



Director - Public Health

Meeting of:	Date:	Ward(s):
Executive	27 May 2021	All

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SUBJECT: PROCUREMENT STRATEGY FOR THE PROVISION OF SEXUAL HEALTH SERVICES FOR YOUNG PEOPLE

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Young People Sexual Health Services in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 This contract will deliver sexual health services, both building based and outreach, to young people aged 21 and under in the London boroughs of Camden and Islington.

2. Recommendations

- 2.1 To approve the procurement strategy for Young People Sexual Health Services as outlined in this report.
- 2.2 To delegate authority to award the contract to the Director of Public Health in consultation with the Executive Member for Health and Social Care.

3. Background

3.1 Nature of the service

Camden and Islington Public Health seeks to procure community sexual health services for young people in Islington and to do this in partnership with the London Borough of Camden. Currently these services are open access services for young people under the age of 25, but we will consider lowering this age limit in consultation with providers and service users. This is in response to feedback from the Joint Area Targeted Inspection which took

place in 2018 and noted issues with capacity which will need to be considered as part of this exercise. Sexual Health services include building based sexual health screenings, pregnancy tests and access to contraception, relationship and sex education in schools and other events, targeted support to groups of young people or individuals and sexual health outreach clinics into youth settings and other locations.

The contracts for these services come to an end on 31 March 2022 and there are no further options to extend. Insourcing is not a viable option (see options appraisal below) for these services due to the open access, clinical nature of the service that requires specific knowledge and expertise. Re-procurement of an external provider is recommended. The Public Health department has a mandatory duty to provide sexual health services. Best practice and NICE guidelines recommend that young people's services are provided separately to adults.

We are currently in the process of engaging with young people to gauge their feedback on the current service and have recently completed a round of "mystery shopping" with Islington's Children's Active Involvement Service. The Public Health Knowledge and Intelligence team is currently collating five (5) years of young people sexual health data to complete a needs assessment, and feedback will form part of decision-making and the new specification.

3.2 Estimated Value

These contracts will be funded through the ring-fenced Public Health Grant through Central Government.

The value of these contracts are £1,540,150 per year. Based on a contract length of nine (9) years, we estimate the values of the contract to be £13,861,355 with Islington contribution being in the region of £6,875,230.

The initial contract period will be for five (5) years with two (2) further extensions of up to two (2) years. This contract length will attract more bidders as well as allowing us a long period for further collaboration work with North Central London Boroughs.

Providers have already received in-contract budget reductions to support corporate and departmental savings targets. Further reductions will impact on their ability to run a safe and efficient service for young people, whilst meeting increased demand. Further budget reductions for this contract could lead to an increase in costs in other parts of the system which the Sexual Health Commissioning Team also manage the budget for. These additional services are activity based and using a tariff based payment system which will be more expensive than a block contract. A budget reduction of 1% would equal to £15k and would be the equivalent of losing a nurse on a 15 hour per week contract. This would reduce the capacity for running clinics which are already overstretched.

Benchmarking has taken place with surrounding North and East London boroughs which mirror Islington's population mix. The City of London and Hackney jointly commission a young people's sexual health service with a value of £515,000 per year, whilst Haringey's dedicated young people's contract has a value of £1m, but both have less activity than this contract.

We will engage with our North Central London (NCL) colleagues during the contract period to pursue joint commissioning of sexual health services as services develop.

We are considering different models of delivery such as a network or lead provider model option which may provide us with cost savings associated with pooled resources and centralised costs. Providers have indicated in response to a recent Prior Information Notice, that their preference is for a Network or Lead Provider Model. These models have been broken down in Appendix 1- Commissioning Models Table.

Prior to the COVID-19 pandemic, demand on young people's sexual health services had been exceeding capacity. Feedback from 14 young people (1 x under 18 and 13 x 18+) in the annual clinic survey showed that they would benefit from later opening times or longer opening times at the weekend, particularly if they were working. The Joint Targeted Area Inspection (JTAI) in 2018 noted queues for the clinic (due to the opening hours being organised around the standard hours of educational establishments) and clinics not prioritising those under 18. As a result, providers adapted the way in which they prioritised under 18s across the network. Since changes have been made to prioritisation, there have been no 'turnaways' of under 18s and all have been offered an appointment with one of the clinics when needed. With this in mind, savings would directly impact on an already stretched service.

The demand for Sexual Health services in Islington for the 18-25 population is impacted by the high student population. Islington is home to several sites of City and Islington College, London Metropolitan University, City University, University of North London and the London School of Business and Finance. Student population and limited clinic capacity in other commissioned clinics impacts on demand for services, particularly our Brook Euston service due to its central location near Kings Cross. With the possibility of a reduction of the upper age limit, from up to 25 to 21 and under, we should see a significant difference in clinic capacity, facilitating more people aged 21 and under to be reached by the service. Additionally we are considering the learning and experience obtained through COVID, with clinics rapidly introducing some telehealth / telephone-based services, which could offer additional ways to access services, dependent on need or age. Alternative provision is available for over 21's through other services.

