

<b>12 July 2023</b>		<b>ITEM: 18</b> <b>Decision: 110663</b>
<b>Cabinet</b>		
<b>Procurement of Sexual Health Services</b>		
<b>Wards and communities affected:</b> <b>All</b>	<b>Key Decision:</b> Yes	
<b>Report of:</b> Cllr G Coxshall Cabinet Member for Health, Adult Social Care, Community and Public Protection		
<b>Accountable Assistant Director:</b> Andrea Clement, Assistant Director of Public Health		
<b>Accountable Director:</b> Dr Jo Broadbent, Director of Public Health		
<b>This report is</b> Public with an exempt appendix which is exempt due to information relating to the financial or business affairs of any particular person (including the authority holding that information)		
<b>Date of notice given of exempt or confidential report:</b> 4 July 2023		

## Executive Summary

Local authorities have, since 1 April 2013, been responsible for improving the health of their local population and for public health services including most sexual health services. The Secretary of State continues to have overall responsibility for improving health, but Regulations made under Section 6C of the NHS Act 2006 require local authorities to take steps in exercise of their public health functions, or aspects of the Secretary of State's public health functions<sup>1</sup>. Regulation 6 requires local authorities to provide or make arrangements to secure the provision of open access sexual health services in their area, specifically:

- Comprehensive sexual health services including most contraceptive services and all prescribing costs, but excluding GP additionally-provided contraception
- Sexually transmitted infections (STI) testing and treatment, chlamydia screening and HIV testing
- Specialist services, including young people's sexual health, teenage pregnancy services, outreach, HIV prevention, sexual health promotion, services in schools, colleges and pharmacies

<sup>1</sup> See [commonslibrary.parliament.uk/briefings](https://commonslibrary.parliament.uk/briefings)

This report sets out the proposals for the procurement of the sexual health contract that deliver sexual health services to Thurrock residents and those out of the Borough. The contract was extended for 1 year and is due to expire on 31<sup>st</sup> March 2024.

This report is seeking approval to commence procurement of the sexual health contract and delegated authority for the tender and award of the contract and finances for the delivery of this. Finances for the delivery of this are from the ring-fenced Public Health Grant, provided by the Department for Health & Social Care (DHSC). These recommendations fit within the objectives of the Thurrock Improvement and Recovery Plan 2022 for the Council to be a more financially sustainable council.

By law, councils must have a balanced budget. If a council cannot find a way to finance its budget, it must issue a 'Section 114' notice. On 19 December 2022, the Council issued the 'Section 114' notice. This puts strict limits on what the Council can spend. The Section 114 notice was necessary as the Council was unable to balance its budgets for the financial years of 2022/23 and 2023/24.

In September 2022, Directions issued to the Council by the Government required us. To put in place an Improvement and Recovery Plan to the satisfaction of Commissioners. The plan has five main themes:

- financial sustainability
- governance and scrutiny
- strategic direction
- place leadership and growth
- leadership and culture

## **Commissioner Commentary**

### **1. Recommendation(s)**

- 1.1 That Cabinet agrees to commence the procurement of the Sexual Health Service contract for a period of five years with the option to extend for four years in any period combination subject to performance and funding.**
- 1.2 That Cabinet agrees to delegate authority to the Director of Public Health, in conjunction with the Portfolio Holder and Section 151 Officer, to award the contract following completion of the procurement process.**

## **2. Introduction and Background**

- 2.1 Good sexual health enables healthy relationships, planned pregnancies, and prevention of disease. It is important for all individuals throughout their life course and contributes to maintaining and improving population health. Most of the adult population of England are sexually active and access to quality sexual health services improves the health and wellbeing of both individuals and populations.
- 2.2 According to The Office for Health Improvement and Disparity (2023) sexual health is not equally distributed within the population. Strong links exist between deprivation and STIs, teenage conceptions and abortions, with the highest burden borne by women, men who have sex with men (MSM), trans community, young people, and people from ethnic minority backgrounds. Similarly, HIV infection in the UK disproportionately affects gay, bisexual and other MSM, and black African populations. Some groups at higher risk of poor sexual health face stigma and discrimination, which can influence their ability to access services.
- 2.3 Sexual Health services can be accessed throughout the country by anyone in need and therefore, it is vital that services in Thurrock are comparable to those elsewhere ensuring a high standard of care for those living in or visiting the borough.
- 2.4 The current sexual health contract is in its sixth year and is due to expire on 31<sup>st</sup> March 2024. In order to ensure value for money and ensure that the service meets the needs of the community, a re-procurement exercise needs to be undertaken.
- 2.5 In order to inform the re-procurement process, the Public Health Team is completing a Sexual Health Needs Assessment and a Service Specification with a view to addressing the following:
  - Late diagnosis HIV and treatment
  - Accessibility, including for vulnerable and high-need groups
  - Condom distribution
  - New and emerging threats/issues
  - STI testing and prevention
  - Contraception including long-acting reversible contraception (LARC)
  - Teenage pregnancy
  - Input to Relationships and Sex Education (RSE) in schools

The content will be considered by the Health & Wellbeing Board.

