

Item No. 12.	Classification: Open	Date: 8 December 2015	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval: Southwark Sexual Health Transformation Programme – Sexual Health Services	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Barrie Hargrove, Public Health, Parks and Leisure	

FOREWORD – COUNCILLOR BARRIE HARGROVE, CABINET MEMBER FOR PUBLIC HEALTH, PARKS AND LEISURE

Sexual and reproductive health services ensure that people in Southwark stay healthy, and enable people to plan their families.

Southwark’s population is relatively young and diverse, and, as such, has higher sexual and reproductive health needs. This is reflected in sexual health outcomes, with higher levels of sexually transmitted infections and Human Immunodeficiency Virus. We are committed to changing these outcomes, and we need innovative sexual and reproductive health services to help Southwark achieve this.

Our sexual and reproductive health services are accessed by more people each year, and it is important that we ensure that people who need these services can continue to access them.

Alongside our promotion of responsible sexual health practices, to meet this significant challenge, we must also transform our services.

Southwark is committed to ensuring that we increase access to appropriate sexual health services. We have been working with local partners to test a new type of service for Southwark residents. We are confident that a trusted, high-quality online offer will deliver a service for our residents that is more accessible, and can support people to be able to access the services they need. We want to put this service at the core of our offer, and make it easy for people get the right service at the right time.

This report sets out two procurement strategies which will transform our sexual and reproductive health services. They will make sexual health services more accessible to our residents and more cost-effective so that we can continue to meet growing demand for testing and treatment services in the borough.

RECOMMENDATIONS

1. Approves the procurement strategy for a collaborative pan-London procurement of a contracted online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services, with the London Borough of Camden as the lead contracting borough across 22 London Boroughs, as set out in paragraph 43.
2. Approves the procurement strategy for a negotiated procurement of genitourinary medicine and reproductive sexual health services, with a framework established by

Lambeth Council, with the chosen suppliers, which Southwark Council will access, as set out in this report at paragraph 45.

3. Notes that the two procurement strategies will have a combined maximum estimated annual value of up to £6,210,000, and that they will have a proposed contract term of 6 years with 2 break clauses at each twenty-four month point. The contracts terms would start in February and April 2017.
4. Delegates to the strategic director of children's and adults' services approval of the final detail of the procurement process as noted at paragraph 48.

BACKGROUND INFORMATION

5. Under the provisions of the Health and Social Care Act 2012, specified public health responsibilities were transferred to local authorities from the NHS. These new responsibilities included specific duties relating to sexual health. From 1st April 2013, Southwark Council became responsible for the commissioning of specific sexual health services and interventions for residents of the borough, including open access genitourinary medicine and contraception services, HIV prevention and the promotion of responsible sexual health practices.
6. In addition to the services commissioned by local authorities, other elements of sexual health service provision are commissioned by Clinical Commissioning Groups (CCG) and by NHS England. NHS England is responsible for commissioning HIV treatment and care, sexual assault referral centres, cervical screening and oral contraception services within the GP contract. Local clinical commissioning groups are responsible for commissioning community gynaecology, vasectomy, sterilisation and termination of pregnancy services.
7. The level of sexual health need in Southwark is high, as set out in detail in Public Health England's sexual and reproductive health profile for Southwark¹.
8. The profile from Public Health England sets out Southwark's diagnosed HIV prevalence, which is the second highest nationally, at 13.02 per 1,000 population.² 38% of Human Immunodeficiency Virus (HIV) diagnoses in Southwark are made at a late stage³, with more than half of heterosexual men and women in the borough diagnosed late. Southwark has the fourth highest rate of diagnoses for new sexually transmitted infection (STI) nationally, at 2,465 per 100,000. 6,867 new STI diagnoses were recorded in Southwark in 2014, which represents a 10% increase in the rate of new diagnoses over the period in which these services transferred from the NHS to the Council, between 2012 and 2014.⁴ Progress has been made in reducing teenage pregnancy although rates remain relatively high. High numbers of abortions and repeat abortions indicate that there is a need for improved contraception services and access to these. Southwark is doing well in achieving high rates of targeted screening for chlamydia in young people, with 37.8% of young people aged 15 to 24 being screened, significantly higher than the London and England screening rates, this is reflected in our diagnosis rate.

¹ <http://fingertips.phe.org.uk/profile/sexualhealth/data#page/1/gid/8000057/pat/6/par/E12000007/ati/102/are/E09000028>

² <https://www.gov.uk/government/statistics/hiv-data-tables>

³ <http://www.phoutcomes.info/public-health-outcomes-framework#page/0/gid/1000043/pat/6/par/E12000004/ati/102/are/E06000015>

⁴ <http://fingertips.phe.org.uk/profile/sexualhealth/data#page/3/gid/8000058/pat/6/par/E12000007/ati/102/are/E09000028/iid/91523/age/1/sex/4>

