

<b>Item No.</b> N/a	<b>Classification:</b> Open	<b>Date:</b> 31 July 2019	<b>Meeting Name:</b> Cabinet Member for Community Safety and Public Health
<b>Report title:</b>		<b>Gateway 3 – Variation Decision</b> Access to London e-service for online sexual health testing	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Place and Wellbeing	

## RECOMMENDATIONS

That the Cabinet Member for Community Safety and Public Health:

1. Approves a maximum spend on activity costs in the pan-London sexual health e-service, Sexual Health London (SHL), delivered by Preventx over the next 3-year period of the contract from 1 October 2019 to 30 September 2022 of £3,000,000, equivalent to £1,000,000 per annum.
2. Approves an estimated spend on sexual health e-service related-costs (non-activity costs) over the next 3-year period of the contract from 1 October 2019 to 30 September 2022 of £75,000, equivalent to £25,000 per annum.
3. Notes a continuation to the Inter-Authority Agreement (IAA) between the City of London Corporation and Southwark Council that enables Southwark to continue to access the pan-London sexual health e-service, Sexual Health London, delivered by Preventx, up to the maximum length of the contract.
4. Notes that approval for the maximum annual spend for years 6-9 of the e-service contract and non-activity-related costs (1 October 2022 – 14 August 2026) will be sought no later than July 2022, through a separate gateway report.

## BACKGROUND INFORMATION

5. Southwark Council has a statutory responsibility to provide and pay for residents to access sexual health testing services, as part of its public health functions. Typically, these services have been clinic-based and residents can access these services at clinics anywhere in England. In 2015, the council, working in partnership with Lambeth Council and a local community interest company, pioneered the development and use of an online testing service to make services easier to use and reduce the cost of delivery.
6. Moving asymptomatic testing out of clinic enables continuing cost efficiencies (online testing is cheaper than clinic testing), ensures a sustainable local sexual health system, and enables the council to continue to manage clinic demand and capacity. Early diagnosis also prevents onward infection (reducing the number of transmitted infections) and is essential in reducing the prevalence of infection within the population (and associated treatment costs, for which the council is responsible).

7. The Gateway 2 (GW2) report (see Background Documents) details the background to the commissioning of the e-service and governance arrangements. Southwark Council has access to the e-service through an inter-authority agreement (IAA) which runs for 5+1+1+1+1 years. The GW2 provided authority to access the IAA over its maximum lifetime of 9 years, but only set out financial authority for the first two years up to 30 September 2019; this report seeks authority to spend for the next three years up to 30 September 2022.
8. The online STI self-testing service delivered through SHL is an integral part of the London Sexual Health Transformation Programme's (LSHTP) development of a comprehensive sexual health service offer in Southwark and London-wide. Of all service users tested in London clinics, around 30% will be asymptomatic (presenting with no symptoms) and, of those tested, most will not have a sexually transmitted infection (STI). The online testing service supplements the offer of sexual health services in clinics and reduces the cost of testing significantly.

## **KEY ISSUES FOR CONSIDERATION**

### **Key Aspects of Proposed Variation**

9. The variation recommended in this report is for a 3-year agreement on maximum spend under the IAA with the City of London Corporation commencing on 1 October 2019 and expiring on 30 September 2022.
10. Continuing with this contract allows the council to continue to access the London sexual health e-service delivered by Preventx. There are no changes to the service, which is paid for on a per-activity basis, but the maximum spend in the variation allows for growth in the use of e-services in line with a greater channel shift of asymptomatic users from clinics as well as other needs for growth (e.g. via activity generated through the national HIV pre-exposure prophylaxis (PrEP) Impact trial).

### **Reasons for Variation**

#### Events that led to the need for variation

11. The procurement plan for the overall sexual health service transformation was presented and agreed at Cabinet on 8 December 2015. The contract award for the London e-service (Gateway 2) was agreed on 29 September 2017 and provided authority to join the IAA underpinning the collaborative e-service in its entirety (up to 9 years) and authority for levels of spend for the first 2 years of the contract term. Spend authority for only the first two years was sought due to not having an understanding of levels of channel shift from clinics across London to a sexual health e-service at that time, and wanting to test the benefits of a London-wide versus a local e-service. Further details on the service and procurement process are provided in the Gateway 2 report.
12. Officers are not seeking authority for the maximum spend value for years 6-9 of the contract due to the difficulty in predicting the level of need for the service along with the scale of the values involved. A GW3 will seek authority for this spend in 2022, once the full scale of channel shift to the e-services from clinics has been established.

