

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 27 March 2024	<b>Meeting Name:</b> Strategic Director, finance
<b>Report title:</b>		<b>Gateway 3 – Variation Decision</b> Integrated sexual and reproductive health service – Guy’s and St Thomas’ NHS Foundation Trust 6 month extension	
<b>Ward(s) or groups affected:</b>		All wards	
<b>From:</b>		Strategic Director, Children and Adult Services	

### RECOMMENDATION(S)

1. That the Strategic Director of Finance approve the variation to the integrated sexual and reproductive health service contract with Guy’s and St Thomas’ NHS Foundation Trust, commissioned by Lambeth Council as lead party on behalf of Lambeth and Southwark local authorities, in the sum of £1,476,100 to cover an extension for Southwark activity for the period of six months from 1 April 2024 to 30 September 2024.

### BACKGROUND INFORMATION

2. Public health services and the commissioning remit for sexual and reproductive health (SRH) transferred to local authorities on 1 April 2013 following the Health and Social Care Act 2012. Local Authorities accordingly have a statutory requirement to provide, or arrange to secure the provision of, open access sexual health services for their residents.
3. Provision of SRH services for Southwark residents is provided via in-clinic services through which residents can access any clinical SRH provider via booked appointments or walk-in arrangements, and via an online e-service named Sexual Health London. This report refers to procurement arrangements for provision of SRH services from one of the two existing local clinical providers, Guy’s and St Thomas’ NHS Foundation Trust (GSTT).
4. Contract negotiations are currently underway to secure the services under a revised service specification. Background information to the current contract negotiations is set out in the attached Gateway 0 report dated 15 June 2021 and Gateway 1 report dated 10 July 2023. The original contract was let in 2017, and the Gateway 2 report dated 19 September 2017 is included in the background documents to this report.
5. The proposed contract extension falls under the new Provider Selection Regime (PSR) that came into effect from 1 January 2024.

## **KEY ISSUES FOR CONSIDERATION**

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

6. The variation covers a six-month extension for the integrated sexual and reproductive health service provided by GSTT under the terms and conditions of the current contract.

### **Reasons for Variation**

7. During contract negotiations to secure an integrated sexual and reproductive health service for the period 1 April 2024 to 30 March 2031 GSTT indicated their intention to review the site and staffing model through which the service is currently provided. This includes proposing potential changes to the locations the service is delivered from in preparation for the new service specification that is being developed. These discussions are ongoing. The service is currently provided at two sites in Southwark, Burrell Street and Walworth Road, and one in Lambeth at Streatham Hill. One of the Southwark sites, Burrell Street, runs a seven day per week service. Proposals will be examined to ensure that they do not reduce access to sexual health services from these levels.
8. The proposed contract variation will allow time for consultation and engagement to be undertaken with service users and the community on the proposed site changes, consideration of all options for the future service provision, and ensuring that sexual and reproductive health needs are fully met within the proposals for the new contract.

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

9. During the six-month extension period, Southwark Council have requested that the service will continue to be provided using the current specification and terms and conditions at the current locations; Burrell Street (Southwark), Walworth Road (Southwark), and Streatham Hill (Lambeth). Options for the future service under the proposed new specification will be considered during this period, potential health impacts assessed, and the community will be engaged with.

### **Alternative Options Considered**

10. An alternative to the extension would be to request an agreement of the longer term contract with GSTT under the new specification to start from 1 April 2024, without a fuller examination of GSTT's proposal and public engagement on potential changes. This is not recommended.
11. An alternative to the extension would be to seek a new long-term contract with GSTT NHS FT under the current specification to start from 1 April 2024. The current service is operating under an old specification which requires updates to reflect new service elements, changing demand and

changing best practice. This is unlikely to allow innovation and improvements to secure the best health outcomes for residents over the longer term. This is not recommended.

12. A previous option proposed by the provider to maintain the service was for additional funding across Lambeth and Southwark. This funding is not available for the service and this is therefore not recommended.
13. Not extending the contract without issuing a six-month notice period could lead to a situation where the service would continue, with the Council still paying for the service, with less ability to ensure a safe and quality service is provided to meet residents needs. This is not recommended.
14. GSTT is the larger of two sexual and reproductive health clinic providers that currently provide sexual health clinics in Southwark. It would be challenging for other sexual health providers to respond to a request to successfully establish a large service within the borough at short notice, particularly for a short period of time, and where providers do not have available sites in the borough.