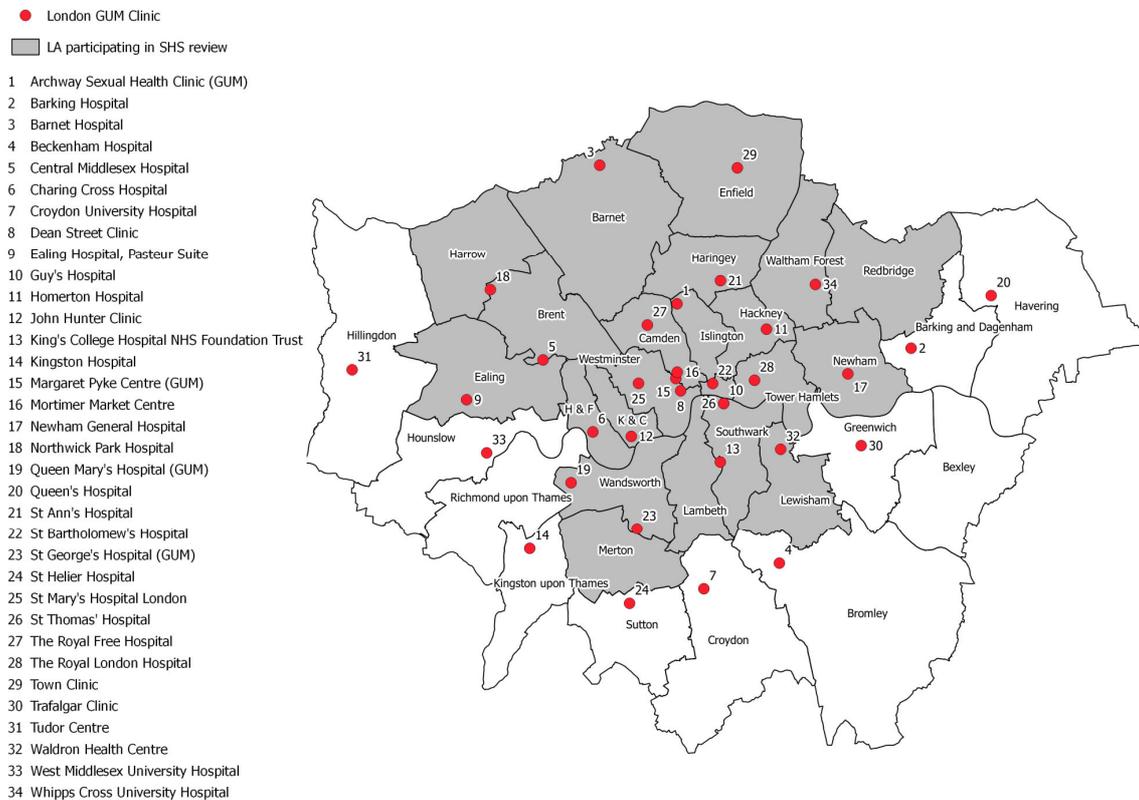
9. The three key groups nationally which are disproportionately affected by STIs and HIV nationally are young people, under the age of 25, men who have sex with men, and black African population groups. Socio-economic factors also contribute to poor sexual health outcomes. Southwark's population is particularly likely to be at risk of poor sexual health: the borough's population is young, ethnically diverse, has a proportionately large population of men who have sex with men and has areas of deprivation.
10. In light of the key public health challenges faced in the borough, on 29 January 2015, Southwark's Health and Wellbeing Board agreed the borough's Health and Wellbeing Strategy 2015-2020. The strategy seeks to address health issues within Southwark, to prevent ill health by promoting and supporting positive lifestyle changes, and to improve detection and management of health conditions. The Strategy notes that sexual ill-health and HIV is a health issue which is both 'high-burden' and 'worsening'.
11. Under the auspices of the new Health and Wellbeing Strategy, Southwark set out its ambitions to improve sexual health outcomes in a refreshed Sexual Health Strategy for 2014-17. The joint strategy, which was agreed in partnership with Lambeth, Southwark and Lewisham Councils and Clinical Commissioning Groups, was considered and agreed by Southwark's Health and Wellbeing Board on 29 January 2015. The vision of the strategy is to improve sexual health in Lambeth, Southwark and Lewisham by building effective, responsive and high quality sexual health services, which effectively meet the needs of the local communities of all three boroughs. The strategy sets out a new commissioning approach to improve cost-effectiveness and outcomes, seeks to reduce the high spend on clinical services, with an aspiration to deliver more preventative work in community settings, in line with the aim to promote sexual wellbeing and prevent sexual ill health. The strategy is being delivered locally through a Lambeth, Southwark and Lewisham sexual health transformation programme.
12. With the commencement of the new strategy, Southwark's Cabinet considered the issue of HIV prevalence in the borough in June 2015 and endorsed a commitment to halve the rate of late diagnosis of HIV by 2020, including through increased access to online testing options.
13. Within the new strategy, Lambeth, Southwark and Lewisham committed to exploring a range of alternative service models for sexual health, including online services and other technical innovations. It also set out that Southwark will examine options for streamlining and rationalising contracting mechanisms with genitourinary medicine and reproductive and sexual health service providers, including through a consideration of London-wide and integrated models of provision, as a member of the London Sexual Health Transformation Project.
14. A key component of the current joint sexual health strategy is the targeted work around sexual health promotion and prevention Southwark undertakes, working with groups at greater risk of experiencing sexual ill health, including young people, black African groups and men who have sex with men. Southwark contributes to a new London-wide HIV prevention programme, now in its second year. Southwark and Lambeth are establishing new sexual health promotion and prevention services, for community outreach work and condom distribution. Southwark works in partnership with local schools and through the Southwark Healthy Schools programme to ensure young people have access to good quality sex education.

15. Given the sharp rise in demand for local sexual health services, Southwark now faces key financial challenges in providing improved access to sexual health services in the borough. The public health grant, which funds sexual health services, is reducing, while the demand for testing and treatment services is increasing, and providers continue to seek increased cost per activity. In 2014-15 Southwark's public health grant was £22,945,551. This was also the initial level of allocation for 2015-16, but in July 2015 consultation on an in-year budget cut of 6.2% to public health funding nationally was announced. This cut was confirmed on 4 November 2015. This reduced level of funding is likely to be carried forward into future years. The future of the public health grant allocation remains unclear. The Advisory Committee on Resource Allocation published a consultation in October 2015 on an amended target formula for 2016-17, and the planned spending review is also likely to influence allocations which are due to be published in December 2015 or January 2016.
16. Southwark currently spends £10.5m (or 46%) of its public health grant on sexual health services. The largest part of this spend is for clinical genitourinary medicine services and reproductive sexual health services, with genitourinary medicine accounting for the larger portion of the budget. Directly commissioned services, that is those commissioned from local providers, Kings College Foundation Trust and Guys and St Thomas' Foundation Trust, are projected to cost £6,210,000 for 2015-16. The remainder of projected spend, currently forecast at approximately £4.3m for 2015-16, is comprised of re-charges from externally commissioned genitourinary medicine providers for Southwark residents attending clinics in other areas.
17. The current genitourinary medicine and reproductive sexual health services are based on historic service models. Sexual health services are, under regulation, "open access", to all persons present in a particular local authority area⁵. Local authorities are provided with public health funding in relation to their resident population. In practice, when a person receives a genitourinary medicine service outside their area of residence, the local authority where that person is resident is requested to pay. Currently, most reproductive health services are paid in block contract arrangements, and not cross-charged across boroughs. Accessibility is important to promote control of infections, however, the current service model, significantly reduces the ability of all local authorities to control the quality of services that their residents receive, and to receive timely data on service uptake to model demand and manage budgets.
18. The London Sexual Health Transformation Project has been working towards improved co-ordination and control of open access genitourinary medicine services across the city region. The project has undertaken work on collective agreements on pricing and contracts with key genitourinary medicine providers in London, securing lower tariff prices with key providers, and introducing provisions to operate marginal rates of payment for activity which was above the level of expected activity. It was agreed to extend the scope of the London Sexual Health Transformation project beyond pricing agreements, to include a joint review of genitourinary medicine provision in London.
19. The 22 Councils which participated in the London Sexual Health transformation review work were Barnet, Brent, Camden, City of London, Ealing, Enfield, Hackney, Hammersmith and Fulham, Haringey, Harrow, Islington, Kensington and Chelsea, Lambeth, Lewisham, Merton, Newham, Redbridge, Southwark, Tower Hamlets,

