

# North Tyneside Council Report to Cabinet 10 November 2014

**ITEM 7(g)**  
Title: Integrated Sexual  
Health Services  
Procurement Exercise  
2014/15

**Portfolio(s):** Adult Social Care

**Cabinet Member(s):** Councillor Lesley  
Spillard

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**Report from Service**

**Area:** Public Health

**Responsible Officer:** Marietta Evans Director of Public Health Tel: (0191) 6432880

**Wards affected:** All

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## **PART 1**

### **1.1 Purpose:**

The purpose of the report is to outline the Integrated Sexual Health Services Procurement Exercise 2014/15 which sets out the strategic commissioning intentions of the Authority in relation to Sexual Health Services.

In accordance with Council Standing Order 8(4), this report requests approval to proceed with a procurement exercise as the estimated potential total contract value to be procured will exceed £500,000.

### **1.2 Recommendation(s):**

It is recommended that Cabinet delegate authority to the Director of Public Health, in consultation with the Head of Law and Governance and the Cabinet Member for Adult Social Care and Public Health, to undertake a procurement exercise in respect of, and to appoint and award, a contract for the provision of integrated sexual health services across the borough with an initial contract period of 3 years, with an option to extend for a further 2 years on an annual basis.

### **1.3 Forward Plan:**

28 days notice of this report has been given and it first appeared on the Forward Plan that was published on 2nd October 2014.

### **1.4 Council Plan and Policy Framework:**

This report directly links to the Our North Tyneside Plan in relation to the overarching aim; 'Our people will be supported to live healthier and longer lives' and specifically in relation to the objective; 'Introducing new Health Improvement Services to support people to become more physically active and provide better access to healthy food in order to prevent ill health'.

## 1.5 Information:

### 1.5.1 Background

This procurement exercise is set within the context of the 'Public Health Commissioning and Procurement Programme 2013-2015', which was agreed by Cabinet on 10th June 2013.

As per the Cabinet Report the procurement of the following public health services was programmed over two years in 2013/14 and 2014/15, and each procurement exercise would be undertaken in a phased approach. Specifically the services to be procured in 2013/14 were:

1. Social Prescribing Service;
2. Stop Smoking Service; and
3. Drug and Alcohol Treatment Service

On 10<sup>th</sup> June, 2013 Cabinet agreed to proceed to procurement and the above services have now been subject to a procurement exercise.

The following services are to be procured in 2014/15:

1. Sexual Health Services;
2. CVD Health Checks;
3. Laboratory Services; and
4. School Nursing Services

General agreement to procure these services was approved by Cabinet but specific approval was not given.

Specific approval for procuring Sexual Health Services in 2014/15 is now sought.

Local Authorities are mandated to provide open access sexual health services for residents. The Authority currently commissions sexual health services from six service providers and has contracts to a total value of £2.5M with Northumbria Healthcare NHS Foundation Trust, Newcastle Upon Tyne Hospitals NHS Foundation Trust, Public Health England Laboratory, Newcastle City Council, 29 GP practices and 53 Community Pharmacies. Recent national guidance for commissioning of sexual health services outlines a more local and integrated service than the one currently provided. To develop a more integrated open access sexual health service for the borough the Authority must go through an open procurement process.

As sexual health services are inherently clinical, there is a need for robust governance arrangements. Specific risks are associated with having numerous contracts with different providers, which is the current situation.

The procurement process can produce cost savings and quality improvements. In the current economic climate the Authority is faced with a need to make savings and efficiencies. Strategic procurement is a useful tool to achieve this.

In procuring public health services the Authority is not constrained by the existing service provision arrangements, in terms of the scope or the delivery channels to which they relate, and can reconfigure them in whatever way the Authority believe best meets need.

Once the scope of the services and any associated delivery channels are decided (which follows a process of market testing and stakeholder consultation), the Authority would need to decide how best to approach the market.

Several local authorities in the region are currently undergoing procurement exercises or have recently procured sexual health services. For example, Gateshead Borough Council, Northumberland County Council, Sunderland City Council, and Stockton Borough Council are either going through or have recently gone through a procurement process for sexual health services.