#### Identified risks for the Variation

15. Identified risks for the variation period are set out in table 1 below.

Risk		Risk level	Mitigation action
1.	Provider may express concerns that they are unable to continue to provide full service from the current sites (Walworth Road, Southwark (Swk), Burrell Street, Swk, Streatham Hill, Lambeth (Lbth)) during the extension period.	Medium	LSL commissioners are working with the provider to ensure they are able to continue providing a full service and delay implementation of any proposed changes for future changes, or that any urgently implemented changes are appropriate.
2.	Agreement is not reached with GSTT within the six month extension period, so service development is not possible and service continuation is also at risk.	Medium	LSL commissioners are working with the provider to understand the current proposal, reasoning for the proposed changes and work jointly on engagement and consultation work, and a joint timeline for agreeing future options.

Risk		Risk level	Mitigation action
3.	Proposed alternative/replacement Lambeth site may become unavailable due to delay in agreement to relocation.	Low	LSL commissioners are working with the provider to ensure they consider options to delay implementation of their proposal and examine options for future service provision. LSL commissioners working with ICB Directors to enable partnership approach to decision making and service planning.
4.	The extension is legally challenged and is unable to be implemented.	Low	The extension will be compliant with the PSR legislation and existing legislative requirements within the Public Contracts Regulations 2015.

### Policy framework implications

16. Approval of the contract variation would continue to satisfy the council's statutory responsibilities to deliver sexual and reproductive health services under the 2012 Health and Social Care Act.

17. The proposed variation will support the current Lambeth, Southwark and Lewisham Sexual and Reproductive Health Strategy for 2019-2024, and the direction of a future strategy from 2025 onwards. The current strategy describes shared goals and actions for improving SRH across the boroughs and is underpinned by four priority areas:

- Healthy and fulfilling sexual relationships;
- Good reproductive health across the life course;
- High quality and innovative STI testing and treatment; and,
- Living well with HIV.

18. The proposed contract directly contributes to ensuring Southwark's Public Sector Equality Duty.

### Contract management and monitoring

19. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. This contract is let by Lambeth Council, and so is represented on their contract register. The Report Author will ensure that all appropriate details of this variation are added to the relevant contract register via the eProcurement System.

20. The contract will continue to be monitored and managed by: Lambeth, Southwark and Lewisham joint sexual health commissioning team, working with the Consultant in Public Health, Healthy Adults. It will be compliant with the Council's contract standing orders (CSO) requirements for annual performance reports.

## **Community, equalities (including socio-economic) and health impacts**

### **Community impact statement**

21. Sexual health clinics provide services for people with a range of lifestyles and circumstances and include those who may be vulnerable or at risk. GSTT NHS FT has effective adult and child safeguarding policies in place to identify and support such individuals. Service provision and pathways to a range of relevant support services are in place for those who engage in risky sexual behaviours, those who are using alcohol and drugs, those who have experienced sexual violence, coercion, or intimate partner violence. The variation will enable the provider to maintain services at the current level and will prevent any adverse impact on the community.

### **Equalities (including socio-economic) impact statement**

22. An equalities and health needs impact assessment is being conducted on the proposed future service changes. The variation will allow these proposed changes to be considered fully before they are put in place. A full equalities and health impact assessment was completed in 2016 ahead of the start of the current contract and is included in the background documents. The impact assessment highlighted the need for the clinic services to improve access to populations who are most at risk and the most vulnerable, including black and minority ethnic communities, young people and men who have sex with men.

23. Groups in Southwark with a higher need for sexual and reproductive health services include women, people from Black African and Black Caribbean heritage groups, minority ethnic communities, including Latin Americans, and other minority ethnic groups, young people, men who have sex with men (MSM), the trans community and non-binary people.

24. The proposed contract variation and changes to the integrated sexual and reproductive health services would have a positive impact on these groups, by ensuring their needs are considered within the future service, while protecting their access to the services in the short term.

### **Health impact statement**

25. The variation will enable the provider to maintain services at the current level and will prevent any adverse impact to health.

### **Climate change implications**

26. Service provider locations are accessible by public transport, by foot, or cycling which reduces the impact of private car travel on carbon footprint. Services are set up to signpost and divert appropriate activity to e-service provision which reduces the need for travel and provides ease of access for patients. GSTT NHS FT is a large hospital trust with good awareness of climate change and their role in reducing carbon footprint impact. GSTT NHS FT has their own sustainability plans, and is required to comply with The Greener NHS, Long Term Plan, NHS Standard Contract, and Operational Planning and Contracting Guidance for the NHS, which require deliverables for environmental sustainability in the NHS.