⁵ Statutory Instrument 351: Local Authorities (Public Health Functions and Entrance to Premises by Local Healthwatch Representatives) Regulations 2013 <http://www.legislation.gov.uk/ukSI/2013/351/contents/made>

Waltham Forest, Wandsworth and Westminster. The review set out that those 22 councils account for 83% of the spend on genitourinary medicine services in London and the clinics operating within their boundaries delivered approximately 80% of London's activity in 13/14.

London GUM Clinics and councils participating in Sexual Health review, 2015



20. The review looked at patterns of attendance across London in genitourinary medicine services. A significant proportion of all London residents attend clinics for genitourinary medicine clinics outside of their local authority of residence. In 2013, 54% of genitourinary medicine attendances across London were cross boundary, with an additional 6% of activity at clinics outside of London. The pattern of cross-boundary patient activity varies substantially by clinic and borough. Not all London boroughs have a genitourinary medicine clinic, of those that do, the proportion seen outside of area for care ranges from 16% to 75%. A significant proportion of cross-borough flow is into immediately neighbouring boroughs, as well as into a small number of large centres in central locations. Gay, bisexual and other men who have sex with men are more likely to be seen at clinics outside their local authority of residence than other groups. Factors associated cross-borough service use include convenience (e.g. proximity to work or study), but also local access and local availability of specialist or targeted services (e.g. young people's services).

21. Detailed modelling suggests that a collaborative move to an integrated service provision, with suitable arrangements for cross charging, and 'de-hosting' the reproductive sexual health services would be of financial benefit to Southwark, along with most other London Boroughs. Local commissioners are moving towards these integrated cross-charged arrangements as the first step in transformation, and aiming to put these in place from 2016-17, should agreement be reached across London.

22. To complete the transformation of services, a more accessible service needs to be commissioned, with the ability and capacity to deliver simple sexual health services outside of hospital provision, alongside a clinical provision that can be focused and targeted towards more medically complex cases.

KEY ISSUES FOR CONSIDERATION

Summary of the business case/justification for the procurement

23. The two procurement strategies set out herein relate to the provision of open access genitourinary medicine and reproductive health services.

Genitourinary medicine services

24. The best available data shows that, in 2014, there were 46,764 attendances at genitourinary medicine services, 29,893 were by Southwark residents. 67% of Southwark residents accessing genitourinary medicine clinic services attended a service provided by Kings College Hospital or Guy's and St Thomas' Hospital.
25. Local clinics also provided cross-charged genitourinary medicine attendances for out-of-borough persons. In 2014-15, 75% of patients at these clinics were for out-of-borough persons. The largest out of borough attenders were from Lambeth, followed by Lewisham and Wandsworth.
26. The locally commissioned genitourinary medicine services provided by Guys and St Thomas' NHS Foundation Trust are located at the Lloyd and Burrell Street Clinics (Southwark sites). Genitourinary medicine services provided by Kings College NHS Foundation Trust are located at the Camberwell Sexual Health Clinic (Lambeth site).

Reproductive and sexual health services

27. Reproductive and sexual health services currently provided by Guys and St Thomas' Trust in Southwark are located at Artesian Health Centre, and the Walworth Road Clinic. In 2014, the clinics located within Southwark, that is the Walworth Road Clinic and the Artesian Health Centre, saw 20,239 clients. 15,188 of these were Southwark clients and 5,051 clients from other boroughs or did not state their residency. 2,081 of the clinic clients were from Lambeth.
28. A number of Southwark residents also make use of reproductive and sexual health services provided in Lambeth sites by Guys and St Thomas' NHS Foundation Trust in the Streatham Hill Clinic and Clapham Manor Health Clinic, and specialist clinic provision at the Mawbey Brough Clinic and the Vauxhall Riverside Centre. Some clients seen in the Lloyds clinic are also charged as reproductive sexual health clients. In 2014, the clinics located within Lambeth saw 2,052 Southwark clients.
29. Reproductive and sexual health services are provided by Kings College Hospital for Southwark at the Caldecot Centre (located in Southwark) and the Camberwell Sexual Health Clinic (located in Lambeth). Data on reproductive sexual health attendances at Kings College Hospital services is not complete.
30. Southwark residents will also use other reproductive and sexual health services provided in other boroughs. Where these services have not been cross-charged we do not have information about these attendances.

