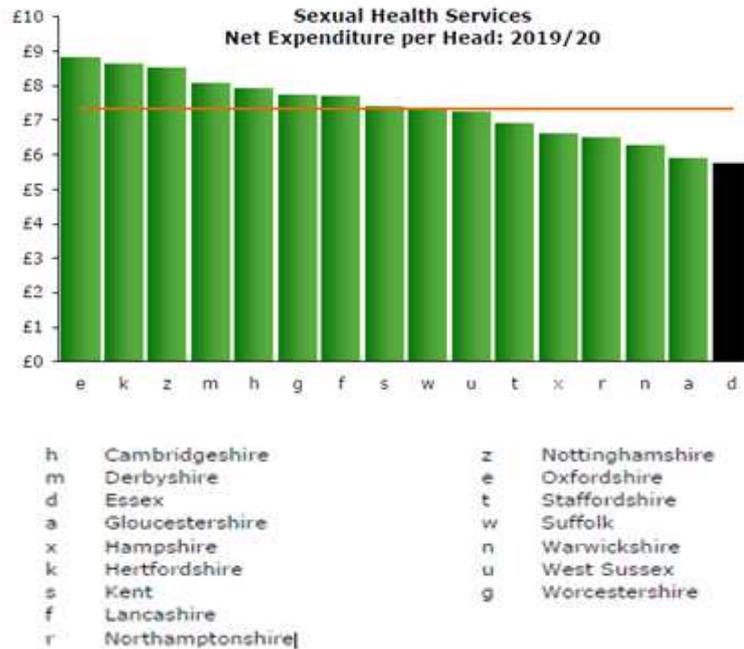
6. Issues for consideration

6.1. Financial implications

6.1.1 The 7-year sexual health contract is due to expire in March 2023 and is funded annually from the overall annual Public Health Grant, which is estimated to be £63.89m in 2023/24

6.1.2 The annual contract sum will be funded provided that the Public Health grant does not fall below current levels. The 2021 Comprehensive Spending Review confirmed that the Public Health grant will be maintained in real terms at 2022/23 levels and therefore it would seem reasonable to assume this revenue cost can be contained until 2024/25. For the period from 2025/26 until the contract expires, there is no assurance at this time that the pressure can be contained within the public health grant and further actions would need to be taken to mitigate any pressure should it crystallise including re-prioritisation of existing resources from other services if no solution can be found within the public health service.

6.1.3 The current service benchmarks favourably in terms of value for money and is the lowest spend per head amongst our Local Authority comparator group (as illustrated in the graph below. Source: CIPFA). The contract price also includes the administration and processing of all invoices relating to out of area sexual health costs and an innovative financial risk share arrangement with the Provider which encourages the repatriation of patients to Essex which is of financial benefit to ECC.



6.1.4 Option 2 is not recommended as it goes against ECC’s statutory duty to provide sexual health services to people living in Essex.

6.1.5 Details of the financial implications arising from the re-procurement of this contract are included within the Confidential Appendix to this paper.

Financial Risks

6.1.6 The Public Health Grant allocation is announced on an annual basis and prior to the COVID pandemic, the annual Public Health Grant was decreasing year on year. Since the pandemic the grant increased, and the latest Spending Review confirmed that the grant will be maintained in real terms. Should the grant start to decrease, other commitments against the grant will need to be reviewed to ensure this contract is still affordable.

6.2 Legal implications

6.2.1 The Council is under a statutory duty to provide these services.

- 6.2.2 The procurement must comply with the Public Contracts Regulations 2015. The open procedure is proposed. This procedure can be used for services of these types although it is not mandated.
- 6.2.3 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) will apply to staff in provider organisations.
- 6.2.4 Contracts must be awarded on the basis of the most economically advantageous tender and qualitative, environmental and/or social aspects should be linked to the subject matter of the contract.

7. Equality and Diversity Considerations

- 7.1. The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, sex, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3. The Equalities Comprehensive Impact Assessment (Appendix 3) indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of Appendices

- 8.1 Appendix 1: Essex Sexual Health Needs Assessment
- 8.2 Appendix 2: Confidential Appendix
- 8.3 Appendix 3: Equalities Comprehensive Impact Assessment (ECIA)

9. List of Background papers

None declared.