

Variation of Integrated Sexual Health Service contract to include funding for an additional 15 months

Date: 8th September 2022

Report of: Head of Public Health

Report to: Director of Public Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Leeds City Council commissions Leeds Community Healthcare NHS Trust (LCH) to deliver the city's Integrated Sexual Health Service (ISHS), which provides contraception, sexually transmitted infection (STI) testing and treatment, and genitourinary medicine. The contract is due to expire on 31st March 2023 with no options to extend, and approval is being sought to modify the contract so that the end date is varied to 30th June 2024. This is to ensure continuity of the mandated service whilst a service model review and subsequent procurement is carried out.

Recommendations

- a) The Director of Public Health is recommended to approve the modification of contracts during their term under Regulation 72 (1) (c) of the Public Contracts Regulations 2015 to vary the existing contract with Leeds Community Healthcare NHS Trust for the Integrated Sexual Health Service, to commence on 1st April 2023 at a cost of £8,254,745 for a period of 15 months.

What is this report about?

- 1 Under the terms of the Health and Social Care Act 2012, local authorities are responsible for the commissioning of:
 - 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, college and pharmacies.
- 2 In 2015 contraception provision, sexually transmitted infection (STI) testing and treatment, and genitourinary medicine was brought together into one, integrated service. It is delivered mainly from the city centre base in the Merrion Centre, along with community clinic sessions in Armley, Beeston Hill, Chapeltown and Burmantofts. There is also an outreach team, working with those who find it hard to access care in the usual way, whether through chaotic lifestyles or not wishing to disclose their sexual behaviour for fear of judgement or outing. This includes sex workers, men who have sex with men, Black African communities, those who are trans or non-binary, and young people. The outreach is largely carried out in partnership with services who are already working with, and are trusted by, these groups.
- 3 The contract is with Leeds Community Healthcare NHS Trust (LCH) and is in place until 31st March 2023. There are no options to extend.
- 4 A review of the service model is underway, to make sure it best meets the changing needs and demand of the population, in order to build on and improve sexual health services for the future. However, it is felt that the time allocated for this review is no longer sufficient, given that the specialist sexual health service and the wider health system are still affected by managing the legacy of the Covid-19 pandemic and subsequent outbreak of Monkeypox.
- 5 Although the main clinic remained open for urgent appointments, delivery was largely adapted to be provided remotely or with some activities suspended. With the frequently changing situation and guidance, in particular for NHS providers, the service is still in a reset and recovery period whereby pre-pandemic arrangements are gradually restored. As such, there has not been the opportunity to reflect on how the different types of demand and ways of working may influence the service design for the new contract. A particular focus of the review will be looking at a whole system approach to patient pathways and will involve engaging with a wide range of stakeholders including primary care to learn from their experiences of the last two years.
- 6 It has been determined that an additional 15 months are required beyond the end of the current contract for the review, procurement exercise and 6-month mobilisation period. A revised timeline for the review and re-commissioning ensures completion before the end of the proposed new end date for the contract.
- 7 Varying the contract would ensure that the council fulfils its requirement to provide a universal sexual health service while the review is undertaken and subsequent outcomes implemented. The contract has been delivered successfully to date, with the Care Quality Commission rating it as Outstanding at its last inspection in 2019. As such, there are no concerns about maintaining the current arrangements.
- 8 The variation will involve modifying the current contract value for an additional £8,254,745 for a period of 15 months from 1st April 2023. Within this amount, the monthly pro rata core contract price has increased by £51,611, because of the increased cost of both staffing and premises. The scope and nature of the service is not impacted by the variation to the contract. Furthermore, the variation will enable the current contract to continue under its existing terms and conditions whilst

the service review and subsequent procurement exercise, subject to procurement regulations, is undertaken and finalised with a successful outcome.

- 9 The variation will amend the total amount of the Integrated Sexual Health Service (ISHS) to £55,861,288 over its lifetime and equates to an increase of 17%, based on the total contract value to date of £47,606,543. The current total contract value includes funding added through previous contract variations to:
- Support the NHS England PrEP (Pre-exposure prophylaxis) trial between 1st June 2019 and 31st November 2020 (£55,228)
 - Meet service budget pressures between 1st July 2020 and 31st March 2023
 - Provide PrEP (Pre-exposure prophylaxis) treatment from 1st October 2020 onwards (£665,915)
- 10 Should this proposed course of action not be approved, the contract will come to an end on 31st March 2023. As there has not been sufficient opportunity to procure a new service, there would no longer be any provision from April 2023 onwards, which would be in breach of the Health and Social Care Act 2012.

What impact will this proposal have?

- 11 The proposal ensures the continued provision of contraceptive services, sexually transmitted infections (STI) testing and treatment, chlamydia screening and HIV testing.
- 12 An Equality, Diversity, Cohesion and Integration screening is attached. There are no issues to be addressed.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 13 This service is part of the city ambition that Leeds be a healthy and caring city for everyone, through investing in an essential health service.
- 14 Furthermore, it will support the Leeds Health and Wellbeing Strategy priority of “A stronger focus on prevention”.
- 15 This provision relates to the ‘prevention’ strand of the ‘Leeds Health and Care Plan’, supporting the development of a more integrated healthy living model in Leeds in order to maximise the health outcomes that can be achieved through sustained behaviour change and healthy living.
- 16 The service operates primarily from a city centre base, which ensures easy access for service users, and encourages the use of public transport. There are also a number of local clinics and a growing online offer, which reduces travel further. This helps to reduce carbon emissions and environmental pollution which contributes to city actions to better manage air quality.
- 17 The preventative nature of this initiative aims to improve health and well-being and thus reduce hospital admissions, which helps ensure we better manage our use of resource intensive (and high footprint) health and care services.
- 18 The service specification requires that the service meets all legislation, guidance and good industry practice in environmental management and the objectives of the Council’s sustainability policies. Officers from Adults and Health work with LCH through the established contract management process to ensure the service is proactively seeking to minimise its carbon footprint and thereby support the Council in achieving its ambition to be carbon neutral by 2030.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted? Yes No