31. Services at both Guys and St Thomas' NHS Foundation Trust and Kings College Hospital Foundation Trust moved towards an integrated services model for genitourinary medicine and reproductive sexual health whilst participating in a five year modernisation initiative from 2004 to 2009, funded by Guys and St Thomas' Charitable Foundation. The modernise initiative aimed at creating integrated sexual health services, rather than splitting provision into genitourinary medicine and reproductive and sexual health services to ensure users could have their needs met by as few staff and in as few attendances as possible.
32. However, despite the modernisation initiative, services with both local providers are paid for through two separate payment mechanisms in 2015-16, with genitourinary medicine payments being related to activity, and reproductive and sexual health clinic activity being paid under a block contract arrangement. Consequently, the services disaggregate the data relating to the services they provide to patients in all monitoring and reporting. This data is problematic at larger sites which provide both reproductive and sexual health services and genitourinary medicine services, such as Camberwell Sexual Health Centre, as it does not capture the detail of patient attendance and pathways.
33. The procurement strategies set out below are for the re-commissioning of the services currently provided by these clinics, within an improved service model and with an expanded range of access through the provision of online services. The upper annual contract value for both the future clinic provision and the online service represents Southwark's 2015-16 spend on these local services. There are no contractual arrangements in place that would overlap with the proposed procurement periods.
34. The review work set out by the London Sexual Health Transformation Project, as discussed above, suggests that collaboration across London boroughs is needed to deliver the level of change required, and to commission these services more effectively, to ensure robust quality and financial monitoring. This informs the procurement options considered and set out below.
35. The intention for the online service model being developed is that it will become the new 'front door' into health services will be web based, and that fewer clinics will be provided across London, but these will be focused on the most complex patients.
36. The proposed online service would provide customers with information about sexual health, conducting an electronic 'triage'. It would signpost customers to the most appropriate service for their needs, including in primary and community care settings. A core part of the online service provision will be the customer's ability to order self-sampling test kits and receive results, preventing healthy residents from needing to attend a clinic. The service will include a partner notification service.
37. The future model for clinic provision would be based around delivery in fewer service locations, focused on dealing with the most complex patients. The clinics would be properly linked with primary and community care provision, with improved service offers within primary care.
38. Service user engagement undertaken as part of the London Transformation Project work confirmed the acceptability of these alternatives to traditional services provided in clinical settings. The evidence review and discussions with providers suggests 15% to 30% of clinic activity can be redirected to lower cost sexually

transmitted infection services, such as the proposed online model. A “waiting room survey”, undertaken by the London project team, suggests that up to half of clinic attendees do not have symptoms. Further analysis shows that diverting 15% to 50% of patients to alternatives such as self-testing/sampling would deliver savings of between 8% and 30% on the cost of first appointments in genitourinary medicine clinics.

Market considerations

39. The market for provision of clinical genitourinary medicine and reproductive and sexual health services in London is limited. It is dominated by NHS Foundation Trust and NHS Hospital Trust providers. There are a limited number of voluntary sector organisations which provide basic genitourinary medicine and reproductive and sexual health services (described by the NHS as ‘level 1 and 2’ services).
40. On-line sexual health services are a recent addition to the market, however, there are a number of providers, both private organisations and public sector funded organisations that are currently able to provide a range of basic sexual health and STI and HIV sampling and testing services. On-line provision linked to pharmacies and ‘on-line doctors’ also provide treatment services for a range of STIs and a range of contraceptive services.

Options for procurement route

41. There are 2 procurement strategies under consideration:
 - the procurement of an online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services;
 - the procurement of genitourinary medicine and reproductive and sexual health clinic services.

Online/electronic service for the provision of sexual health services

42. The options for procurement of an online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification services are:

No.	Option	Impact
1.	Do nothing	<ul style="list-style-type: none"> - Costs may continue to rise, Southwark residents may access open access sexual health services provided outside the borough, with all simple and complex cases held within high cost clinical provision, incurring greater costs than commissioned online provision could provide. - Outcomes may worsen, with clinic provision continuing to provide services that population groups with the highest level of sexual health need do not access proportionately to other population groups.
2.	Status quo	<ul style="list-style-type: none"> - Demand for current clinical genitourinary medicine and reproductive and sexual health clinic will continue to rise, with residents likely to continue to attend clinical services within and outside Southwark, incurring greater costs than commissioned online provision could provide.

No.	Option	Impact
3.	Single borough competitive procurement	<ul style="list-style-type: none"> - May secure an electronic service provider for simple sexual health services that is value for money and can offer efficiencies in comparison to the current provision. - Existing modelling and services indicate that electronic services will have limited cost effectiveness and ability to develop at the scale and volume of a single borough sexual health service compared to services provided at or above five to six local authorities level of demand.
4.	Collaborative competitive procurement	<ul style="list-style-type: none"> - May secure a value for money solution. - Increased economies of scale over single borough procurement options. - Increased potential for service development where there is a higher demand contract base, and therefore marginal cost to development activities.
5.	Negotiation with potential suppliers	<ul style="list-style-type: none"> - May secure an electronic service provision that is more cost effective than clinic provision. - May not secure the best value for money service.
6.	Provide the service in-house	<ul style="list-style-type: none"> - The service may be costly to establish in-house, due to the clinical expertise required to deliver and manage the service.

43. The recommended option for procurement of an online signposting service is option 4 as set out above, is a collaborative competitive procurement, working with other London Boroughs, to ensure maximum economies of scale. Market analysis has indicated that there are a number of potential providers for online services. It is proposed that the London Borough of Camden will lead the contract across the 22 boroughs, working with the other boroughs in consortia or joint contracting arrangements.