### Reason for variation to the contract

13. As stated in paragraph 10, there are no changes to the service proposed. The variation is related to an increase in the maximum allowed spend for years 3-5 of the 9 year contract, which allows growth in the use of e-services in line with a greater channel shift of asymptomatic users from clinics as well as other needs for growth (e.g. HIV PrEP-related activity being pushed from clinics to e-services).
14. The estimated maximum value of this proposed variation is £3,000,000 for e-service activity costs (£1,000,000 per annum) and a further £75,000 (£25,000 per annum) for non-activity costs (management and governance charges payable by all participating authorities to the City of London Corporation).
15. The original GW2 provided authority to spend up to £672,677 on e-service activity per annum. It is recommended that the maximum spend on e-service activity is raised to £1,000,000 per annum to allow for future growth in demands on e-services in the middle years of the contract, as spend in clinics declines. This is in line with clinics' contractual requirements to channel shift 35% of their asymptomatic patients online, as well as current patient demand for the service (which is not currently being met). This is a maximum value and not guaranteed spend. Demand will be managed carefully and appropriately – as it is now – in line with budgetary requirements.
16. In line with the London Sexual Health Transformation Programme, the service capacity will need to increase over the contract period to account for:
  - Proportionate increases in asymptomatic activity being 'channel shifted' out of sexual health clinics – with London commissioners ensuring clinics shift 15% of attendances in year 1, 20% in year 2, and 35% in year 3 of their contracts. As asymptomatic spend in sexual health clinics goes down, spend in the e-service will need to increase to account for meeting the same needs.
  - The busiest sexual health clinics in London – run by Chelsea and Westminster NHS Foundation Trust – have not started adequately channel shifting yet (per their contract). When they do (currently being contract managed to do so by the local commissioner, Westminster Council), costs are expected to come down significantly at this trust but at the same time, expenditure on the e-service will increase (though not to the same degree) due to the much lower cost of online testing. This is being closely managed by Westminster Council along with the Director of Sexual Health for London, due to the scale of the issue.
  - New developments, including the use of the e-service to deliver STI tests to people using HIV PrEP as part of the Impact trial.
  - Increased demand for sexual health services by residents, including more regular testing. The rate of STI testing in Southwark residents has increased steadily in the last 6 years.
17. In line with the above, it is extremely difficult to model future demand for the service. This is the main reason that this report is only seeking authority on the level of expenditure for years 3-5 of the contract, with later years being requested in 2022. However, it is clear that maintaining spend at the current level would be inadequate to meet the needs for testing as people are shifted from clinics to online. Failing to secure adequate online provision will mean that people will attend clinics where the cost of an STI test is at least double that in the e-service.

18. An annual cap on expenditure of £1,000,000 would secure around 36,000 tests per annum, with an estimated 29,500 returned by residents. Across all settings (clinics and e-services), Southwark residents currently test for STIs 140,000 times per annum.
19. Current spend on non-activity costs is £22,500 per annum. It is recommended that the maximum allowed spend is increased to £25,000 per annum to allow for changes in costs, e.g. inflationary costs, or one borough dropping out of the LSHTP collaborative may increase costs to others. In this eventuality, participating boroughs would continue to work with the City of London Corporation to manage within existing budgets.

#### Performance of contractor during the contract

20. The council is a signatory to the IAA. Through this agreement, the City of London Corporation manages the contract on behalf of London boroughs, including ensuring business continuity plans are in place, due diligence on the provider is undertaken and any complaints or safeguarding issues are promptly and carefully followed up. The City of London is accountable to a board of representatives of participating London boroughs.
21. SHL is an activity-based service, and activity is closely monitored by the London board. A summary of the last 12 months' activity data for Southwark (1 July 2018 – when the service launched in Southwark – to 30 June 2019):

<b>Description</b>	<b>Volume</b>
Test kits ordered	20,258
Test kits returned	16,275
STIs treatments provided	274

22. The cost of the above activity was £542,157. However, the number of tests through the e-service and associated costs will increase over time in line with the needs described in paragraph 16.
23. Boroughs set their own budgets with the City of London. The City then manages demand for the service within available budgets, with demand originating from people being 'channel shifted' from clinic being prioritised. The service was established as a way to reduce demands on clinics. 'Organic access', when people order a kit directly from the SHL website without visiting clinic, is secondary. Depending on the level of demand from people being channel shifted from clinics, the number of available tests per day via the website is scaled up or down in line with the budget. The contractor delivered within the budget in 2018/19.