### 1.5.2 Current Provision

Currently, sexual health services are commissioned from Northumbria Healthcare NHS Foundation Trust (NHCFT), Newcastle upon Tyne Hospitals NHS Foundation Trust (NUTHT), Newcastle City Council [MESMAC], Public Health England Laboratories, GPs, and Pharmacies.

NHS England and North Tyneside Clinical Commissioning Group (CCG) also commission sexual health services through the providers listed above. All current providers have been notified of the Authority's intentions.

Current service provisions include:

- Genito-urinary medicine (GUM) services
- Contraception services
- Psychosexual services
- Dual testing
- Chlamydia screening
- HIV diagnosis
- Health promotion

The current arrangement is that contracts for these services are let on an annual basis

### 1.5.3 Procurement Proposals

It is proposed that the contracts for sexual health services will not be renewed for 2015/16 but will be extended for six months when the current year contracts come to an end on 31 March 2015. During the current term of the existing contracts (extended as detailed above) the Authority will undertake an open competitive procurement exercise in 2014/15, with the aim of awarding new contracts around 1st October 2015. The contracts awarded will be for an initial contract period of 3 years with an option to extend for a further 2 years on an annual basis.

The Integrated Sexual Health Services Procurement Exercise 2014/15 aims to re-design and procure fully integrated sexual health services, while meeting identified needs of the local population and the aims of relevant national policy and guidance.

NHS England who is the current commissioner of HIV treatment services will be partners in the procurement exercise as they have agreed to re-procure this service in an integrated way.

The Authority is currently in similar discussions with the North Tyneside CCG with respect to the impact this procurement exercise may have on the future provision of some sexual health services, particularly terminations sterilisations and vasectomies, that the CCG commission from the existing provider.

The intention of this procurement exercise is to:

- further develop integrated sexual health services for residents of the borough;
- explore opportunities for making significant service efficiency/improvement (e.g. service redesign);
- improve current performance against outcomes, particularly health inequalities;

- develop public health capacity and expertise;
- maintain consistency with national and local policy direction; and
- take advantage of opportunities for collaborative commissioning

A draft outline project plan and timetable has been produced. A brief outline of the timetable is set out below:

November 2014 – February 2015	Consultation period
March 2015	Soft Market testing
May 2015	Out to tender
June 2015	Bids received
July 2015	Bids evaluated
31 July 2015	Contract/s signed
1 October 2015	New Service Commence

## 1.6 Decision options:

### Option 1:

Cabinet to not approve the suggested Integrated Sexual Health Services Procurement Exercise 2014/15 set out at 1.2 above and request Officers to look at alternative options.

### Option 2:

Cabinet to approve the suggested Integrated Sexual Health Services Procurement Exercise 2014/15 set out at 1.2 above.

## 1.7 Reasons for recommended option:

Option 2 is recommended in order to provide a model of integrated sexual health services that is based on expressed local need and evidence of effectiveness, also ensuring best value for the Authority.

Doing nothing may result in potential legal challenges for non-compliance of general EU procurement principles of transparency and equal treatment, as the value of the contract as a whole exceeds £500,000 which is well above the current threshold for Part B services under the Public Contracts Regulations 2006.

## 1.8 Appendices:

There are no Appendices to this report

## 1.9 Contact officers:

Wendy Burke, Consultant in Public Health	Tel: (0191) 643 2104
Oonagh Mallon, Interim Public Health Business Manager	Tel: (0191) 643 6434
Alison Campbell, Finance Business Manager	Tel: (0191) 643 7038

## 1.10 Background information:

The following background papers have been used in the compilation of this report and are available at the office of the author:

- (1) North Tyneside Council Procurement Strategy 2013-2015 agreed by Cabinet in June 2013
- (2) National Guidance: 'Making it work: A guide to whole system commissioning for sexual health, reproductive health and HIV' – Public Health England, 2014

## **PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING**

### **2.1 Finance and other resources**

- 2.1.1 Out of the £10.8m ring-fenced grant the Authority has received to fund the transfer of public health responsibilities in 2014/15, £2.5m is currently spent on Sexual Health Services. Procurement decisions will be made within the envelope of the funding available.
- 2.1.2 Procurement is an important tool in the drive for both quality improvement and greater efficiency.
- 2.1.3 Re-procuring Sexual Health Services may have the potential to achieve efficiencies.

