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Report of: *Jayne Ludlam, Executive Director, People Services
& Greg Fell, Director of Public Health*

Report to: *The Leader of the Council*

Date of Decision: *26th September 2018*

Subject: *Procurement of Sexual Health Services – Request
for extension to procurement timeframe and
existing sexual health service contracts*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? People Services				
Which Scrutiny and Policy Development Committee does this relate to? Children, Young People and Families Support				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 275				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”</i>				

Purpose of Report:

To seek approval and authorisation to extend Sheffield City Council’s existing contractual arrangement jointly with Clinical Commissioning Group (“**CCG**”) for the provision of sexual health services, delivered by Sheffield Teaching Hospitals Foundation Trust (“**STHFT**”) and other providers, for a period of four (4) months to 31st July 2019 (inclusive).

Recommendations:

It is recommended that, the Leader of the Council:

1. approves to extend the existing contractual arrangements for the provision of sexual health services respectively by STHFT and also other providers for a period of four (4) months from 1st April 2019 to 31st July 2019 (“**Extension**”);
2. delegates authority to the Director of Finance and Commercial Services in consultation with the Director of Public Health and the Executive Director of People Services Portfolio to request and enter into an Extension with the current providers of sexual health services which are within the scope of the sexual health service procurement;
3. delegates authority to the Director of Finance and Commercial Services in consultation with the Director of Legal and Governance to take all necessary steps to negotiate and agree with the terms of the Extension which will commence on 1st August 2019.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	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.
	Finance: Helen Damon
	Legal: Rachel Ma
	Equalities: Ed Sexton
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: Jayne Ludlam/Greg Fell
3	Cabinet Member consulted: Cllr Jackie Drayton
4	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.
	Lead Officer Name: <i>Amy Buddery</i>
	Job Title: <i>Health Improvement Principal</i>
Date: 20 th September 2018	

1. PROPOSAL

1.1 It is proposed to request an Extension from the providers of services within the scope of the sexual health service re-design and procurement. This is following the Cabinet decision on 18th July 2018 to undertake the procurement of sexual health services and as a result of direct feedback from the market test exercise.

Sheffield City Council (“**the Council**”) carried out a market test exercise which closed on 31st August 2018. The market test has demonstrated clear evidence of an active provider market with the Council receiving eleven (11) expressions of interest from potential providers.

A number of providers have:

- asked for clarification on the clinical elements of the new model;
- submitted a number of questions to the Council which need clarification and a response; and
- requested an opportunity to meet with the Council prior to the contract notice being published.

In light of the above, time to consult with our external expert clinical panel is therefore needed to ensure that the Council is able to review the feedback and make adjustments to the service specifications and key performance indicators and factors if required. This will ensure that the future model is appropriate to meet the needs of the Sheffield population including those with protected characteristics.

The existing contractual arrangements with STHFT and other providers in respect of the sexual health service will all expire on 31st March 2019. It is proposed that

- the procurement timeline is extended by 4 months;
- existing contractual arrangements in respect of the sexual health service are extended for four (4) months to cover the period of 1st April 2019 and 31st July 2019; and
- new contracts and the new service model as discussed in the previous Cabinet Report dated 18th July 2018 shall start from 1st August 2019.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The outcomes from the market test have been used to determine the shape of the procurement strategy. Extending the period of the existing sexual health service arrangement and lengthening the procurement timeline will:

- provide an opportunity to respond to providers;

- meet with potential providers to set out the Council's expectations and values in relation to our future sexual service model;
- refine the service model further; and
- allow for a more robust procurement process to take place so that the Council is able to engage with providers more extensively and result in a more refined service model.

All the above will have a positive impact on the Council's future relationships with providers and the resulting service model and outcomes.

The aims of the re-designed service model and the key components of the procurement strategy in this matter can be referred to in the Cabinet Report (dated 18 July 2018).

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 The basis for the extension request is the feedback from the market test which was undertaken to specifically consult with providers. This provided the market with an opportunity to raise any key considerations and/or issues that in their opinion the Council should be aware of. It also presented an opportunity for feedback on example key performance indicators and the outline service model.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

Decisions need to take into account the requirements of the Public Sector Equality Duty contained in Section 149 (1) of the Equality Act 2010. As part of documenting the meeting of the requirements of the duty, we have carried out an Equality Impact Assessment. Section 149 (1) 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 Section 149 (7) 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.

An EIA has been completed and highlights impacts across many of the characteristics assessed. There are impacts on young people, a particularly

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.

Formal procurement presents a fair and transparent process for potential providers of sexual health services by giving each an equal opportunity to bid for contracts. Responding to feedback from the market test exercise in a planned and transparent way means that all potential providers are treated equally and consistently.

4.2 Financial and Commercial Implications

4.2.1 Subject to approval for the Extension, the Council will pay existing providers at the 2018/19 contract value. This means that the 2.6% planned saving would be applied from 1st August 2019.

4.2.2 Contracts with general practice and community pharmacy are paid on a cost and volume basis and would be paid at the current tariffs. The total amount of the contracts with general practice and community pharmacy for the 4-month extension period would be approximately £265,000. The contract with Sheffield Teaching Hospitals Foundation Trust is paid on a block basis. The total amount of the STHFT contract value for the 4-month extension period will be £1,508,000.

4.3 Legal Implications

4.3.1 Under s2B of the National Health Service Act 2006 a local authority must take such steps as it considers appropriate for improving the health of the people in its area. This can be achieved 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

Provision of sexual health service is currently incorporated into a contract between the CCG and STHFT with the Council being one of the commissioners (“**Contract**”). CCG will be responsible to put all necessary written documents in place in relation to the Extension.

A contract extension is amendment to contract within the scope of Regulation 72 of the Public Contracts Regulations 2015 (“**PCR 2015**”). The existing terms of the Contract were not reviewed by Legal before the execution of the Contract. However, it is understood from the Council’s officer for the service that:

- the contract value of the services during the Extension is below the required threshold under the PCR 2015 (i.e. below 50% of original contract price); and
- such additional sexual health services “have become necessary” on the grounds as set out in the above Sections 1 and 2 of this decision report.

In light of the above, the exemption under Regulation 72(1)(b) and (c) of the PCR 2015 to extend the Contract may apply and CCG will review it further to ensure that the Extension will be in compliance with the PCR 2015.

Both the CCG and STHFT have indicated their willingness to continue the provision of the sexual health service for the extension period of 1st April 2019 and 31st July 2019 (inclusive).

The Council’s responsible officer for the service has also been made aware that as CCG is the “commissioning authority” on behalf of the Council under the Contract, the financial regulations and procurement rules of CCG may be relied upon; and that guidance/input from the Council’s Procurement and/or Finance shall be sought where necessary.

The Council’s responsible officer for the service shall ensure that the Council’s Contracts Standing Orders shall be followed in respect of the Extension unless a waiver of such Orders has been granted.

4.4 Other Implications

Public Health

- 4.4.1 Re-design and development of a new service model will improve public 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 Option to not extend contracts

It is not recommended as this option would not consider the feedback from the market test and would not allow for further market engagement. It could impact negatively on the resulting service model and commissioner provider relationship.

6. REASONS FOR RECOMMENDATIONS

6.1 The current contract will expire by the end of March 2019. A contract extension for 4 months until 31st July 2019 (inclusive) will:

- ensure that the timescales within which the procurement is progressed are realistic and appropriate given the level of market interest; and
- allow uninterrupted delivery of the sexual health services and to allow both parties to have more time to re-design a new service model and allow a more robust procurement process to take place.