Key Decision Report of the Director of Public Health

<table>
<thead>
<tr>
<th>Officer Key Decision</th>
<th>Date: 23 September 2015</th>
<th>Ward(s): ALL</th>
</tr>
</thead>
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Delete as appropriate | Exempt | Non-exempt |


1. SYNOPSIS
The Director of Public Health is proposing to make a key decision to agree a procurement strategy for the contracts to provide the Adult HIV Prevention & Sexual Health Promotion and HIV Peer Support Services.

1.1 Current contracts for both Adult HIV Prevention & Sexual Health Promotion and HIV Peer Support Services are due to end on 31st March 2016, and this has afforded us the opportunity to review the needs of the population against the current financial pressures and propose a new procurement strategy.

1.2 This strategy was originally presented to the procurement board in Islington on 22nd April 2015. Since then, on 4th June 2015, Chancellor George Osborne announced a saving of £200m on “non-NHS” spending. Across England councils could see £200m cut from public health budgets in 2015-16, according to the Department of Health proposal on which it has pledged to consult. The cut will hit spending this year and represents 6.2 per cent of the £2.7bn annual budget devolved to councils from the DH via Public Health England. In Islington is equivalent to a saving of £1.7 million. The savings come despite clear messages from the Department of Health about the importance of prevention in terms of health care delivery.

1.3 This report proposes a procurement strategy for Adult HIV Prevention & Sexual Health Promotion and HIV Peer Support Services, based on a remodelled programme. This will continue to offer high quality services within a reduced financial envelope. It is proposed that services will continue to be commissioned jointly with Camden Council. The revised budget in Islington for the re-modelled programme is £186,5212 per year, which includes a separate budget for sexual health training not included in this re-procurement, compared to the original budget of £261,521 per annum for the services in scope of this proposal. This represents an annual recurrent saving of £75,000 per year.

2. Date the decision is to be taken:
It is proposed that the decision to approve the procurement strategy is taken by the Corporate Director on 30th September 2015
3. **Background**

3.1 The current services were commissioned between Islington, Camden and Westminster Councils. Westminster has given notice on the contract and intends to commission the future service independently from 1st April 2016.

<table>
<thead>
<tr>
<th>Service type</th>
<th>Provider</th>
<th>Annual value</th>
<th>End date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-managed programmes, information sessions and counselling for people living with HIV (Proposed lot 2)</td>
<td>Positively UK</td>
<td>£30,209</td>
<td>31st March 2016</td>
</tr>
<tr>
<td>Counselling, mentoring and coaching for people living with HIV (Proposed lot 2)</td>
<td>Living Well</td>
<td>£28,937</td>
<td>31st March 2016</td>
</tr>
<tr>
<td><strong>Total Value</strong></td>
<td></td>
<td><strong>£261,521</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.2 Sexual health is a priority public health issue, impacting on individuals, families and communities. A Framework for Sexual Health Improvement in England 2013 recognises that sexual health and wellbeing is inequitably distributed across populations. Strong links exist between deprivation and sexually transmitted infections (STIs), with a disproportionate burden borne by MSM, black African communities, women, the homeless and some sex workers. This disproportionate impact can also be observed in relation to HIV infection and other BBV, particularly affecting gay, bisexual men and other MSM and black African communities. Therefore, it is important to have the right support and services in place to promote good sexual health.

3.3 The rate of acute STIs in Islington is significantly higher compared to London and England averages. In a rate of 1,875 acute STIs per 100,000 was diagnosed in Islington; significantly higher rate than both London (1,336.7) and England (803.7). The rate of different STIs varies across the population of Islington depending on gender, age, ethnicity, sexual orientation.

3.4 Across London, higher rates of STIs, such as syphilis and gonorrhoea, and other infectious diseases such as Hepatitis C have been observed in MSM with high risk taking behaviours associated with substance misuse.

3.5 By the end of 2013, an estimated 107,800 people were living with HIV in the United Kingdom, with an estimated quarter of those (24%) undiagnosed and 42% of newly diagnosed adults were diagnosed late. That is, after the point at which treatment should have started. Over 50% of people with HIV in the UK now live in London.