Genitourinary medicine and reproductive sexual health services clinical provision

44. The options for procurement of genitourinary medicine and reproductive and sexual health clinical services are:

No.	Option	Impact
1.	Do nothing (provide no local services)	<ul style="list-style-type: none"> - Costs may continue to rise, Southwark residents may access open access sexual health services provided outside the borough, with all simple and complex cases held within high cost clinical provision. - Outcomes may worsen, with clinic provision continuing to provide services that population groups with the highest level of sexual health need do not access proportionately to other population groups. - Southwark may be in breach of the duty to provide sexual health services.
2.	Status quo	<ul style="list-style-type: none"> - Costs may continue to rise, with likely increased proposed pricing from NHS providers and all simple and complex cases held within more costly clinical provision within and outside of Southwark. - Outcomes may worsen, with clinic provision continuing to provide services that population groups with the

No.	Option	Impact
		highest level of sexual health need do not access proportionately to other population groups.
3.	Procurement of sexual health services through a framework agreement led by Lambeth Council	<ul style="list-style-type: none"> - May secure a value for money service, with improved outcomes. - May secure a commissioner-led transformed service which has the benefit of being able to secure clinical input into new service design, and deliver efficiencies. - May request that providers work together under a partnership or alliance model to provide a consistent service model and quality - Commissioner led transformation may allow better alignment with whole sexual health system redesign in Southwark, including primary care and sexual health promotion and the online service - May require considerable commissioner input to secure.
4.	Provide the service in-house	<ul style="list-style-type: none"> - The service may be costly to establish in-house, due to the clinical expertise required to deliver and manage the service.

45. The recommended option for procurement of genitourinary medicine and reproductive and sexual health services is option 3 above, procurement of sexual health clinical services under the light touch regime of the Public Contract Regulations 2015, with Lambeth Council establishing a framework with the chosen suppliers that Southwark Council will access. A collaborative consortium of providers will be explored through the negotiated approach.
46. Lambeth will be inviting other South East London boroughs to participate in the framework agreement, including Lewisham, Bexley, Bromley and Greenwich, to strengthen the commissioning position.

The approach to procurement

47. Lambeth, Southwark and Lewisham commissioning team will lead the commissioning work for the clinical genitourinary medicine and reproductive sexual health services for a south London region comprising of Southwark, Lambeth, Lewisham, Greenwich, Bromley and Bexley. Lambeth act as the lead commissioners for sexual health across Lambeth, Southwark and Lewisham under a formal tri-partite agreement. The commissioning team will work closely with RB Greenwich, LB Bromley and LB Bexley to ensure any interdependencies around service provision across the sub-region are planned for, and appropriate formal governance put in place. The Lambeth, Southwark and Lewisham commissioning team will work to develop a shared plan around capacity and demand management.
48. The services to be procured are classed as 'light touch' services. As noted in paragraph 45 it is Lambeth Council's intention to follow a negotiated process for the GUM service, relying on exemption provisions under the PCR15, and a contract waiver, allowing negotiations to be undertaken without a prior advert, which would then be with existing providers. The final route for negotiations and detailed tender process will be approved by the Strategic Director once plans are complete.

49. Commissioning/procurement of the online services (customer facing web page, partner notification and home sampling/testing) will need to precede genitourinary medicine and reproductive sexual health service commissioning so as to allow for activity to be moved online as part of the transformation. This proposal therefore asks for approval of Southwark's involvement in designing and procuring an online service for London. The Lambeth, Southwark and Lewisham commissioning team are currently acting as lead commissioner for service design for that service for London. The intention is that the service will be procured competitively by one of the London Boroughs, and is available in early 2017. Once put in place, individual London boroughs can determine when and how to use the service and at what volume they purchase the service on a framework basis. The collaborative commissioning will, however, have secured the best price (through economies of scale) and a consistent approach London-wide to support the wider transformation project.
50. During the commissioning work, London-wide online service tendering opportunities will be notified through the Official Journal of European Union Notice (OJEU).
51. The proposal does not seek approval of any specific funding or contractual commitments at this stage.

Identified risks for the procurement

52. The London Sexual Health Transformation Programme is maintaining a shared risk register across London Boroughs of the key risks to the transformation process and these are reflected below alongside specific risks to these two procurements.

	Risk	Risk level	Mitigation
1.	Lack of agreement between boroughs which undermines the ability to deliver system change at a consistent/ effective level or delays in signing up to the collaborative approach which cause delays and lack of clarity about who is involved	Medium	Require boroughs to be included in the procurements to seek cabinet approval of joint procurement by end December 2015
2.	Clinical risk if new treatment/testing pathways are not carefully designed and delivered	Low to Medium	Good public health advice, clear data and engagement
3.	Market destabilisation if London is not able to be clear about intentions	Low to Medium	Early sign up by boroughs and clear timetable for work
4.	Growing demand and system change not delivering a way of managing the financial implications	Medium to High	Growing demand is likely; good management and close working on performance monitoring should enable boroughs to respond where demand increases above expected levels

Key/non-key decisions

53. This is a key decision.

Policy implications

54. The proposed transformation work and procurement strategies are in line with the key national policy drivers and legislation.
55. The transformation work aligns with the council's Fairer Future principles, the Joint Health and Wellbeing Strategy, and the Lambeth Southwark and Lewisham sexual health strategy.
56. The transformation work aligns with Southwark Cabinet's commitment to "Halve It" – a resolution to halve the proportion of people diagnosed late with HIV (CD4 count <350mm3) in Southwark agreed by Council in 2015.

Procurement Project Plan (Key Decisions)

Online sexual health service provision – 22 London Boroughs	Complete by:
Enter Gateway 1 decision on the Forward Plan	17/09/2015
Children's and Adults' Board Review Gateway 1	28/10/2015
CCRB Review Gateway 1	12/11/2015
Approval of Gateway 1: Procurement strategy report	08/12/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	16/12/2015
All 22 participating London boroughs to have approved the business case at Cabinet level or equivalent	31/12/2015
Market work to assess and determine appropriate procurement route completed	31/12/2015
Service specification drafted and agreed for online service provision	31/01/2016
OJEU notice published, and opportunity advertised	31/01/2016
Contract award (Gateway 2) entered on forward plan	20/09/2016
Negotiations close / deadline for tender	01/11/2016
Children's and Adults/ Board review Gateway 2	15/11/2016
CCRB Review Gateway 2	31/10/2016
Approval of Gateway 2: Contract Award Report	30/11/2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	31/12/2016
Contract award	05/01/2017
Add to Contract Register	05/01/2017
Place award notice in Official Journal of European (OJEU) (if applicable), and publish in contracts finder	05/01/2017
Contract start	01/02/2017

Online sexual health service provision – 22 London Boroughs	Complete by:
Initial contract completion date	31/03/2019
Contract completion date – (if extensions exercised)	31/03/2023

