



## Key Decision Report of the Director of Public Health

Key Decision	Date: 23 March 2017	Ward(s): all
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Delete as appropriate		Non-exempt
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## **SUBJECT: Sexual & Reproductive Health Services (SRH) by Central and North West London NHS Foundation Trust (CNWL)- Includes health promotion and condom scheme**

### **1. Synopsis**

#### 1.1

The original sexual health strategy set out a procurement timetable which would allow for the procurement or a joint pan-London collaborative approach to contracting for these services.

A Competitive Procedure with Negotiation completed as one-stage tender has been used to procure these services.

The negotiation phase has taken 3 months longer than originally thought, due to the complex nature of the services, and the need to ensure best value for money combined with the highest quality service possible.

The process has now been completed. An award report with recommendations will be available no later than March 2017.

### **2. Recommendation**

- 2.1 To agree the contract extension of 3 months. This is to enable the current NCL procurement of integrated sexual health services to have been completed. The contract extension will cease on the 2<sup>nd</sup> July 2017.

### **3. Date the decision is to be taken: 23 March 2017**

### **4. Background**

- 4.1 Open access sexual health services are mandated as part of the conditions of the Public Health grant and include the testing, treatment and prevention of sexually transmitted disease.

The original sexual health strategy set out a procurement timetable which would allow for the procurement or a joint pan-London collaborative approach to contracting for these services.

The original procurement strategy (14th January 2016 ) sought a waiver and extension of existing contract arrangement for 2 years, up to March 2017, to allow of a complex multi-million pound pan London procurement.

A Competitive Procedure with Negotiation completed as one-stage tender has been used to procure these services.

The negotiation phase has taken 3 months longer than originally thought, due to the complex nature of the services, and the need to ensure best value for money combined with the highest quality service possible.

The process is now at request for final submission and an award report with recommendations will be available no later than March 2017.

- 4.2 While an award will be made before 31st March 2017, the new provider will need 4 months implementation to resolve TUPE; implement the re-design of services, re-configure information and IT systems.

This report seeks approval to update the procurement strategy and waiver Contract Standing Order 6.2 (the requirement to competitively tender) in line with CSO 5.1 from April 2017 to July 2017 in order to finalise the offer of contract and allow a transition period to the new contractor.

The contract will be extended on the current terms and conditions, with exiting KPIs and prices.

- 4.3 The value of the contract to be extended is £1,331,345 per annum. This means an overall waiver value of £443,781

- 4.4 The original procurement strategy sought to start the new contract and therefore the new pricing structure from April 1st 2017, which will mean a four month delay in predictive savings, which could impact on the MTFs savings. Although efficiencies found within the procurement process may help to mitigate this.

Public Health have initially mitigated these costs by ensuring through savings brought forward from other services during 2016/17 that there is sufficient revenue brought forward from this financial year to cushion the 4 month increase in spend not original predicted. The extra cost will be met by savings from this financial year.

The procurement process is likely to produce a recommended provider so the risk of not awarding a contract is low.

The risk of a challenge and therefore a delay in the award of contract is possible, however Islington procurement team have taken every effort to follow due process and reduce where possible the risk of challenge

## **5. Implications**

### **5.1 Financial implications:**

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The total funding for 2016/17 is £27.3m.

The current 2016-17 budget earmarked for this service is £1.331m p.a. consisting of £104k for sexual health promotion, £2.5k condom sales and £1.225m on contraception. There are no savings targets against this budget and will therefore not result in a budget pressure to the Council.

The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

### **5.2 Legal Implications:**

This report relates to a contract for sexual and reproductive health services which fall within the light touch regime for purposes of the Public Contracts Regulations 2015 (the Regulations). The EU threshold for application of the Regulations in relation to the light touch regime is £589,148.00. Since the proposed variation falls below this threshold there is no need for advertisement in OJEU. The council's procurement rules require contracts of this value to be subject to competitive tendering. Since the proposed variation to the existing contract is linked to completing the procurement of a new contract with open competition (a process which is already underway) the risk of challenge is likely to be low.

The original contract was established for two years from 14th January 2016 to March 2017. The decision to extend that contract by 4 months may be made by the Corporate Director for Public Health who has authority to vary contracts where the value of the amendment is less than £2,000,000 in the case of a revenue contract (Procurement Rule 18.1.4).

The procurement strategy report for the new sexual health contract that is currently being procured would have been approved by the Executive. Since the only variation to that approved strategy is in relation to the procurement timetable as a result of the process taking longer than anticipated, the variation to the strategy may be approved by a properly authorised person within the Public Health Directorate as an operational matter.

### **5.3 Environmental Implications**

None applicable.

### **5.4 Resident Impact Assessment:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

**6. Reasons for the decision:**

6.1 This contract extension is necessary to allow for the continuation of services, until the current NCL integrated sexual health procurement is finalised at the end of March 2017.

**7. Record of the decision:**

7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

**Signed by:**



Director Public Health

23 March 2017

Date

**Appendices: None**

**Background papers: None**

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