3.6 Camden and Islington Public Health as part of their adult transformation programme have planned a redesign and re-commissioning of the Adult HIV Prevention & Sexual Health Promotion and HIV Peer Support Services.

3.7 The approach proposed some remodelling of services and to procure these services as 2 Lots.
3.8 In Islington the total annual cost of the contracts for the two lots will be £171,521 funded from the Public Health Grant. The procurement would deliver the savings required through Public Health’s Sexual Health Transformation Programme as part of the Medium Term Financial Strategy, as well as supporting delivery of wider public health savings.

3.9 Options appraisal
It is being proposed that the procurement of these services is split into 2 separate Lots. Lots 1 will include the Sexual health prevention and promotion and Lot 2 will include the HIV Peer support service.

3.9 For each of the different components of this service an options appraisal was conducted, this involved a review of all elements of the Sexual health prevention and promotion and HIV Peer support service procurement strategy against three options:

Option 1: Do not re-commission the service in the future
Option 2: Commission the service at the same level as the current contracts
Option 3: Commission the service on a reduced budget

3.10 Options appraisal for Lot 1 – Sexual Health prevention and promotion

The aim of the service is to help people make informed, healthy and responsible choices around their sexual health, as it relates to themselves and their sexual partners. The service will be sex-positive, promoting sexual health and contributing to the early diagnosis of HIV and STIs by increasing knowledge, skills and the capacity of individuals to make healthy choices, through increased access to quality information, advice, behavioural change interventions, assessment, testing and referral in Camden and Islington.

The principal aim of the service is to maintain and develop an innovative, evidence based sexual health promotion service, including targeted outreach testing, that responds to the changing STI, HIV and related BBV trends and needs of local populations with an emphasis on vulnerable adults at increased risk of HIV and STIs including, but not limited to:

- Gay and bisexual men and other MSM
- Black African, black Caribbean and other minority ethnic communities
- Local sex workers
- Homeless people

Related Islington Strategic outcomes are:

- Reduce the rate of STIs
- Reduce proportion of late diagnosed HIV infection
- Increase the proportion of diagnosed HIV infection
- Reduce the proportion of women with unwanted pregnancies
- Reduce repeated terminations

Option 1: Do not re-commission the service
The increase rate of STIs, HIV and BBV trends demonstrate that there remains a great need for prevention services. Withdrawing funding from this area of work would mean a high risk of even greater increase in infections and increased pressure on GUM services.

Option 2: Commission the service at the same level as the current contract
Financial pressures elsewhere in the sexual health services, as well as the general pressure on Public Health funding means that this is not really an option for this service. The budget is large enough to be reduced and still leave a budget that is commercially viable.

Option 3: Commission the services on a reduced budget
A review of the current service highlights that there are elements of the service that can be adapted and reviewed and that some savings could be made without the loss of face to face activity. Retendering this service should in itself bring about a reduction in core management costs as the market remains
competitive. The proposal will include a £15,000 budget for investment into Sexual Health training, although will not be part of this Lot.

3.11 **The preferred option for Lot 1 is option 3.**
This is the preferred option, given the overall financial circumstances. It remains a commercially viable option while being able to meet the core elements of the service on a reduced budget.

3.12 **Options appraisal for Lot 2 – HIV peer support services**

*Option 1: Do not re-commission the service*
*Option 2: Commission the service at the same level as the current contract*
*Option 3: Commission the services on a reduced budget*

The aim of the service is to provide high quality, accessible, flexible and confidential counselling, peer support and peer mentoring services to patients diagnosed with HIV and living in the London boroughs of Camden and Islington, with an emphasis on supporting independence and self-management. The service will need to access patients receiving their HIV treatment within the borough as well as at treatment centres around London.

The objectives of the service are to provide support around a range of areas for newly diagnosed patients or those starting treatment, including Psychological aspects of HIV, including stigma, Maintaining healthy, supportive friendships and family and intimate relationships, Disclosure issues in relationships & friendships, Transmission & safer sex and a number of other related objectives.