Genitourinary medicine and reproductive sexual health clinic provision – South East London boroughs	Complete by:
Enter Gateway 1 decision on the Forward Plan	17/09/2015
Children’s and Adults’ Board Review Gateway 1	28/10/2015
CCRB Review Gateway 1	12/11/2015
Approval of Gateway 1: Procurement strategy report	08/12/2015
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	16/12/2015
All 6 participating London boroughs to have approved the business case at Cabinet level or equivalent	31/12/2015
Service specification drafted and agreed	01/04/2016
Negotiations with providers	31/08/2016
Contract award (Gateway 2) entered on forward plan	31/08/2016
Children’s and Adults/ Board review Gateway 2	31/10/2016
CCRB Review Gateway 2	31/10/2016
Approval of Gateway 2: Contract Award Report	30/11/2016
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	31/12/2016
Contract award	31/12/2016
Add to Contract Register	31/12/2016
Place award notice if applicable, and publish in contracts finder	31/12/2016
Service mobilisation complete	31/03/2017
Service commences	01/04/2017
Initial contract completion date	31/03/2019
Contract completion date – (if extensions exercised)	31/03/2023

TUPE/Pensions implications

57. It is anticipated that TUPE would apply to the clinical services only. However, no council staff will be affected by TUPE. TUPE implications, if applicable for the online service, would be stated in the tender documentation.

58. The procurement plan timescale for the clinical services have been planned with the assumption that TUPE applies.

Development of the tender documentation

59. The tender documentation for the online sexual health service provision will be led by the London Borough of Camden working closely with and the Lambeth, Southwark and Lewisham commissioning team to develop these.
60. All tender documentation including the service specifications, tender briefs, pricing/evaluation criteria, contractual terms and conditions and invitation to tender will be developed with consideration of the London sexual health transformation review work, and feedback from local consultation.
61. Documentation will include a technical service specification outlining the scope and requirements of the provision to be delivered. The service specification will be developed on the premise that there will be a balance between providing enough information to enable assurance that bidders will offer what is needed whilst being flexible enough to allow for submission of responses that are compliant, innovative and demonstrate best value for money and will fully meet business needs.
62. The documentation for the procurement of genitourinary medicine and reproductive sexual health clinic services will be led by the Lambeth, Southwark and Lewisham commissioning team, working with Bromley, Bexley and Greenwich to develop these.
63. All documentation including the service specifications, pricing criteria and contractual terms and conditions will be developed with consideration of the London sexual health transformation review work, and feedback from local consultation. Documentation will include a technical service specification outlining the scope and requirements of the provision to be delivered.
64. Performance following the commencement of both contracts will be measured against key indicators and outcomes including appropriate specific sexual health indicators from within the Public Health Outcomes Framework.
65. The contractual commitments that it is proposed that Southwark enter into for the online service and the clinical provision will be taken through the relevant procurement processes in accordance with the Southwark's Contract Standing Orders, including Gateway 2, as indicated in the timetable set out for procurement.

Advertising the contract

66. It will be necessary to advertise a London-wide tendering opportunity for the online sexual health service provision through the Official Journal of European Union Notice (OJEU). For genitourinary medicine and reproductive and sexual health clinic services, it may be necessary to advertise through OJEU.

Evaluation

67. The requirement for robust monitoring and evaluation frameworks, and price and quality considerations will be built into all tender documents, with the price quality ratio to determine the most economically advantageous tender to be agreed between participating boroughs. Framework arrangements will be developed by the

lead for each procurement, in consultation with the participating boroughs, and must be agreed by the lead commissioner for each participating borough.

68. The evaluation methodology for the tender, and conditions for the negotiated clinical provision will be subject to approval by the Strategic Director of Children and Adults' Services.

Community impact statement

69. Equalities will be assessed during the procurement, prior to any decision on contract award.
70. Due to the interdependencies between councils, a high-level Equalities Impact Assessment of the London-wide changes will be undertaken by one council on behalf of participating boroughs and adapted as needed. As changes to individual service configurations within the sub-regions are developed, local procedures for assessing the impact on service users will be followed.
71. As with many health outcomes, sexual health is patterned by socioeconomic inequalities, with those from deprived areas at greater risk of negative outcomes, such as sexually transmitted infections and unplanned pregnancy. In Southwark, there is a particular need to ensure that groups who are over-represented in terms of infection rates (eg: men who have sex with men, young people, Black Africans) are served well by any transformed sexual health services. The Equality Impact Assessment will address this. The new commissioned services will have a focus on targeting the most affected population groups for poor sexual health more effectively than the current service provision. Open access sexual health services will continue to be available for those who are unable to access online service provision.
72. The scope of new service provision will be available to all residents who present with a sexual health need regardless of protected characteristics, and as such may be considered a universal service. Any impacts are likely to be positive in terms of the individuals engaging with the service. Consideration has been given to how sexual health affects residents and the impact of financial disinvestment from the overall treatment system has also been considered.

Sustainability considerations

73. The Public Services (Social Value) Act 2012 requires the council to consider a number of issues including how what is proposed to be procured may improve the economic, social and environmental well-being of the local area. These issues are considered in the following paragraphs which set out economic, social and environmental considerations.

Economic considerations

74. The health economics argument for investment in sexual health services illustrates the value that they deliver in downstream savings for health and social care services. For example:
 - preventing unplanned pregnancy through NHS contraception services (RSH) has been estimated to save over £2.5 billion a year;

- preventing STIs such as Chlamydia dramatically reduces the costs associated with pelvic inflammatory disease and preventable infertility;
- increased access for women of reproductive age to long acting reversible contraception (e.g. intrauterine devices, injectable contraceptives and implants) and prompt access to emergency contraception has been proven to be cost effective; and,
- the average lifetime treatment cost for an HIV positive individual is calculated at approximately £276,000. The monetary value of preventing a single onward transmission is estimated to be between £0.5 and £1million in terms of individual social care and health benefits and treatment costs.