### **Social Value considerations**

27. 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. The social considerations included in the contract (as outlined in the Gateway 2 report) are set out in the following paragraphs in relation to the commitments to be delivered under the proposed contract variation.

28. The social value considerations in the GW2 included GSTT's engagement in the local community and in safeguarding and other initiatives such as outreach to vulnerable women. GSTT will also be required to demonstrate their commitment to social value during the contract extension period by engaging with service users, residents and local health and wellbeing organisations, and by supporting action to facilitate service access from across our diverse local communities, including those who are vulnerable and socially disadvantaged. Facilitating links and to wider health and social care provision, where appropriate, adds social value and enables the incumbent providers to develop a more responsive and robust service.

### **Economic considerations**

29. 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 £1,000,000 in terms of individual social care and health benefits and treatment costs.

### **Social considerations**

30. Access to sexual health services improves the health and wellbeing outcomes of Southwark residents with need of sexual and reproductive health services.
31. The existing contract specifies for providers to pay the London Living Wage (LLW) to all staff employed via these contracts. Incumbent NHS Trusts are London Living Wage Employers.
32. GSTT NHS FT are signed up to the London Mayor's Healthy Workplace Charter.
33. 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.
34. 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/Sustainability considerations**

35. The NHS Foundation Trusts have recycling systems in place and promote the reduced use of single-use plastics amongst their staff and clients.

### **Financial Implications**

36. The value of this variation for Southwark activity can be met solely from existing Sexual Health budgets allocated within the Public Health Grant. Lambeth Council will make payments on behalf of Southwark Council to GSTT, and Southwark will provide funding to Lambeth Council to cover those payments.

37. The contract value excluding VAT is set out below:

<b>Guy's and St Thomas' NHS Foundation Trust</b>	<b>Cost excl. VAT</b>
Original total cost – 1 October 2017 to 31 March 2022 (maximum estimated value) (average annual equivalent £2,988,889)	£13,450,000
Total value of any previous variations – 1 April 2022 to 31 March 2024 (annual equivalent £2,926,000)	£5,852,000
<b>Total value of proposed variation for 6 months from 1 April 2024 to 30 September 2024</b> (annual equivalent £2,952,200)	<b>£1,476,100</b>
<b>Total contract value 1 October 2017 to 30 September 2024</b>	<b>£20,778,100</b>

38. The table below shows the revised spend profile:

	<b>Previous year spend (2022-23)</b>	<b>Current year spend (2023/24)</b>	<b>Proposed extension April 2024 – September 2024</b>	<b>Total from April 2022 to September 2024</b>
<b>Integrated sexual health service GSTT NHS FT</b>	£2,900,000	£2,952,200	£1,476,100 (annual equivalent £2,952,200)	£7,328,300

## Legal Implications

39. The contract extension will fall under the new Provider Selection Regime (PSR). The extension will be compliant with both the PSR legislation and is a permitted modification under the new regulations.

40. The extension will allow the council to fully consider the health impacts of the provider's proposals for delivery of the service and consult with residents on options for service delivery. The council has an overriding duty to act fairly in the exercise of its functions, and should consider whether a duty to consult is implied in this case given the proposal to close a sexual and reproductive health clinic site within Southwark.

41. Please also see the concurrent report of the Assistant Chief Executive – Governance and Assurance below.

## Consultation

42. The extension is being requested in order to facilitate further consultation on service proposals. There has been no additional public consultation related to this variation proposal. The variation has been discussed with the provider.

## **Other implications or issues**

43. There are no known implications or issues not covered within this report.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Strategic Director of Finance (36-PHHZ2023-24)**

44. The Strategic Director of Finance notes the recommendations set out in this report seeking approval on the variation to the integrated sexual and reproductive health service contract with Guy's and St Thomas' NHS Foundation Trust, commissioned by Lambeth Council as lead party on behalf of Lambeth and Southwark local authorities, in the sum of £1,476,100 to cover an extension for Southwark activity for the period of six months from 1 April 2024 to 30 September 2024.

45. The Strategic Director of Finance also notes the financial implications of this report and there is sufficient budget within the allocated available Public Health resources to fund the estimated variation contract value.

### **Head of Procurement**

46. This report seeks approval for the use of a contract variation to the integrated sexual and reproductive health service contract with Guy's and St Thomas' NHS Foundation Trust (GSTT NHS FT), commissioned by Lambeth Council as lead party on behalf of Lambeth, Southwark and Lewisham (LSL) local authorities, in the sum of £1,476,100 to cover an extension for the period from 1 April 2024 to 30 September 2024.