#### **Future Proposals for this Service**

24. The IAA – via which Southwark participates in this contract – exists only alongside the contract that City of London Corporation holds with Preventx on behalf of participating London boroughs. Should the City of London, following collaborative agreement with participating boroughs, terminate the service contract prior to the maximum contract completion date, the IAA will expire alongside it.

25. Given the length of contract remaining, London commissioners have not yet considered what future e-service requirements might be following the contract completion date in 2026.
26. Southwark Council (along with Lambeth) has invested in sexual health e-services since 2016, and Lewisham since 2017. Lambeth, Southwark and Lewisham work collaboratively in sexual and reproductive health, due to our similar population needs. As a collaborative, we will continue to review whether the London e-service is meeting local needs. If this changes, we will take appropriate action together, exercising the 6-month notice period allowed within the IAA as appropriate.

### Alternative Options Considered

27. The following options have been considered and discounted:
  - Exit IAA: Southwark Council could exit the IAA but this would cost the council significantly more to deliver sexual health testing services, as all activity would be channelled through clinic. This is not appropriate given the financial constraints within the council at present.
  - Insourcing/in-house delivery: There is a lack of expertise and resources to run an in-house service. Furthermore, Southwark Council benefits financially from a pan-London service as Southwark residents who attend any participating London clinic can be signposted to the London e-service. We would not be able to establish a ‘competitor’ in-house provision that offers the same patient pathway, and we would be in breach of our contracts with London sexual health clinics which are based on participating in a London e-service.
  - New procurement: There is no appetite across London to re-procure at such an early stage of the contract. We would not be able to exit the London contract and procure a local contract that would deliver the same benefits.
  - Other frameworks: There are no alternative framework agreements providing these services.

### Identified risks for the Variation

28. The identified risk for the variation is detailed in the table below.

Risk	Likelihood	Mitigation
The future of the Public Health Grant is unclear. Further savings may be required.	Medium	E-services allow the delivery of some mandated sexual health services at a significantly reduced cost. If necessary for budgetary reasons, on-demand access to the service can be capped/ceased with activity directed through clinics being prioritised.  Southwark also retains the ability to terminate the agreement with six months’ notice. However, demand for services would remain and if this testing activity was re-routed into clinics it would cost the council significantly more.
Deterioration in service standards	Low	Robust contract management from the City of London, accountable to a pan-London board, will continue to ensure that the services are

Risk	Likelihood	Mitigation
		maintained at to the required contractual standards and at an acceptable level of quality.
Reduced access to service for disadvantaged groups	Low	The service is open access for those who are asymptomatic. Some protected characteristics, including ethnicity, age and sexual identity are monitored by the service. As a universal service for people needing STI testing, there is no evidence that the service has increased inequalities for any group. This will continue to be monitored throughout the life of the contract.

### Policy implications

29. All Southwark residents can, by statute, access sexual health clinics anywhere in the country, with the council where the person is resident being liable for the cost. Despite commissioners exerting downward pressure on clinic tariffs in recent years, the increasing need/demand for services has seen spend in Southwark increase. The high costs are unsustainable, especially given the sustained reductions to the Public Health Grant. Furthermore, seeing all patients in clinic (as was the case prior to the establishment of an online service) is not an effective model since an estimated 30% of presentations to clinics are asymptomatic and can be dealt with just as effectively and more cost efficiently through online testing.
30. The London e-service is a key continuation of the London Sexual Health Transformation Project for direct access sexual health services, which modernises and improves access whilst reducing costs and improving value for money. A business case describing the intentions of the transformation programme was approved by Cabinet in December 2015.
31. The Southwark Health and Wellbeing Strategy 2015-20 sets out that improving sexual health, particularly for those groups disproportionately affected by poor sexual health, is a key issue for the council. Additionally, one of the strategy's key priorities is to promote increased self-care over a reliance on specialist care.

### Contract management and monitoring

32. The City of London manages the contract on behalf of the participating boroughs. The small dedicated team comes under the auspices of the London Sexual Health Transformation Programme (LSHTP), overseen by a part-time Director of Sexual Health who also covers the continuing development of the LSHTP Programme.
33. Monitoring reports are provided by the City of London team to individual boroughs and the shared commissioning team based in LB Lambeth ensure that the service is meeting the needs of Southwark residents while remaining within budget.
34. In the first 12 months of the service being fully up and running (1 July 2018 – 30 June 2019), 20,258 test kits were ordered through the service by Southwark residents, and 16,275 were returned, a return rate of 80.3%. 274 people were treated through the service for an STI.