- 2.6 In the first three quarters of 2022, 10,460 people accessed the sexual health service of which 78% were Thurrock residents. Over 2000 appointments were for contraception intervention (removal or insertion) with 1,801 receiving contraception. 15.5% of service users were tested for syphilis, chlamydia, gonorrhoea, herpes, and HIV. In 2021, new diagnosis rates in Thurrock ranged from 209/100,00 for chlamydia to 5/100,000 for HIV.
- 2.7 It is expected that the new Sexual Health service, with a revised service specification, will reduce the disparities in the impact of STIs on certain groups in the community including some men who have sex with men (MSM) and certain minority ethnic groups, and look to improve the take up of testing and treatment. Education and outreach into low uptake areas has been recognised through service user and stakeholder engagement as being in need of improvement in Thurrock and will form part of the service specification. We will seek to use an HLS approach to enhance outreach services for higher risk groups, such as sex workers, and improve accessibility of services more generally. This will include enhanced engagement with GPs, pharmacies, schools, and specialist services such as midwifery, substance misuse services and The Terrance Higgins Trust.2.8 Thurrock has a strong track record in reducing teenage pregnancies over the past decade. Rates have more than halved from 36.1 per 1000 in 2013 to (12 per 1,000) in 2021. This rate is also lower than most of our CIPFA comparators. However, the total abortion rate in Thurrock has steadily increased since 2017, currently at 22 per 1,000 females in 2021. This shows there is still work to do regarding prevention of unwanted pregnancies through education and easier access to services.
- 2.9 The needs assessment has also shown that a focus is required on prevention, particularly, relationship and sex education in schools and this will also form part of the new service specification. Services should be provided by utilising existing services and providers such as GPs, family hubs and integrated wellbeing and medical centres to provide spoke and outreach services for those requiring service intervention. It is expected that an increased focus on assertive outreach, working in a more joined up way with partner organisations for individuals and a review or change of the current hub will lead to improvements in both the reach and impact of the service.
- 2.10 The financial envelope for the procurement of the sexual health service has been based on the financial year 2022-23 and modelled on a 0%, 1% and 2% uplift year on year. The contract for 2023-24 was an agreed extension for one year only extending the previous length of the full contract and therefore can be viewed as a standalone yearly cost rather than a true reflection of the contract cost. The proposed cost of the contract for the initial five years will thus be £1.507m - £1.631m per year, see below table of breakdown of contractual costs over 0%, 1% and 2%;

Contract Term	0% Uplift	1% Uplift	2% Uplift
5 Years	£7,538,055	£7,690,331	£7,845,668
9 Years	£13,568,499	£14,124,094	£14,706,185

- 2.11 The total cost of the contract over the initial five years with a 0% uplift is £7,538M, with a 1% uplift is it £7.690m and with a 2% uplift is £7.846m. This does not include the annual Primary Care contraceptive service delivery costs of c. £65,000, which will be met separately based on annual activity by each provider. Primary care element of the contact with no uplift is £0.325M for five year contract & the cost for a nine year contact is at £0.585M
- 2.12 Public Health would recommend an uplift of 1% annually, to cover cost increases in laboratory and other costs that the service will experience during the lifetime of the contract. Since DHSC's indicative Public Health budget for 2024/25 is a 1.3% uplift on the 23/24 level, an annual uplift of more than this may become unaffordable. The risk of offering 1% may be reduced provider interest and therefore reduction of quality of service provision, however it is recognised that the Council is in a financial situation that may require the costs to be capped at 1%.
- 2.13 An option to extend for up to four years is proposed in order to allow flexibility such that future contract timelines could be aligned with those of Southend City Council and Essex County Council. This would allow the option of joint procurement to be considered in the future, which could deliver benefits of both scope and scale for this particular service.
- 2.14 Thurrock Council's constitution allows for the delegation of executive functions to Officers by the Leader or from the Cabinet, Cabinet Committees or individual Cabinet Members under section 14 of the Local Government Act 2000. In accordance with the requirements of the basis of delegation and the conditions and limitations of the delegation, the commissioner is also seeking agreement from Cabinet to delegate authority to the Director of Public Health, in conjunction with the Portfolio Holder, to award the contract following completion of the procurement process.