The reduction of the upper age limit could enable providers to strengthen support to vulnerable and under-represented groups which include males (particularly black males), deaf and disabled young people and those for are LGBTQI+.

Out of borough activity will continue to challenge us both due to capacity and financially as services are open access and young people, particularly from neighbouring and NCL boroughs, frequent Islington clinics. During 2017/18, Camden and Islington Young People's Sexual Health Network (CAMISH) saw 1,367 young people from NCL boroughs, in 2018/19 saw 1,078 young people and in 2019/20, 1,341. We will continue to work with NCL colleagues to develop future service delivery models and to encourage other boroughs to effectively publicise local provision with the aim of encouraging young people to attend their 'home' service.

We have requested a potential extension to the current contract of up to 12 months in the eventuality that COVID-19 has an impact on the capacity for smaller providers to bid. We will mitigate these risks by engaging with the incumbent providers now and requesting flexibility with their contract arrangements. Homerton University Hospital Foundation Trust have already confirmed their intention to support an extension if this were needed. During any potential extension period, we will continue business as usual and providers will be expected to continue with all activity as per their contract.

3.3 Timetable

27 May 2021	Strategy approved by Islington
Early June 2021	Strategy approved by Camden
Late June 2021	Contract opportunity advertised
August 2021	Evaluation/negotiation
December 2021	Contract award
1 April 2022	Start date for new contract

All contracts expire on 31 March 2022. There are no statutory deadlines associated with this contract.

A market engagement questionnaire has been issued via the London Tenders Portal. Additional market engagement will take place to help shape the procurement.

Consultation with young people has already begun and internally we have spoken to Public Health colleagues from both councils. Service users will be consulted on this procurement and will be part of the evaluation process. Further stakeholder consultation, and co-designing the specification with service users is built into the timetable.

3.4 Options appraisal

Commissioning options	
Outsourcing	<p>This option would require a full tender process to begin in Spring/Summer 2021. As there is a full market of sexual health providers, we are currently testing the market to see who would bid and for what models.</p> <p>A market testing exercise showed good interest from the market with providers indicating their preferred commissioning model being a Network or Lead Provider model.</p> <p>We will therefore procure the service by competitive tender with the option for negotiation with potential providers in order to improve the quality of the bids.</p>
Insourcing	<p>This option would only be beneficial for the Network Co-ordinator role as Sexual Health is not a suitable service to insource. The Council would not have the infrastructure in place to deliver this service. The Council does not currently deliver health services for residents and there is no identifiable directorate that a service like this would sit under. As a clinical service it requires clinical oversight and governance of practice and registration, training and development.</p> <p>Delivering a clinical and psychological service internally would require a longer time to mobilise.</p>

	<p>The majority of the staff team delivering this contract have NHS terms and conditions including agenda for change and TUPE rights.</p> <p>If we were to continue with a network model and the Network Co-ordinator role were insourced, the member of staff would be eligible for TUPE and the Council would be responsible for any related costs and potentially the transfer of NHS terms and conditions.</p>
Do Nothing	<p>This option would entail letting the current contracts run out, and therefore we would be left without any services from 1 April 2022.</p> <p>The impact of the service ceasing to exist would be approximately 7,000 young people not receiving a services including, STI testing and treatment, contraception, counselling, education and safeguarding opportunities</p> <p>We have a mandatory duty to provide sexual health service and NICE guidelines and best practice state that young people should have separate services to adults. All young people would need to be diverted to other services including GPs and adults services which are paid on tariff and therefore we would not be receiving best value for money.</p>

Our preferred route is to procure an external provider for this service via a competitive tender with the option for negotiation.

Camden and Islington currently collaborate on commissioning this service due to the open access nature of sexual health services and the transitory nature of our young people across boundaries. A benefit of the current collaboration is that the service is able to offer clinics across both boroughs for those that live and study or work between the two. The providers work together for the benefit of the network and offer for young people, bringing their expertise and specialism to the network. A network model is delivered by a group of providers who work towards individual and shared key performance indicators. The Network Co-ordinator brings these services together and helps to identify gaps in service provision and address these.

Ensuring an equitable offer across the boroughs also ensures consistency of access, and staff are able to flag concerns across the boroughs and clinics in regard to safeguarding, or any other issue affecting the services or young people. Collaborating across the boroughs and across services providers also enables us to provide a wider network of services and specialities than we would if we were using one a single provider in one borough.