47. The nature of the services to be procured dictates alignment with the Provider Selection Regime 2023 (the PSR) as relevant to "health care services". In accordance with the PSR, the lead commissioning council (Lambeth) may effect a variation to contract wherein the intended modification is "clearly and unambiguously provided for in the original contract", notwithstanding observation of associated record-keeping and transparency requirements related to the modification value exceeding £500K. It is anticipated that the lead commissioning council will confirm the aforementioned record-keeping and transparency requirements on behalf of LSL, and advise accordingly re: completion within timescales stipulated by the PSR. In the event that such confirmation is not forthcoming, Southwark will be required to fulfil this requirement in respect of its own contractual contribution. The report is also consistent with the council's Contract Standing Orders, which reserve decision to approve the recommendation to the Strategic Director of Finance following review at DCRB and CCRB.

48. Headline risks associated with the recommended use of the contract variation are contained within table at the end of paragraph 15.

49. Intended alignment with the Fairer Future Procurement Framework (FFPF) is evidenced within the content of paragraphs 30 - 34 generally. Paragraphs 31 – 32 specifically evidence commitment to payment of the London Living Wage, (LLW) the Mayor’s Healthy Workplace Charter.
50. Proposed methodology for performance/contract monitoring is detailed within paragraphs 19 - 20. The report also confirms that an annual performance review will be provided to the relevant DCRB in alignment with council Contract Standing Orders.
51. The Community, Equalities and Health Impact Statements are set out in paragraphs 21 - 25.
52. The Climate Change, Social Value, Economic and Environmental / Sustainability statements are set out in paragraphs 27 - 35

### **Assistant Chief Executive – Governance and Assurance (SB30012024)**

53. This report seeks approval of a variation of the integrated sexual and reproductive health service contract with Guy’s and St Thomas’ NHS Foundation Trust, commissioned by Lambeth Council as lead party on behalf of Lambeth and Southwark local authorities, in the sum of £1,476,100 to cover an extension for Southwark activity for the period of six months from 1 April 2024 to 30 September 2024.
54. From 1 January 2024 health services of the type provided under the existing contract are subject to the Health Care Services (Provider Selection Regime) Regulations 2023 (“PSR”). As the contract had been entered into before 1 January 2024 any proposed variation is subject to the requirements of Regulation 13 which, amongst other things permits a contract for relevant health care services to be modified during its term without following a new procurement process where that modification is made in response to external factors beyond the control of the relevant authority and the provider, and the modification does not render the contract materially different in character. Paragraphs 7 and 8 of this report explain the circumstances which have made it necessary to seek approval to vary the contract by way of a six month extension.
55. The recommended contract variation is also consistent with the council’s Contract Standing Orders (CSO) which reserve the decision to the Strategic Director of Finance, following consideration of the report by the Corporate Contract Review Board.
56. The decision maker should be mindful of the Public Sector Equality Duty under section 149 of the Equality Act 2010, and 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, relation, religion or belief, sex and sexual orientation. The duty also applies to marriage and civil partnership but only in relation to (a). The community impact and equalities impact statements which are set out from paragraphs 21 to 24 note the consideration that has been given to equalities issues and advise that an equalities and health needs impact assessment is being conducted on the future service changes proposed by GSTT. That assessment will measure the effect and impact of those service changes on individuals and groups within the community, in particular those with a higher need for sexual and reproductive health services as identified in paragraph 23, and who possess a protected characteristic under the Act.

**PART A – TO BE COMPLETED FOR ALL DELEGATED DECISIONS**

Under the powers delegated to me in accordance with the council’s Contract Standing Orders, I authorise action in accordance with the recommendation(s) contained in the above report (and as otherwise recorded in Part B below).



Signature

Date 27 March 2024 .....

Designation ....Strategic Director of Finance.....

**PART B – TO BE COMPLETED BY THE DECISION TAKER FOR:**

- 1) All key decisions taken by officers
- 2) Any non-key decisions that are sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available (see ‘FOR DELEGATED DECISIONS’ section of the guidance).

<b>1. DECISION(S)</b>
As set out in the recommendations of the report.
<b>2. REASONS FOR DECISION</b>
As set out in the report.
<b>3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED BY THE OFFICER WHEN MAKING THE DECISION</b>
Alternative options are set out in paragraphs 10 – 14 of the report.
<b>4. ANY CONFLICT OF INTEREST DECLARED BY ANY CABINET MEMBER WHO IS CONSULTED BY THE OFFICER WHICH RELATES TO THIS DECISION *</b>
None.