### **3. Issues, Options and Analysis of Options**

- 3.1 The existing provision of Sexual Health services is due to end in March 2024. There is consequently a need for the local authority to ensure a contracted service is in place from April 2024 onwards.
- 3.2 The value of any contract(s) from April 2024 onwards will exceed the threshold for which Cabinet approval of spend is required, meaning Cabinet agreement to proceed is required.
- 3.3 There are currently four options for Cabinet to consider in this matter:

### **3.4 Option 1 – Allow the existing Sexual Health service contracts to expire**

3.5 The Council could allow the current contract with *Provide C/C* to expire, leaving the local authority with no Sexual Health service provision for 2024/25. By failing to provide agreement to proceed with the commencement of procurement for the service for 2024/25 and then subsequently failing to agree funding for extensions of the existing contracts, the Council could in effect cease service provision. This would generate a significant saving in terms of spend on contract. However, as provision of a Sexual Health service is mandated in law, the authority would technically be in breach of its statutory duties.

### **3.5 Option 2 – Cabinet to agree to proceed with procurement of the Sexual Health service contract and to delegate authority to the Director of Public Health, in conjunction with the Portfolio Holder and Section 151 Officer, to award the contract following completion of the procurement process**

3.6 In agreeing to proceed with the procurement of the Sexual Health service contract Cabinet would allow the Council to dedicate the necessary commissioning resources needed to undertake a re-commissioning process for a Sexual Health service contract to be procured for April 2024.

3.7 Furthermore, in delegating authority to the Director of Public Health, in conjunction with the Portfolio Holder and Section 151 Officer, to award the contract following completion of the procurement process, Cabinet would allow the re-commissioning process to be completed in time for a new contract to be in place for April 2024. The successful procurement of this contract would ensure continuity in service delivery for local people and reduce the possibility of exposing vulnerable local people at high risk of harm to negative health outcomes.

### **3.8 Option 3 – Extend the existing Sexual Health Service Contract for a further 12 months**

3.9 In favouring extending the existing contract, Cabinet could ensure continuity in current delivery of service by maintaining current arrangements for a further year. However, the original contract has now expired, and has been extended only due to the challenges of the pandemic preventing re-commissioning taking place during this time. An annual extension is a more costly option than reprocurring and reduces sustainability of service for both Provider and users of service. A further contract modification for this contract would also be difficult to justify in line with the Public Contracts Regulations 2015 at this time. Finally, should 12-month extensions ultimately be agreed, the Council would find itself in the same position it currently is in 12-months' time. In effect, the Council would simply be delaying a process that it will need to undertake eventually.

### 3.10 **Option 4 – Explore the practicalities of adding Thurrock’s geography to neighbouring local authority Sexual Health service/s**

3.11 The possibility of allowing Thurrock residents to access the current Sexual Health service contract procured by Essex County Council or Southend City Council, but expanded to cover Thurrock’s geography, could be considered a possibility. Informal discussions between the authorities have taken place and it is thought that such an arrangement could be made, generating economies of scale and negating the need for Thurrock to procure its own standalone Contract. However, the contract terms for these neighbouring authorities and the legal and logistical issues make this challenging currently. It is felt that the most prudent approach would be to consider it as a potential option for a future joint re-commissioning exercise.

#### Indicative timescales for the recommended procurement option 2:

Competitive tender route to be openly advertised using the Open tender procedure:

Tender publication	18 <sup>th</sup> September 23
Deadline for clarifications	18 <sup>th</sup> October 23
Tender closing date	27 <sup>th</sup> October 23
Evaluations	30 <sup>th</sup> Oct – 24 <sup>th</sup> Nov 23
Notify tender outcome	27 <sup>th</sup> November 23
Standstill period	28 <sup>th</sup> Nov – 7 <sup>th</sup> Dec 23
Expected award	8 <sup>th</sup> Dec 23
Contract commencement	1 <sup>st</sup> April 24

## **4. Reasons for Recommendation**

4.1 **Option 2** – Cabinet to agree to proceed with procurement of the Sexual Health service contract and to delegate authority to the Director of Public Health and Section 151 Officer, in conjunction with the Portfolio Holder, to award the contract following completion of the procurement process

4.2 The current all age sexual health service contract end on March 31<sup>st</sup> 2024, it is possible to commission a new service, which accommodates all ages, to start from April 1<sup>st</sup> 2024.