**Option 1 – do not re-commission the service**

As HIV becomes classified more as a long term condition there is a question as to the benefit of a service to support his client group. However, in consultation with service users locally and from evidence nationally, this group of individuals still experience stigma and inequality of access of mainstream services. There are issues more specific to HIV – notably, the prevention and infectivity aspect. Longer-term this service may eventually not be required however currently there is a large demand and without the service many will just not seek support or advice and further risk their own health, with poor management and risk the continuing spread of HIV.

**Option 2 – Commission the service at a similar level as the current contract**

The current budget supports 2 third sector organisations. By bringing this funding together and encouraging partnership or consortia bids, it will make the procurement more commercially viable in order to deliver an updated model of service, more closely aligning psycho-social interventions with prevention and more recent trends such as co-infection with hepatitis C, as well reducing the amount of the funding that would be going towards overhead costs.

A significant reduction in budget would potentially risk the new specified offer being commercially not viable and would risk the winning organisation being unable to deliver against the new specification. However, we will include break clauses in the contract so that we can continue to review the model against other options available in the future, such as collaborating with the CCG Expert patient.

On balance, this is the preferred option.

**Option 3 - Commission the services on a reduced budget**

As stated about, a reduction on this budget would affect the ability to deliver the new specified offer being commercially non-viable. There is a potential risk of either no organisations applying or organisations applying but being stretched and unable to deliver against the specification. There would be a risk of waiting times increasing for access, which would run counter to an early offer to people shortly after diagnosis.
3.13 **The preferred option for Lot 2 is option 2.**
This option is preferred as it continues to make the offer commercially viable and attractive to local third sector organisations and remains affordable within the overall budget envelope.

3.14 Together, the preferred options for Lot 1 and Lot 2 represents an overall saving of £75,000 for Islington, which is a reduction of 29% of the budget.

3.15 **Table 1: Summary of proposed budgets**

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Proposed New services for 2016/17</td>
<td></td>
</tr>
<tr>
<td>Lot 1</td>
<td>Core HIV Prevention and Sexual health Promotion service</td>
<td>114,120</td>
</tr>
<tr>
<td>Lot 2</td>
<td>HIV Peer Support Service.</td>
<td>57,400</td>
</tr>
<tr>
<td><strong>Total annual recurrent budget</strong></td>
<td><strong>171,520</strong></td>
<td></td>
</tr>
</tbody>
</table>

3.13 The contract will be for 3 years, plus 1 plus 1, being a total of 5 years with an aggregated total contract value of £570,600 for Lot 1 and £287,000 for Lot 2. (There will also be a separate budget of £15,000 per year for Sexual Health Training, intended to support training in primary care, not included in this re-procurement.)

3.14 **Key Considerations – References to social value and impact on staff**
The strategy will require applicants to adopt the London Living Wage. It is also proposed that we will require organisations to demonstrate added value as part of their submissions. We will assess for Best Value and social benefits which will include the support and training of local volunteers and the support of local third sector organisations, local advertising of vacancies in any recruitment and the possible employment of trainees and apprentices.

Existing service users will be part of the tender assessment panel and have been consulted in the development of the procurement strategy.

TUPE is likely to apply to all these contracts.

3.15 **Evaluation**
The tender will be conducted in one stage, known as the Open Procedure as the tender is 'open' to all organisations who expression their interest in the tender. An Open Procedure will ensure that we can award new contracts to come into force from 1st April 2016. The tender will be evaluated on the basis of a 50/50 Quality/Price split, on the basis of the criteria set out below:

<table>
<thead>
<tr>
<th>Tender award criteria</th>
<th>Weighting (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service User Engagement and Involvement</td>
<td>10%</td>
</tr>
<tr>
<td>Partnership working</td>
<td>5%</td>
</tr>
<tr>
<td>Service model/Implementation/Outcomes</td>
<td>20%</td>
</tr>
<tr>
<td>Innovation and integration of social value</td>
<td>8%</td>
</tr>
<tr>
<td>Workforce development and training</td>
<td>7%</td>
</tr>
</tbody>
</table>

3.16 **Timetable**
The contract will be advertised in the Official Journal of the European Union on 5th October 2015.

