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Report of:	*Greg Fell, Director of Public Health & John Doyle, Deputy Executive Director of People Services*
Report to:	*Cabinet*
Date of Decision:	*19th June 2019*
Subject:	*Procurement of Sexual Health Services – Approval of contract award*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	☐	No	☑
- Expenditure and/or savings over £500,000		☐		
- Affects 2 or more Wards		☐		

Which Cabinet Member Portfolio does this relate to? People Services

Which Scrutiny and Policy Development Committee does this relate to? Healthier Communities and Adult Social Care

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	☑	No	☐

If YES, what EIA reference number has it been given? 275

Does the report contain confidential or exempt information?	Yes	☐	No	☑

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

*"The (report/appendix) is not for publication because it contains exempt information under Paragraph (**insert relevant paragraph number**) of Schedule 12A of the Local Government Act 1972 (as amended)."*

Purpose of Report:

To seek approval to proceed to award of contracts for provision of sexual health services to commence on 01st August 2019.

Recommendations:

Cabinet is recommended to:

(i) note the additional financial impact on the Council in awarding this contract and that contract award will require additional savings from other budgets in the 2020/21 budget process. In accordance with the Council's Constitution, any immediate financial implications will be addressed by the Head of Strategic Finance in consultation with the Cabinet Member for Finance and in consultation with the Director of Finance and Commercial Services; and

(ii) approve the Director of Public Health and the Deputy Executive Director of People Services Portfolio proceeding to contract award in accordance with previous delegations.

Background Papers:

Procurement of Sexual Health Services report to Cabinet, 18th July 2018

Procurement of Sexual Health Services – Request for extension to procurement timeframe and existing sexual health service contracts, 26th September 2018

<table>
<tr><th colspan="4">Lead Officer to complete:-</th></tr>
<tr><td rowspan="3">1</td><td colspan="2" rowspan="3">I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.</td><td>Finance: Liz Gough</td></tr>
<tr><td>Legal: Sarah Bennett</td></tr>
<tr><td>Equalities: Bashir Khan</td></tr>
<tr><td></td><td colspan="3">Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</td></tr>
<tr><td>2</td><td colspan="2">EMT member who approved submission:</td><td>Greg Fell & John Doyle</td></tr>
<tr><td>3</td><td colspan="2">Cabinet Member consulted:</td><td>Cllr Jackie Drayton</td></tr>
<tr><td rowspan="3">4</td><td colspan="3">I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.</td></tr>
<tr><td colspan="2">Lead Officer Name:
Amy Buddery</td><td>Job Title:
Health Improvement Principal</td></tr>
<tr><td colspan="3">Date: 19th June 2019</td></tr>
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1. PROPOSAL

1.1 Following previous Cabinet decisions in July and September 2018, SCC is currently leading a multi-stage procurement exercise with the aim of appointing providers to deliver a range of sexual and reproductive health services across the city. The services will be required to be delivered citywide from a range of settings by a multi-disciplinary team of clinical and non-clinical professionals. SCC intends to commission services divided into two lots:

Lot 1 – Specialist Integrated Sexual and Reproductive Health Service

Lot 2 – Community Sexual, Reproductive Health and Gynaecology Service (jointly commissioned with the Sheffield Clinical Commissioning Group)

1.2 The formal procurement process is at the final stages with preferred bidders identified for both lots. A thorough and robust multi-stage procurement process has been followed which has included constructive dialogue at each stage.

1.3 Initial bids for both tender lots were significantly over the financial envelope originally allocated for these services. Further dialogue and negotiation meetings, as permitted by the Public Contracts Regulations 2015, have taken place with the bidders resulting in reduced prices being submitted via best and final offers.

1.4 However, all the bids including the preferred bids for both services remain above the financial envelope initially allocated for the provision of these services. Cabinet approval is therefore required urgently to ensure that the original procurement timescales are achieved. This is critical for service continuity and patient safety.

The Financial Implications section details the impact of this for the Council and Cabinet is asked to consider this impact before deciding whether or not to allow officers to proceed to contract award.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The re-designed model reflected in the proposed contracts aims to:

- improve patient experience and sexual health outcomes
- increase access to sexual health services through a variety of approaches and methods, to include the availability of drop in clinics and bookable appointments and ensuring that services are available closer to people's homes
- ensure services and interventions are cost effective and clinically effective
- prioritise preventative approaches across all service models
- strengthen and increase capacity across the sexual health workforce
- reduce sexually transmitted infections and unwanted pregnancies
- ensure that the sexual health needs of those most at risk are prioritised and therefore impacting on reducing health inequalities by providing targeted support

for people with protected characteristics

- support the development of a women's sexual and reproductive health offer which promotes access and improves outcomes for all women
- improve and increase collaborative working across providers and community organisations to reduce duplication and fragmentation of services

2.2 Key components of the new contract are:

- assessment of needs, being shaped by users via consultation and by taking an all age/life course approach
- prioritising prevention, early intervention and promoting self-care to better manage supply and demand, to include the increased availability of contraception and opportunities to access self testing kits for sexually transmitted infections (STIs)
- Increased focus on locality working to develop community based provision through the CCG neighbourhood model/SCC locality model and to include city centre location and access
- partnership and collaborative working to make the best use of resources to improve outcomes
- ongoing review to ensure provision is meeting population need, whilst ensuring financial rigour to meet the challenge of reduced budgets
- allowing and supporting flexibility to innovate across service models including the use of social media and digital and online services
- Supporting workforce development and capacity to educate and train the current and future workforce
- Development of care pathways to improve the patient journey and ensure rapid access to sexual health services, abortion services and maternity services