### **2.2 Legal**

- 2.2.1 Currently contracts for social and health care related services are Part B services under the Public Contracts Regulations 2006 and as such subject to the EU and UK public procurement requirements.

Such contracts are also likely will fall within the new “light touch regime” services under the new Public Contracts Regulations 2015 as drafted (2015 Regulations) when they come in to force. The procurement process for Part B services (and for contracts within the new “light touch regime” when implemented) are subject to complying with transparency and equal treatment principles. The 2015 Regulations (as currently drafted) require contracting authorities to advertise “light touch regime” contracts with contract value of £625,000 or more in the Official Journal of European Union (OJEU) or to use an enhanced prior information notice (PIN) to call for competition.

- 2.2.2 The Authority also has a duty to secure best value from any procurement that it undertakes. The duty to secure best value applies to all procurements equally, and this is achieved by compliance with the Authority’s Contract Standing Orders.
- 2.2.3 The regulatory requirements applicable to the Public Health services procurement exercise detailed in this report will be undertaken in such a way to take account of the procurement regulations prevailing at the time.

### **2.3 Consultation/community engagement**

#### **2.3.1 Internal Consultation**

Consultation has been undertaken with the Public Health Advisory Board and discussions have also taken place as part of the ‘Creating a brighter future: great place to live and work’ programme.

#### **2.3.2 Community Engagement**

Discussions at contract meetings with providers have taken place since 2013. Letters to current providers have been sent out. Additionally, extensive consultation will take place with stakeholders including service users as outlined in the Integrated Sexual Health Procurement 2014/15 – Communication and Engagement Strategy.

### **2.4 Human rights**

There are no Human Rights implications arising from this report.

## 2.5 Equalities and diversity

Currently there is a difference in the life expectancy between the most deprived and least deprived communities in the borough. The commissioning and delivery of services will aim to focus on closing this gap by ensuring that services target those who are most vulnerable and at highest risk of developing disease.

The procurement of sexual health services will be progressed in accordance with the aims and requirements of the 2010 Equality Act and the Public Sector Equality Duty.

The Tender documentation will require potential providers of sexual health services to confirm that they comply with all legal obligations for those with protected characteristics; an assurance that they are up to date with all relevant in legislation and that they have not been the subject of formal investigation on the grounds of unlawful discrimination.

The Contract will also contain a specific section in relation to equity of access, equality and non discriminatory practice which outlines the obligation on the provider to assure the Council on how it will comply with the requirements of the 2010 Equality Act and Public Sector Equality Duty.

Equality Impact Assessments are integral to the commissioning and procurement process. The Integrated Sexual Health Procurement – Communication and Engagement Strategy contains the commitment to undertake an Equality Impact Assessment at each stage of the consultation process

## 2.6 Risk management

2.6.1 There are specific risks in procuring clinical services. It is anticipated that these risks will be managed through:

- Robust service specifications following national guidance provided by Public Health England in 'Making it work: A guide to whole system commissioning for sexual health, reproductive health and HIV' – 2014
- Clear standards
- A system of reporting for serious untoward incidents
- Adequate clinical governance arrangements

2.6.2 In particular the following risks will require specific attention by senior managers:

- Political issues may arise with the possibility of awarding contract/s to private provider/s.
- Risk of service disruption during the transition period.

2.6.3 In procuring services from new providers there are risks of service disruption during transition. These risks will be managed as part of the project plan.

2.6.4 The risks associated with re-procuring sexual health services will be fully assessed and a detailed delivery plan will be developed to mitigate the risks identified.

2.6.5 Current providers:

- Impact upon relationships with current providers, as they will lose their current contracts.
- TUPE implications where it is decided that services are provided by new providers, either private or public sector.

## 2.7 Crime and disorder

There are no crime and disorder implications arising from this report.

## 2.8 Environment and sustainability

There are no Environment and Sustainability Implications arising from this report.

### PART 3 - SIGN OFF

- Deputy Chief Executive  X
- Head(s) of Service  X
- Mayor/Cabinet Member(s)  X
- Chief Finance Officer  X
- Monitoring Officer  X
- Head of Corporate Strategy  X