Social considerations

75. Improved access to sexual health services will improve the health and wellbeing outcomes of Southwark residents with need of sexual and reproductive health services.
76. Identified providers will be asked to demonstrate that they will pay London Living Wage (LLW) to all their employees and subcontractors involved in delivering the services, in order to fulfil the council's aspirations in relation to LLW.
77. Pursuant to section 149 of the Equality Act 2010 the council has a duty to have due regard in its decision making processes to the need to:
- a) Eliminate discrimination, harassment, victimisation or other prohibited conduct.
 - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
 - c) Foster good relations between those who share a relevant characteristic and those that do not share it.
78. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above.

Environmental considerations

79. None applicable.

Plans for the monitoring and management of the contracts

80. All providers of commissioned services will be required to submit detailed monitoring data and report against key performance indicators, including indicators from the Public Health Outcomes framework where relevant. These will be determined by local need and by national clinical standards.
81. The lead commissioner for Southwark, currently the Interim Head of Commissioning, will work with the Lambeth, Southwark and Lewisham sexual health commissioning team to review the performance of the contracts quarterly at the Lambeth, Southwark and Lewisham Sexual Health Commissioning Board. The commissioning team will meet with the providers on a monthly or fortnightly basis in the early implementation phase, frequency to be determined according to identified risks and appropriate mitigation.

82. The lead commissioner for these services will be responsible to the Strategic Director of Children's and Adult's services for the performance and quality of services provided under these contracts. A detailed report will be provided to the Strategic Director of Children's and Adults' Services on the monitoring and management arrangements for the contracts.
83. Successful transformation of sexual and reproductive health clinical services is dependent upon having in place effective primary and community sexual and reproductive health services, including services commissioned by the CCG and NHS England, and the commissioning team will work closely with these areas to achieve this as part of the joint sexual health strategy.

Staffing/procurement implications

84. The transformation will be effected utilising current staffing resources.

Financial implications

85. Southwark's Public Health Grant allocation for 2015-16 was £22,946,000, but is subject to an in-year cut of 6.2%.
86. The proposed contracts that will be entered into with providers after the transformation project has concluded will be for an initial contract term of 2 years, commencing 1 April 2017 to 31 March 2019; with an option to extend for 2 further years (up to March 2021) and a further two years (up to March 2023) subject to performance and funding availability.
87. Southwark's estimated/forecast annual spend on local genitourinary medicine and reproductive sexual health services with Kings' College Hospital and Guys and St Thomas' Hospital at 2015/16 is c.£6,210,000. The collaborative commissioning service contract will also include contributions from Lambeth, Lewisham, Bromley, Bexley and Greenwich Councils, with an aggregate value yet to be determined. Southwark will be seeking reductions of 30% from the current spend over the term of the contract.
88. The online self sampling/testing service will be procured and made available to residents of Southwark only when the council has signalled it is ready to proceed. A pilot scheme has been in operation in Lambeth and Southwark since March 2015 and the learning from this will inform service design ahead of a pan London procurement process. Further learning is required to ensure, that in opening this new service channel, current activity will be redirected to lower cost channels and the risk of simply adding (albeit cheaper) activity volumes is mitigated against.

Legal implications

89. The Health and Social Care Act 2012 ("the Act") introduced changes by way of a series of amendments to the National Health Service Act 2006. The Act gives local authorities a duty to take such steps as it considers appropriate to improve the health of the people in its area. In general terms, the Act confers on local authorities the function of improving public health and gives local authorities considerable scope to determine what actions it will take in pursuit of that general function.

90. Secondary legislative provision, such as the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 require local authorities to provide certain public health services. The public health services which local authorities must provide are:
- a) National Child Measurement Programme
 - b) Health checks
 - c) Open access sexual health services
 - d) Public health advice service to Clinical Commissioning Groups.
91. There is no established practice of consultation on the design of sexual health services provision. The London project team has undertaken provider and service user engagement via surveys, questionnaires, focus groups, stakeholder events and one-to-one sessions. The Local Government and Public Involvement in Health Act 2007 requires councils to ensure that members of the public are involved in decisions regarding (inter alia) commissioning of health services, which may involve public consultation but need not do so.
92. In any collaborative commissioning/procurement exercise, it is essential that clear and effective inter-borough arrangements are put in place, not only in connection with the procurement process but also in relation to the subsequent operation of the contract. An interim collaborative governance structure across London (Memorandum of Understanding) with representatives from all participant councils has been agreed. Detailed governance arrangements for the south east London clinical services procurement and the London online service procurement will be developed in line with the development of the contract documentation. Governance arrangements will ensure there is clear accountability and liability between the councils and appropriate binding inter authority agreements where needed. Professional services arrangements will ensure that there is consistency of approach, legal, procurement, financial and communications advice and appropriate programme and project management.

Consultation

93. London-wide work to date has involved extensive consultation with providers, clinicians, stakeholders, representative bodies, and service users as set out in the business case. Further co-production work will be undertaken as each element of the new service pathway is designed. There is an appetite on the part of the service users for changes to an online/entry point for sexual health services, an acceptance that primary care would be an accessible location for many services currently available in clinics and that more community level access points would be beneficial in promoting sexual health. The Lambeth, Southwark and Lewisham commissioning team have undertaken an extensive consultation exercise from July – October 2015 to seek citizens' views on the provision of sexual health services outside of hospital settings, and in particular in primary care and pharmacy settings. Initial findings indicate that citizens are happy to access sexual health services in primary care and pharmacy settings.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

94. This report is seeking approval for the procurement of two sexual health service contracts, an online electronic service that will operate across Southwark and 21

other London boroughs and a genitourinary medicine and reproductive and sexual health service, both for a period of up to six years.