\* Contract standing order 6.6.1 states that for contract Variations with an Estimated Contract Value of £100,000 or more, the lead contract officer (LCO)

must consult with the relevant cabinet member before the decision is implemented.

**5. NOTE OF ANY DISPENSATION GRANTED BY THE MONITORING OFFICER, IN RESPECT OF ANY DECLARED CONFLICT OF INTEREST**

*If a decision taker or cabinet member is unsure as to whether there is a conflict of interest they should contact the legal governance team for advice.*

Cabinet Member was consulted at LMB 12 March 2024.

**6. DECLARATION ON CONFLICTS OF INTERESTS**

**I declare that I was informed of no conflicts of interests.**

**7. CONSIDERATION GIVEN TO WHETHER, AS A NON-KEY DECISION, THIS SHOULD BE FORWARDED TO THE CONSTITUTIONAL TEAM FOR PUBLICATION IN ACCORDANCE WITH REGULATION 13(4)\***

*The decision taker should consider whether although a non-key decision, the decision is sufficiently important and/or sensitive that a reasonable member of the public would reasonably expect it to be publicly available. Where there is any doubt, having considered the importance and/or sensitivity of a decision, it should be deemed that Regulation 13(4) would apply.*

**I consider that the decision be made available for publication under Regulation 13(4).\***

**or**

**~~I do not consider that the decision be made available for publication under Regulation 13(4).\*~~**

(\* - Please delete as appropriate)

\* Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the council is required to put in place a scheme for recording and publishing some officer executive decisions. This process is sometimes referred to as "Regulation 13(4)".

**BACKGROUND PAPERS**

<b>Background Papers</b>	<b>Held At</b>	<b>Contact</b>
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GW1 Integrated sexual and reproductive health services procurement strategy	Children's and Adults Services / Public Health team, 160 Tooley Street and online	Arrthi Pangayatselvan 07938740277
Link: <a href="https://moderngov.southwark.gov.uk/documents/s115200/Report%20GW1%20Integrated%20sexual%20and%20reproductive%20health%20services.pdf">https://moderngov.southwark.gov.uk/documents/s115200/Report%20GW1%20Integrated%20sexual%20and%20reproductive%20health%20services.pdf</a>		
Gateway 0 - Strategic Options Assessment for the provision of genito-urinary medicine services	Children's and Adults Services / Public Health team, 160 Tooley Street and online	Arrthi Pangayatselvan 07938740277
Link: <a href="https://moderngov.southwark.gov.uk/documents/s98982/Report%20Gateway-0-template-GUMcontracts.pdf">https://moderngov.southwark.gov.uk/documents/s98982/Report%20Gateway-0-template-GUMcontracts.pdf</a>		
Gateway 2 - Contract Award Approval Award of Contracts for the Provision of Sexual Health Services	Children's and Adults Services / Public Health team, 160 Tooley Street and online	Arrthi Pangayatselvan 07938740277
Link: <a href="https://moderngov.southwark.gov.uk/documents/s70943/Report%20Gateway%20%20Contract%20Award%20Approval%20-%20Award%20of%20Contracts%20for%20the%20Provision%20of%20Sexual%20Health%20S.pdf">https://moderngov.southwark.gov.uk/documents/s70943/Report%20Gateway%20%20Contract%20Award%20Approval%20-%20Award%20of%20Contracts%20for%20the%20Provision%20of%20Sexual%20Health%20S.pdf</a>		
London Borough of Lambeth Full Equality Impact Assessment Report	Lambeth Council / Public Health team, 6 Brixton Hill and online	Nancy Padwick 020 7926 9984
Link: <a href="https://www.lambeth.gov.uk/sites/default/files/ec-ph-eia-sexual-health-210616.pdf">https://www.lambeth.gov.uk/sites/default/files/ec-ph-eia-sexual-health-210616.pdf</a>		

## APPENDICES

No	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	David Quirke-Thornton, Strategic Director for Children and Adult Services
<b>Report Author</b>	Layla Glover, Head of Programmes - Healthy Adults
<b>Version</b>	Final

<b>Dated</b>	27 March 2024	
<b>Key Decision?</b>	Yes	
<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	Yes	Yes
Head of Procurement	Yes	Yes
Assistant Chief Executive – Governance and Assurance	Yes	Yes
Director of Exchequer (for housing contracts only)	N/A	N/A
Cabinet Member	Yes	Yes
<b>Contract Review Boards</b>		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional/Community Councils/Scrutiny Team</b>	27/03/2024	