- 19 Public Health Programme Board was consulted on 5th May 2022 and was in agreement with the proposal.
- 20 The Executive Member for Public Health and Healthy Lifestyles was consulted on the proposal on 9th May 2022, and was supportive.
- 21 The provider has been consulted and confirmed that they are willing to deliver for the proposed extended period. Given an increase in costs since the contract was put in place, the price has been subject to negotiation between LCC and the provider.
- 22 Procurement and Commercial Services have been consulted and confirmed that this approach is permissible under the Public Contracts Regulations 2015.
- 23 This request does not involve a change to current service provision and therefore has not involved specific consultation on this proposal with service users. However, service users and a range of stakeholders will be engaged as part of the review of the service model.

What are the resource implications?

- 24 Funding for this additional provision is available through the Public Health Grant, including a specific allocation for the provision of Pre-exposure prophylaxis (PrEP).
- 25 The funding breakdown is:

	2023/24	2024/25	Total
Core contract	£6,453,397	£1,469,079	£7,922,476
PrEP	£265,815	£66,454	£332,269
Total	£6,719,212	£1,535,533	£8,254,745

- 26 The PrEP funding is contingent on a continuing allocation through the Public Health Grant by the Department for Health and Social Care. Should this be discontinued, the contract value will revert to the price of the core contract, as laid out in the terms of the variation approved on 19th January 2022 (D54909).

What are the key risks and how are they being managed?

- 27 Appropriate governance arrangements will be put in place to identify and mitigate a range of risks associated with the review, including regular project team meetings and feedback to Public Health Programme Board. There will also be a Risk Register, which will be reviewed regularly by the Project Team.
- 28 The decision would enable continuity of provision whilst the review is completed, after which the service will be re-modelled and re-procured to achieve best value. The contract will continue to be performance and quality managed by officers in Adults and Health during this period.
- 29 In addition, the service is subject to inspection by the Care Quality Commission. At the last inspection, in May 2019, the service was rated Outstanding.

What are the legal implications?

- 30 This is a Key Decision and will be subject to call-in. It was published on the List of Forthcoming Key Decisions on 20th April 2022.
- 31 There are no grounds for treating the contents of this report as confidential within the Council's Access to Information Rules.
- 32 When contracts are varied on reliance on Regulation 72(1)(c), it is a requirement to submit a modification notice to Find a Tender (FTS) to alert the market that a modification to the contract has taken place (or is to take place). Once the notice is published on FTS it will start time running for bringing a claim for a breach of the PCR, which must be brought within 30 days of the date that an aggrieved party knew, or ought to have known, that a breach had occurred. The service will ensure a modification notice to that effect will be published.
- 33 The Council will wait a minimum of 30 days from publication of the modification notice before entering into the variation. This gives any other market participants the opportunity to raise any queries or concerns in relation to the variation and reduces the chances of a successful challenge to this decision once the 30 day period has ended.
- 34 The figures set out at paragraph 9 of this report show the value of the initial contract, and the proposed increase due to the request to vary the contract, and is within the realms of the regulation.
- 35 The variation is requested under the provision of Regulation 72 (1c) of the Public Contracts Regulations 2015, which states that modifications can be made where all of the following conditions are fulfilled:
- (i) the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
 - (ii) the modification does not alter the overall nature of the contract;
 - (iii) any increase in price does not exceed 50% of the value of the original contract or framework agreement.
- 36 It is considered that these conditions are met because:
- The original intention was that the review of the service model and re-procurement be completed by the end of the current contract period. However, this has not been possible because of the ongoing service disruption caused by the pandemic and subsequent outbreak of Monkeypox. The combination of these events means that the service has still not been able to implement its "reset and recovery" process, as a result of ongoing clinical restrictions (social distancing, isolation rooms etc.), reduced staffing (through sickness, diversion to activities beyond the scope of the core delivery such as testing, vaccinating and attending additional meetings) and decreased service capacity (for example additional screening time, repurposing of appointment slots). This has prevented commissioners from assessing the implications for the new model. Furthermore, commissioners have had, and continue to have, reduced capacity to undertake the review because of the need to work on the city's response to Monkeypox.
 - The change is only to the contract period, and does not affect the terms and conditions of the service.
 - The value of the additional period is 17% of the original contract value.
- 37 There is no overriding legal obstacle preventing the variation of this contract under Regulation 72 of the Public Contracts Regulations 2015. The percentage uplift of 17% is within the range permitted under the Regulations. In making the final decision, the Director of Public Health should be satisfied that the course of action chosen, as to varying the contract, is the best course of action for the Council and should be satisfied that in doing so it represents best value for the Council.

Options, timescales and measuring success

What other options were considered?

38 The contract could be allowed to lapse when it comes to an end on 31st March 2023. However, as there has not been sufficient opportunity to procure a new service, there would no longer be any provision from April 2023 onwards, which would be in breach of the Health and Social Care Act 2012.

How will success be measured?

39 The service will continue to be contract managed by officers in Adults and Health Directorate. Robust contract management processes allow for the on-going monitoring of quality and performance.

What is the timetable and who will be responsible for implementation?

40 The contract variation will take effect on 1st April 2023.

Appendices

- Equality Diversity Cohesion Integration Impact Screening

Background papers

None.