3. HAS THERE BEEN ANY CONSULTATION?

3.1 A range of consultation has been undertaken which includes:

- Citywide online questionnaire aimed at those who have and haven't used a sexual health service in Sheffield
- Online questionnaire aimed at young people
- Face to face questionnaires with young people
- Focus groups with lesbian, gay, bisexual and transgender (LGBT) and black, Asian, minority ethnic and refugee (BAMER) young people
- Questionnaires in GP Practices with high proportion of black and minority ethnic (BME) patients
- Consultation with the sexual health services workforce (inc sexual health service

staff, GPs and Practice Nurses and Pharmacists)
- A 'Sexual Health Conversation' event held with representatives from the Equality Hubs
- Market testing with potential providers

3.2 Outcomes from the consultation were used to inform the future service model and service specifications in the proposed contract.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010 which identifies the need to:

- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act

- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it

- foster good relations between persons who share a relevant protected characteristic and persons who do not share it

The Equality Act 2010 identifies the following groups as a protected characteristic: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief; sex and sexual orientation.

4.1.2 An EIA has been carried out and updated to reflect the ongoing reductions to the Sexual Health budget since 2013-14 which has led to service re-configuration. The EIA has highlights cumulative impacts across many of the characteristics assessed. There are impacts on young people, a relevant issue in Sheffield due to the higher than average number of students living in the city; Black, Asian, Minority Ethnic and Refugee (BAMER) communities where various cultural differences and norms exist in relation to sexual health; a range of access and understanding issues for people with disabilities and learning difficulties; mother and unborn baby where STI's have been detected; the sensitivities and challenges involved in providing sexual health services to faith groups; women are more likely to access services than men; the prevalence of HIV is increasing at a higher rate nationally in men who have sex with men (MSM); the relationship between deprivation and poor sexual health outcomes and a link between unplanned teenage conceptions, levels of educational attainment and subsequent outcomes.

4.1.3 As part of the Formal Procurement, we carried out consultation including an online questionnaire as well as detailed and focused insight and consultation work with communities of interest.

4.1.4 There have been ongoing reductions to the Sexual Health budget since 2013-14 which has led to service re-configuration. The further re-design that has culminated in the proposed contract will help to ensure that the future service model best meets everybody's sexual health needs.

4.2 Financial and Commercial Implications

4.2.1 The procurement process has now reached Best and Final Offer stage.

The anticipated savings identified in the earlier decision papers have not been realised through this Procurement process and the final bids are above the original financial envelope set out in the tender.

Over the 5 years of the contract, the budget gap is £2.19m. From 2020/21 onwards, the budget pressure will need to be considered as part of the budget planning process and savings will need to be identified to fund the gap. The sexual health contract budget will be maintained at £4,986,000 p.a. This will require savings from other public health grant budgets or from wider savings within the Portfolio in order to cover both the expected 2.6% p.a. reduction in grant and the costs pressures (including sexual health).

For 2019/20, the contract costs will be £395,000 in excess of budget. Overall estimates for SCC public health grant is an overspend in 2019/20 of £393,000. This overspend will need to be managed down across all portfolios and through potential utilisation of available public health grant reserves. The budget gap increases to £489,000 in 2020/21 and this will have to be resolved as part of the budget planning process.

These costings are based on the forecasted volumes, in order to reduce the risk of this to both parties if demand changes by more than 5% (either up or down) the costing model will be reviewed. The model supports SCC's prevention strategy which should result in a reduction in volumes over time.

4.3 Legal Implications

4.3.1 The sexual health commissioning landscape is complex with responsibility divided across local authorities, Clinical Commissioning Groups and NHS England. Since 2013 Sheffield City Council (SCC) has held a statutory responsibility for commissioning the majority of sexual health services as outlined in the Health and Social Care Act 2012.

4.3.2 This includes the commissioning of comprehensive and integrated sexual health services including contraception, Sexually Transmitted Infections (STIs) testing and treatment and specialist services including HIV prevention. By law SCC must ensure provision of open access sexual health services for everyone in the area to control infection prevent sexually transmitted Infections outbreaks and reduce unintended conceptions.

4.3.3 Under s2B of the National Health Service Act 2006 SCC also has a duty to take such steps as it considers appropriate for improving the health of the people in its area and can achieve this by:

(a) providing information and advice
(b) providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way)
(c) providing services or facilities for the prevention, diagnosis or treatment of illness
(d) providing financial incentives to encourage individuals to adopt healthier lifestyles;
(e) providing assistance (including financial assistance) to help individuals to

minimise any risks to health arising from their accommodation or environment;

(f) providing or participating in the provision of training for persons working or seeking to work in the field of health improvement

(g) making available the services of any person or any facilities

4.4 Other Implications

4.4.1 Public Health

The re-designed service model will improve population health and wider health and care outcomes through provision of a needs led model. This will aim to provide an equitable model promoting access for all including those who may need additional support.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Consideration was given to aborting the current procurement process to allow for further re-design the service model with a view to generating further savings following a new procurement process. However, the bids received have been modelled and priced based on outturn service activity data provided by SCC and are therefore considered to be realistic and accurate. Further re-design in response to reducing spend on these services would therefore require specifying a reduced amount of activity. It is likely that this would create a significant additional financial pressure on SCC due to the open access nature of the service and SCC's related statutory responsibilities.

5.2 The intended model has been carefully designed based on service user feedback and detailed health needs assessment. Applying significant changes to the service model could impact on service quality and patient safety.

6. REASONS FOR RECOMMENDATIONS

6.1 The bids received have been modelled and priced based on outturn service activity data provided by SCC and are therefore considered to be realistic and accurate and any alternative model would require reduced activity with the likely consequence of a significant additional financial pressure on SCC further down the line due to the open access nature of the service and SCC's related statutory responsibilities.

6.2 Approval of the additional expenditure on these services will enable contract award and service mobilisation to commence as per the intended procurement timescales.