The benefits of having services shared across Islington and Camden through the COVID-19 pandemic have been the flexing of services across clinics, when one clinic has had reduced capacity due to sickness or self-isolation. Drawbacks of working in collaboration for this service are few, and focus around duplication in terms of governance and decision making across boroughs, and having different IT systems.

3.5 Key Considerations

Social value

The Council is committed to shaping and promoting a local economy that is underpinned by the principles of equality, fairness, and economic, environmental and social justice. We will be requesting that providers seek to fill roles by advertising through the Council's iWork Team before going out to the wider market and will do the equivalent of this in Camden. We will be asking nursing and other clinical staff to attend careers days/talks at local schools and colleges to give advice on becoming a nurse/specialist nurse or other clinician and options for both public sector and private job opportunities. This will support both councils' core strategies around employment. Islington has high rates of economic inactivity and unemployment yet job density is the seventh highest in the country at 2.19 jobs per working age resident.

Whilst apprenticeships have been considered for these services, it has previously been agreed inappropriate considering the sensitivity of local apprentices delivering sexual health services to their peers. Therefore we will continue to ask providers to support young people in gaining valuable experience through co-production.

Providers will upskill back office staff to deliver an element of healthcare support including but not limited to pregnancy tests and sample collection in addition to providing sexual health and wellbeing advice. Staff will benefit from additional in-house training and upskilling which will enable them to progress in their career within the organisation or externally.

These social value opportunities will be included within KPIs and we will consider holding back a percentage of the contract value until KPIs are delivered. Will be looking to further develop social benefit through the procurement process.

A framework developed by both boroughs will be used to assess the social value award criteria as part of the partnership approach to this procurement, reflecting the priorities of both boroughs.

London Living Wage

London Living Wage will be a condition of these contracts where legally permissible.

Economic, social and environmental considerations

Economic, social and environmental sustainability will be considered as part of the evaluation and will contribute to the social value weighting. Examples could be low energy equipment, waste disposal, choices made within the supply chain, paper free working practices, use of local businesses.

Staff assigned to work on the existing contracts are likely to transfer to any potential new supplier pursuant to the TUPE Regulations.

3.6 Evaluation

This procurement will be conducted in accordance with the Public Contracts Regulations 2015, under Chapter 3 Section 7 Social and Other Specific Services (known as the "light touch" regime). Under Regulation 76 the council is free to establish a

procedure, provided the procedure is sufficient to ensure compliance with the principles of transparency, equal treatment of economic operators (service providers). The procedure will be based on the competitive procedure with negotiation, allowing for negotiation if deemed appropriate.

The council will reserve the right to award the contract on the basis of initial tenders without negotiation where this offers value for money. The council reserves the right to not award the contract if the received tenders do not offer value for money.

Our proposed award criteria will be based on, 30% cost, 70% quality. Islington Council have a commitment to social value and 20% of the quality award criteria has been allocated for this. Under-funding/staffing a service could lead to an unacceptable quality of service and therefore a higher percentage has been allocated to quality than to cost.

- Cost 30%
- Social value 20%
- Service outcomes and outputs 15%
- Partnership working 10%
- Quality of care and continuous improvement (best value)10%
- Safeguarding and relationship with risk 10%
- Co-production 5%

3.7 Business Risks

Business risks include providers being suitably skilled, experienced, insured and registered where appropriate to provide the services. There is a risk to the Council if these services are either not re-procured or no providers bid for them, that there would be no specific young people's sexual health services and/or other sexual health services may not be able to cope with demand, this is a statutory service There may also be pressure on budgets.

The main business opportunity is to promote and further develop partnership working across our providers and maximise potential and expertise from within each provider. Working within a collaborative model allows for smaller organisations to be a key provider whilst benefiting from the support of working with NHS Trusts and national organisations with access to larger business resources.

One challenge is ensuring we have secured appropriate clinic space particularly for our Islington service currently on Holloway Road. This property will not be available for the new contract. We are currently in the process of sourcing a new building to provide this service from 1 April 2022.

- 3.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

3.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	This service provides sexual health and wellbeing support, care, prevention and interventions to young people age 21 and under..
2 Estimated value	The estimated value per year is £1,540,150 million. The agreement is proposed to run for a period of five (5) years with an optional two (2) extensions of 'up to' two (2) years. The total lifetime of the contract will be nine (9) years and a total contract value of £13,861,355 with Islington Council's contribution being in the region of £6,875,230.
3 Timetable	As further described in this report.
4 Options appraisal for tender procedure including consideration of collaboration opportunities	We will continue to outsource this service with further collaboration during the course of the contract.
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	London Living Wage will be a condition of this contract. Best value has been considered and will be included in this procurement. The staff included in this contract will be eligible for TUPE.
6 Award criteria	We have allocated: 70% Quality (including 20% social value) 30% Cost
7 Any business risks associated with entering the contract	As further described in this report.
8 Any other relevant financial, legal or other considerations.	