95. The report summarises the context for these wrap around services including the nature and delivery of current sexual health services provision within Southwark.
96. Paragraphs 23 to 38 outline the financial and qualitative rationale for undertaking a collaborative competitive procurement for online services and a Lambeth led framework agreement with chosen providers for the GUM and RSH service.
97. Paragraphs 39 and 40 confirm that there are a limited number of providers in the market for the provision of clinical genitourinary medicine sexual health services whilst for online services the market is more mature but still developing.
98. Paragraphs 41 to 43 confirm the alternative procurement options that were considered and discounted with two procurement routes recommended by officers as the best options for delivering these respective services.
99. The report confirms that detailed evaluation models will be developed for these procurements and these will be subject to separate approval by the strategic director of children's and adult services.
100. Paragraphs 80 to 83 provide a brief summary of the monitoring and management arrangements that will be established for both contracts. It is anticipated that the separate approval mentioned above and the Gateway 2 will provide further information concerning how performance information and contract management will be collated and managed across London boroughs to ensure the services provide satisfactory outcomes.

Director of Law and Democracy

101. This report seeks approval of a procurement strategy for two sexual health service contracts, namely (i) an online/electronic service for the provision of sexual health signposting, booking, self-sampling and partner notification and (ii) a genitourinary medicine and reproductive sexual health service. Paragraphs 41 to 46 set out the various options for the procurement of these services and the preferred option in each case.
102. The services to be procured fall within one or more of the categories of "light touch" services as defined under the current EU procurement regulations (the Public Contracts Regulations/"PCR" 2015). The report notes that the procurement of the online/electronic service will involve an EU compliant competitive process in collaboration with a large number of other London boroughs, whilst the GUM and RSH services are to be procured through a framework agreement led by Lambeth Council. The PCR 2015 requires that, where a joint procurement is being undertaken, the contracting authorities will be jointly responsible for fulfilling their obligations under the Regulations. The PCR 2015 permits negotiations to be conducted without a call for competition in certain circumstances, and further advice will be provided to the strategic director of children's and adults' services (to whom the approval of the final detail of the procurement process has been delegated) once further details of the procurement are known, to confirm that there are valid grounds for commencing the procurement using that procedure.

103. The proposed procurement strategy for these services is consistent with the council's legal duties and powers in relation to the provision of health services and with its Contract Standing Orders ("CSOs"). Paragraph 77 summarises the Public Sector Equality Duty imposed by the Equality Act 2010 ("EA"). Whilst the report advises (at paragraph 72) that the new service provision is intended to have universal availability and accessibility, paragraphs 70 and 71 confirm that an equality impact assessment will be undertaken and subsequently reviewed in order to assess and monitor the effectiveness of the services amongst specific individuals and groups across the participating boroughs, in particular, those affected by poor sexual health. Carrying out such an assessment and keeping it under regular review should assist officers to demonstrate that due regard has been had to the requirements of Section 149 of the EA. Decision makers must be satisfied that this duty has been complied with when considering a report's recommendation/s. Paragraph 93 of this report sets out the consultation that has taken place, which the cabinet should take into account when taking a decision on the recommendations in this report.
104. The proposed procurement of the new service provision is classified as a strategic procurement under CSOs and therefore the decision to approve the report recommendations is one which is expressly reserved to the cabinet, after consideration of the report by the corporate contract review board (CCRB).

Strategic Director of Finance and Governance (FC15/036)

105. The strategic director of finance and governance notes the recommendations in this report for the procurements of a contracted online/electronic service for the provision of sexual health services, and joining a framework for genitourinary medicine and reproductive sexual health services.
106. The first contract is due to commence in February 2017 (being part of the 2016/17 financial year) and the second in April 2017 (being part of the 2017/18 financial year).
107. The report identifies how this statutory provision is a substantial part of the public health expenditure for the council, and that the revised arrangements are designed to deliver savings for that budget. The contract award report will clarify what arrangements have been made, and forecast costs.

Director of Public Health

108. Public Health supports the proposed transformation programme for sexual and reproductive health services. Southwark has some of the highest levels of sexually transmitted infections, HIV and abortions in London, due to its young, mobile and ethnically diverse population, large population of men who have sex with men (MSM) and significant levels of deprivation. This demography, combined with improved service access following the modernisation initiative have resulted in high levels of demand for services and considerable success in reducing rates of teenage pregnancy and late diagnosis of HIV and in increasing chlamydia testing.
109. However, within sexual health commissioning and provider services there are currently a number of challenges:
- the need for Local Authorities to make significant savings to the public health sexual health budget over the next two years amounting to a minimum of 25% by the end of 17/18;

- the current under provision of services given the levels of population need.
- GUM services currently operating at full capacity;
- the rising need within the population and new demand from emerging communities who are likely to have poor sexual health and who may not be well served by existing services;
- the disproportionate focus of spend on treatment - with only 2% on prevention activities;
- the diversity of the population need within Southwark and the range of service offers required to meet them; and,
- the significant risks to population health if access to testing and treatment is not maintained within the general population and increased amongst key at risk groups.

110. Reducing access to testing and treatment will result in increased numbers of infections, delays in treatment and increases in complications such as infertility, premature delivery, ectopic pregnancy and for HIV, death.

111. Thus a strategically led, planned, co-ordinated programme of transformation, as proposed here, which focuses on prevention and self testing through an enhanced on-line, pharmacy and primary care offer, presents the opportunity to:

- deliver on savings without reducing access;
- offer sexual and reproductive health access closer to home;
- increase testing coverage of STIs and HIV through an expanded offer of self testing online, within pharmacy and primary care;
- better meet contraceptive needs within key groups to further reduce teenage pregnancy, abortion and repeat abortions; and,
- better meet complex needs through appropriate specialist services.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Lambeth, Southwark and Lewisham Sexual Health Strategy	Lambeth, Southwark and Lewisham Sexual Health Commissioning Team	Andrew Billington 020 7525 3599
Link: http://www.lambeth.gov.uk/social-support-and-health/lambeth-southwark-and-lewisham-sexual-health-strategy		

APPENDICES

No.	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Barrie Hargrove, Public Health, Parks and Leisure	
Lead Officer	David Quirke-Thornton, Strategic Director of Children's and Adults' Services	
Report Authors	Dick Frak, Interim Director of Commissioning	
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CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Director of Public Health	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team	26 November 2015	