The revised provisional timetable will be as follows:
<table>
<thead>
<tr>
<th>Key milestones</th>
<th>Indicative Date (or range)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender documents released</td>
<td>5 October to 11 November 2015</td>
</tr>
<tr>
<td>Tender return</td>
<td>11 November 2015</td>
</tr>
<tr>
<td>Evaluation and clarification completed</td>
<td>12 to 26 November 2015</td>
</tr>
<tr>
<td>Relevant Contract Award Report - Director of Public Health in liaison with the lead member</td>
<td>8 December 2015</td>
</tr>
<tr>
<td>Alcatel (10 day standstill procedure)</td>
<td>22 December</td>
</tr>
<tr>
<td>Contract signature / sealing</td>
<td>22 December</td>
</tr>
<tr>
<td>Transition to the new arrangements</td>
<td>4 January to 31 March 2016</td>
</tr>
<tr>
<td>Contract start date</td>
<td>1 April 2016</td>
</tr>
</tbody>
</table>

3.17 **Business Risks**

The Business risk is that is contracts are not awarded by 1\textsuperscript{st} April 2016, existing contracts will have ended, this will mean the required savings will not be realised as existing contracts are of greater value. Future funding may be at risk and the contract has been constructed to allow for changes of funding, to reduce this risk.

3.18 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 sign the Council's 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. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board.

3.19 **Summary of relevant information:**

<table>
<thead>
<tr>
<th>Relevant information</th>
<th>Information/section in report</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Nature of the service</td>
<td>Adult HIV Prevention &amp; Sexual Health Promotion and HIV Peer Support Services 3.10 &amp; 3.12</td>
</tr>
<tr>
<td>2 Estimated value</td>
<td>Lot 1 = £545,195</td>
</tr>
<tr>
<td></td>
<td>Lot 2 = £289,585</td>
</tr>
<tr>
<td>3 Timetable</td>
<td>3.16</td>
</tr>
<tr>
<td>4 Options appraisal for tender procedure including consideration of collaboration opportunities</td>
<td>3.9-3.14</td>
</tr>
<tr>
<td>5 Consideration of:</td>
<td>3.14</td>
</tr>
</tbody>
</table>
4. **Implications**

4.1 **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 2015/16 is £25.429m however an in-year cut is expected circa £1.7m, with a future reduction in grant also expected.

The current contract value and therefore budget earmarked by Islington for the procurement of Adult HIV Prevention, Sexual Health Promotion and HIV Peer Support Services is £262k p.a. The proposed budget from April 2016 is £187k p.a. (including a separate investment in sexual health training, not included in the 2 lots) this equates to a 29% saving.

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.

4.2 **Legal Implications:**

The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council 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 power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

Corporate Directors have power to award contracts paid for using revenue money of up to £2,000,000 of Islington Council spend council’s Procurement Rule 18.1.2).

The public health services being procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £625,050.00. The value of the proposed contract is above this threshold. It will therefore need to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime. Therefore the council may use its discretion as to how it conducts the procurement process provided that it: discharges its duty to comply with the Treaty principles of equal treatment, non-discrimination and fair competition; conducts the procurement in conformance with the information that it provides in the OJEU advert; and ensures that
the time limits that it imposes on suppliers, such as for responding to adverts is reasonable and proportionate. Following the procurement a contract award notice is required to be published in OJEU. The council’s Procurement Rules require contracts over the value of £172,514.00 to be subject to competitive tender.

In compliance with the requirements of the light touch regime in the Regulations and the council’s Procurement Rules the proposal outlined in the report is to advertise a call for competition in OJEU and procure the service using a competitive tender process.

4.3 Environmental Implications
There are impacted noted on the environmental impact assessment.

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 resident impact assessment has been completed, and the conclusion is that there is no potential for discrimination and all appropriate opportunities to advance equality have been taken.

5. Reasons for the decision: (summary)

5.1 A key decision to agree a procurement strategy for the contracts to provide the Adult HIV Prevention & Sexual Health Promotion and HIV Peer Support Services is required to ensure we meet the procurement deadline to advertise the new opportunity by early October, in order to ensure new contracts are in place by 1st April 2016, to ensure there is no break in service, and that the Council can meet its revenue savings targets.

7. Record of the decision: (to be completed after 5 days on the website and re-sent to Democratic Services)

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 Date

Appendices: None
Background papers: None

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