4. Implications

4.1 Financial implications:

The Sexual Health Service is part of the Public Health (PH) Budget. The current PH budget for 2020/21 is £26.563m of which the current annual budget for the Young People Sexual Health Network Service is £1.540m. PH is funded through the Public Health Grant provided by PH England.

This report proposes:

- A new sexual health commissioned service costing £13.81m over a period of 9 years (£1.540m per annum)
- Islington will be liable for 49.6% of the costs due to the relative population demands on the service compared to Camden.
- The total contribution over the life of the contract would be £6.85m from Islington and the remaining £6.93m will be funded by LB Camden.
- The contract value is inclusive of a yearly 5% retention, released on a yearly basis if the providers meet their KPI targets.

If the PH Grant changes substantially over the lifetime of the contract, clauses will exist to end the contract after the initial first two year period with one year's notice and without financial penalty. The remaining financial obligations of the contract being managed from efficiencies elsewhere in PH.

Islington will act as the lead borough for this contract, but will have clauses with Camden to ensure any move to withdraw from funding responsibilities will not impact on Islington adversely.

Incorporated into the contract will be the financial responsibility on the provider to pay for property costs. PH will seek to source the clinic space and may hold some financial responsibility for costs in excess of the providers' financial responsibility. Any additional cost will be managed within existing PH resources.

The proposed extension of the current contracts for another 12 months, will be at the same cost as the newly proposed contracts; therefore, it will not result in any additional financial pressure.

If demand for the service exceeds capacity it will be the service provider's responsibility to contain these pressures.

In the event of providers withdrawing or being unable to fulfil their duties under the contract, PH will seek to rely on other providers in the contract consortium or on the open market. This will not incur additional costs.

The MTFs savings required for Sexual Health are not related to these recommendations and have no impact.

No additional resources are being requested or required in this report. All proposals are being met from existing resources.

4.2 **Legal Implications:**

The Council has a general duty to improve public health and must take such steps as it considers appropriate for improving the health of the people in its area including 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) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12) The council has a specific duty to provide, or make arrangements to secure the provision of, open access sexual health services in its area, or preventing the spread of sexually transmitted infections; for treating, testing and caring for young people with such

infections and (iii)for notifying sexual partners of people with such infections (regulation 6 Local Authorities (public Health Functions and Entrance to Premises by Local Healthwatch Representatives) Regulations 2013).

Therefore, the council may provide services in relation to sexual health services as proposed in this report and enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The proposed contract is a public services contract subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations) and Schedule 3 (which identifies health, social and related services including nursing-related services). The threshold for application of the light touch regime is currently £663,540. The estimated value of the contracts is above this threshold. It will therefore need to be advertised in the Contracts Finder (via the UK e-notification service). There are no prescribed procurement processes under the light touch regime. The Council may therefore use its discretion as to how it conducts the procurement process provided that it: discharges its duty to comply with the principles of procurement namely equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides in the advert; and ensures that the time limits that it imposes on service providers, such as responding to the advertisement are reasonable and proportionate. Following the procurement, a contract award notice is required to be published.

The Council's Procurement Rules for Light Touch Services require contracts over the value of £500,000 to be subject to competitive tendering.

The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process (open procedure), is in compliance with the requirements of the Regulations and the council's Procurement Rules.

The Executive may delegate authority to the Corporate Director Public Health to award the Contracts (Paragraph 8.9 Part 3 Constitution)

4.3 **Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:**

The main environmental impact from this procurement will be the use of buildings by the service provider. These will include energy and water use, consumption of materials, and the generation of waste, including clinical waste, all of which have potential carbon emissions. There will also be transport-related impacts from staff travelling to work and from visits as part of the outreach service. Journeys made by cars or taxis may result in emissions and contribute to congestion.

The council does not own the buildings the service will operate from, but the winning bidder will be asked to support the council's zero emissions goal, including discussing procuring renewable electricity for their site(s) and being encouraged to recycle as much as possible.

4.4 **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. A full resident impact assessment is appended.

5. Reason for recommendations

- 5.1 Public Health have a mandatory duty to provide open access sexual health services. Guidelines recommend that young people should have their sexual health needs met separately from the wider adult population as much as possible. These are well used services by our young people but also by our local young people providers such as schools, colleges, youth services and Looked After Children teams. These contracts will cease in March 2022 Camden and Islington has a young transitory population with high sexual health needs. These services have been intrinsic to supporting reductions in the underage conception and teenage pregnancy rates over several years. These services work with high number of vulnerable young people and have an important role to play in safe guarding our most vulnerable groups.

Appendices

- Appendix 1 Table of Commissioning Models
- Appendix 2 Resident Impact Assessment

Background papers:

- None

Final report clearance:

Signed by:



6 May 2021

Executive Member for Health and Care

Date

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