## **Community impact statement**

35. Positive sexual health is not proportionate within the population; there are strong links between deprivation and STIs and teenage conceptions and abortions, and the highest rates of STIs are found in men who have sex with men (MSM), young people and black and minority ethnic groups. A full Equalities Impact Assessment (EIA) was carried out by Camden Council as part of the procurement undertaking, (attached to the GW2 decision). The e-healthcare sexual health service provides access to testing for STIs, as well as sexual health information and signposting for all London residents (with restrictions to self-sampling for under-16s). The service is commissioned by participating London authorities with the expressed aim of meeting the needs of people with protected characteristics, without excluding certain groups and increasing existing inequalities.
36. Service use monitoring is undertaken by the team hosted by City of London on behalf of participating London authorities, including reviewing demographic characteristics. Under-use in particular at-risk groups is addressed through promotion strategies to these groups, following agreement by all participating authorities.

## **Social Value considerations**

37. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well-being of the local area can be secured. Camden Council is bound by these considerations as the authority that led the procurement process and social value was a consideration within the procurement process. There is no change to the service described by this report (just the expenditure, leading to a greater volume of STI testing through this service) therefore statements regarding social value in the gateway 2 report (see Background Documents) remain valid.
38. The London Living Wage is not applicable as the provider is not based in London. The provider is compliant with the National Minimum Wage Act 1998.

## **Economic considerations**

39. Continuing to access this contract enables the council to deliver a key element of its savings programme within sexual health. The price per test is lower than in clinic and achieving channel shift is a key determinant in being able to manage challenging clinic access across London. Early diagnosis also prevents onward infection (reducing the number of transmitted infections) and ensures that patients are identified before they become very ill (reducing the need for costlier interventions with patients).

## **Social considerations**

40. Online services enable an appropriate shift in activity from clinic-based services, but it is essential that open access services remain available for those who choose to use them. Some people will prefer to be seen by a health care professional as they may feel that clinician-taken samples are more accurate than self-taken ones, and they can answer any questions immediately. It is important to resolve the misconceptions about the accuracy of self-swabs and

the online service can play an important role in this. The EIA identified that it is important for open access services and the e-healthcare service to link closely to ensure that service users are successfully integrated into appropriate care pathways; and to support the provision of consistent health promotion messages and sexual health information.

### **Environmental/Sustainability considerations**

41. The e-service provides a more cost-effective and sustainable service in challenging economic times. Residents accessing services online will reduce the environmental impact associated with clinic attendances.

### **Financial Implications**

42. The council receives a Public Health Grant to carry out its public health duties including funding sexual health services. These services include the e-service described in this report. The funding and commissioning of these services transferred to local authorities in April 2013 in line with the Health and Social Care Act 2012. In 2019/20, the Council's grant is £26.744m.
43. A significant proportion of the sexual health budget's savings have been achieved by channel shifting activity from clinics to online services, a requirement of the new integrated sexual health tariff (ISHT) contracts in London. The lower prices achieved through the collaborative large scale procurement of an online service at a London level has meant that testing costs have fallen considerably and has supported growth in testing levels for a lower cost.
44. This report seeks approval to increase the maximum spending limit for the council from the current value of £672,677 per annum to £1,000,000 per annum over the period 1 October 2019 to 30 September 2022 (years 3-5 of the contract). This represents an overall increase in contract value maximum spend of £981,969 or £327,323 per annum.
45. In order for sexual health expenditure to remain within budget either the cap on this contract will have to be maintained at existing levels (which is unlikely to be adequate for the demand through the service) or clinic spend will need to decrease. The management of changes to the amount spent on the Preventx contract will need to be taken in the context of overall expenditure on sexual health, which is decreasing year on year.
46. Failure to provide adequate access to online testing will displace activity into clinics where the price of an STI test is more than twice that of the online service.
47. The costs will be monitored and contained within the Public Health Grant.

### **Legal implications**

48. Public Health Services transferred to local authorities on 1 April 2013 pursuant to the Health and Social Care Act 2012. Regulations made under s6C of the NHS Act 2006 require local authorities to provide, or make arrangements to secure the provision of open access sexual health services in their area. HIV treatment and care, abortion, vasectomy and sterilisation services remain the responsibility of the NHS through the Clinical Commissioning Groups. Also refer to concurrent from Director of Law and Democracy.