4.3 Alternative options would lead to substantial financial and reputational damage as well as the likelihood of poorer health outcomes for vulnerable individuals, a degree of short term continuity coupled with medium and long term uncertainty, or a protracted exploratory exercise which may prove unworkable or lead to significant delays in ensuring service provision.

## **5. Consultation (including Overview and Scrutiny, if applicable)**

- 5.1 Options within this report have been discussed with the Public Health Leadership Team, AHH DMT and the Portfolio Holder for Adults, Housing & Health. Wider stakeholders and colleagues will be briefed on the approach to procurement.
- 5.2 Engagement sessions on service requirements are being held with key stakeholders. Service users have been consulted via an online and paper survey to solicit views on future service delivery. Feedback from these surveys will inform the new scope of the sexual health service to include innovative delivery approaches. The Service Specification will be considered by HOSC.

## **6. Impact on corporate policies, priorities, performance and community impact**

- 6.1 The recommendations of this report align with Thurrock's Improvement and Recovery Plan 2022 to be a more streamlined and financially sustainable organisation.
- 6.2 The recommendations within this report will align with the strategic theme of the IRP to be a focused, cost-effective, sustainable and co-designed approach to service provision which is delivered in partnership with residents and other key partners, with collaboration across multi-disciplinary teams.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Bradley Herbert**  
**Senior Management Accountant**

Although procuring a new long-term Sexual Health Service Contract will have significant financial implications for the local authority, the proposed financial envelope for the service falls within the current available funding in the Public Health budget and within our best insight on the likely Public Health Grant level over the lifetime of the contract.

Once the procurement exercise is completed, the cost of the new contract will form part for of the 2024/25 Public Health budget setting process. With the planning of the budget, and the Public Health business plan, there is an inflationary element allowed for to reflect additional costs. The submitted tenders will be evaluated against this budget to give an informed view of the contract cost.



## 7.2 Legal

Implications verified by: **Kevin Molloy**  
**Team Leader Contracts – Legal Services**

Following issue by the Council of a s114 notice, the Council must ensure that its resources are not used for non-essential spending. The contracts at issue here are all essential and the provision of them a statutory duty. In procuring the services outlined, the Council must observe the obligations upon it outlined in national legislation and in its internal procurement rules. The proposed procurement approach should fulfil these requirements but Officers are recommended to keep Legal Services fully informed as they progress through the procurements to ensure compliance.

Procuring a new contract for 2024/25 would be permissible under current contract conditions and Public Contracts Regulations.

Failure to have any contract in place for 2024/25 would likely see the Council breach its duty to provide a service specified in statute.

## 7.3 Diversity and Equality

Implications verified by: **Rebecca Lee**  
**Team Manager – Community Development Team**

The Sexual Health service is universal, but will be specifically contracted to consider and provide for the needs of higher-need, higher-risk and vulnerable groups with regard to sexual health. These needs will be outlined in the forthcoming needs assessment and the Service Specification. The model of delivery will need to take account of accessibility for our diverse community.

The contract will seek to maximise the Social Value from the contract, and will seek to incentivise a Human Learning System approach by the Provider to ensuring the needs of high-need groups are understood and met.

## 7.4 Other implications (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

Services and models of delivery need to ensure they are accessible to all ensuring that barriers to accessing health are mitigated, Covid-19 saw the transition to online services for many health settings and whilst this has proven to be very successful it cannot be the only mode of interface with service users. The Office for National Statistics (ONS) (2020) revealed 5% of the adult population of Great Britain had not used the internet in the 3 months prior to the survey and 16% of the population did not use a smartphone for private use.

The mode of delivery must also reflect changing working patterns, rural living and access via public and private transport. There will need to be a variety of clinics available including, walk in, booking, out of office hours, sit and wait and online. These will be developed in the Service Specification.

**8. Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

Department of Health, Ring-fenced public health grant circular, 10 January 2013, p3.

Sexual health commissioning in local government Collaborating for better sexual and reproductive health and wellbeing, Local Government Association, Ruth Lowbury, (2019).

Sexual and reproductive health and HIV Guidance, OHID, 10 March 2022.

A Framework for Sexual Health Improvement in England, Department of Health,(2013).

Integrated sexual health service specification, The Office for Health Improvement and Disparities and the UK Health Security Agency Published 20 March 2023.

Internet Access – Households and Individuals, Great Britain. Office for National Statistics, (2020).

**9. Appendices to the report**

**App 1** - Stage 1 Form – Approval to Proceed to Tender, exempt from Publication

**Report Author:**

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