## **Consultation**

49. Consultation and user engagement has been undertaken via clinic surveys and focus groups and supports the use of online services as part of a sexual health system. A behaviour change specialist was commissioned by the London Sexual Health Transformation Programme to support behaviour change. The e-service provider has engaged both clinic users and potential users to assess views and approaches to online service provision. Service user involvement was also a key part of the tender process, where views were sought on the type of self-sampling kits, design, ease of use, and service access.
50. All SHL service users are asked whether they would recommend the service to a family or friend, as well as rating the service out of 5 stars (with 5 being the best). From the service commencement to the end of June 2019:
  - 98.2% of 6,655 Southwark residents would recommend the service
  - 81% of 6,778 Southwark residents rated the service 5 stars, with a further 13.2% rating the service 4 stars.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance and Governance (PW19/023)**

51. This report is requesting the Cabinet Member for Community Safety and Public Health approve maximum spend on activity costs in the pan-London sexual health e-service, Sexual Health London (SHL), delivered by Preventx over the next 3-year period of the contract from 1 October 2019 to 30 September 2022 of £3,000,000, equivalent to £1,000,000 per annum and also approve the estimated spend on sexual health e-service related-costs (non-activity costs) over the next 3-year period of the contract from 1 October 2019 to 30 September 2022 of £75,000, equivalent to £25,000 per annum. Full details and background are contained within the main body of the report.
52. The strategic director of finance and governance notes the financial implication and expects the cost of the contract to be monitored robustly to ensure the overall sexual health expenditure is contained within the Public Health Grant.
53. Staffing and any other costs connected with this report to be contained within the revenue budgets allocated under Public Health Grant.

### **Head of Procurement**

54. This report seeks approval of a maximum spend on activity costs in the pan-London sexual health e-service, Sexual Health London (SHL), delivered by Preventx over the next 3-year period of the contract as detailed in paragraphs 1 and 2.
55. The service offers good value for money on a per-activity basis, especially in comparison with the cost of the clinic service alternative and for the high return rate for tests as detailed in paragraph 21. The council benefits from competitive pricing through accessing a London-wide contract as opposed to if it went to market on its own.

56. The contract is managed by monitored by City of London Corporation on behalf of the participatory London boroughs and activity closely monitored by the London board.

**Director of Law and Democracy**

57. This report seeks the approval of the Cabinet Member for Community Safety and Public Health for recommendations in relation to access to the London e-service for online sexual health testing as set out in paragraphs 1-4, which will allow a continuation of the IAA with the City of London Corporation for these services. Regulation 12(7) of the Public Contract Regulations 2015 permits the council to enter into agreements with other contracting authorities where the agreement between them has an aim of achieving objectives which they have in common, which is applicable in these circumstances. The City of London Corporation (on behalf of Southwark) has undertaken an EU compliant process for procuring Preventx to provide these services, so any EU requirements are met.
58. The Cabinet Member’s attention is drawn to the Public Sector Equality duty (PSED General Duty) under the Equality Act 2010, and when making decisions to have regard to the need to (a) eliminate discrimination, harassment, victimisation or other prohibited conduct, (b) advance equality of opportunity and (c) foster good relations between persons who share a relevant protected characteristic and those who do not share it. The relevant characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion, religion or belief, sex and sexual orientation, The duty also applies to marriage and civil partnership but only in relation to (a). The Cabinet Member is specifically referred to the community impact statement at paragraphs 35-36, setting out the consideration that has been given to equalities issues and to the consultation which has taken place (noted in paragraphs 49-50) which should be considered when approving the recommendations in this report.
59. CSO 2.3 requires that no steps are taken to vary a contract unless the expenditure involved has been included in approved estimates or is otherwise approved by the council. Paragraphs 42-47 confirm the financial implications of this variation.

**BACKGROUND PAPERS**

<b>Background documents</b>	<b>Held At</b>	<b>Contact</b>
Gateway 1 - Business Case	Public Health Division Southwark Council 160 Tooley Street London SE1 2QH	Sigrid Blackman 020 7525 0512
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/mgChooseDocPack.aspx?ID=5142">http://moderngov.southwark.gov.uk/mgChooseDocPack.aspx?ID=5142</a>		
Gateway 2 - Contract Award Approval Access to London e-service for online sexual health testing	Public Health Division Southwark Council 160 Tooley Street London SE1 2QH	Sigrid Blackman 020 7525 0512
<b>Link:</b> <a href="http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6295">http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6295</a>		

## AUDIT TRAIL

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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Cabinet Member	Yes	No
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	No
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