Cabinet Wednesday, 24 July 2024	
Report of: Somen Banerjee, Interim Corporate Director, Health and Social Care	**Classification:** Open (Unrestricted)
Arrangements for provision of integrated sexual and reproductive health services post 2025.	

Lead Member	Councillor Gulam Kibria Choudhury, Cabinet Member for Health, Wellbeing and Social Care
Originating Officer(s)	Liam Crosby, Associate Director for Public Health – Healthy Adults Sukhjit Sanghera, Public Health Programme Lead for Healthy Young Adults
Wards affected	All Wards
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	04/06/2024
Exempt information	N/A
Strategic Plan Priority / Outcome	5: Invest in Public Services.

Executive summary

Tower Hamlets has high levels of need around sexual and reproductive health (SRH), and this causes health inequalities particularly for BAME, young residents and LGBT communities. Changes to our population and to sexual behaviours are meaning that need for sexual and reproductive health among our residents – such as rates of Sexually Transmitted Infections (STIs), and demand for contraception – is increasing.

It is a legal requirement upon LBTH to provide comprehensive, open access sexual health services for contraception and testing and treatment of sexually transmitted infections. LBTH are legally liable to be charged by any services that our residents choose to access – across London or beyond.

In order to meet our residents' sexual and reproductive health need and to address this financial liability, we commission a range of open access integrated SRH services for preventing STIs and HIV and providing contraception. LBTH participates in North-East London collaborative commissioning of our local in-clinic SRH service "All East". This joint contract enables cost efficiencies and allows us contract control over nearby sites (such as in Stratford) that many residents use. We also participate in London-wide collaborative commissioning of our online e-service, which provides simple STI testing at a much-reduced cost compared to in-clinic (while maintaining high levels of resident satisfaction).

System transformation in recent years (particularly the introduction of the e-service which provides STI testing at much-reduced cost, and a London-wide integrated Tariff for in-clinic services) has reduced LBTH's annual spend on SRH from £8.9m to £6.5m over the last decade, despite the fastest population growth in the country (including young, sexually active population) and substantial increases in SRH need. These collaborative arrangements have successfully maintained access to high quality integrated SRH services across London for Tower Hamlets' residents, while containing costs during a period of population growth and increases in SRH need.

Our in-clinic services are provided by local NHS providers and there is very limited competitive market for these services. They are very complex services, embedded into secondary care and requiring substantial clinical governance / adherence, and pathways with a wide range other clinical services (Pathology and lab services, HIV, TOPS, Maternity, Obstetrics and Gyneacology, etc) and with other SRH services. This complexity and requirements for clinical adherence means procurement and mobilisation of any new service is extremely costly to both providers and commissioners. For these reasons, relatively long contracts have been in place and are recommended going forward. The contract will have a performance element to enable strong contract management and continued high quality delivery throughout the life of the contract.

Firstly, Cabinet is requested to grant permission to commission in-clinic integrated Sexual and Reproductive Health services ("All East") collaboratively with other North East London boroughs, and to enter into collaborative arrangements and joint contracts to ensure the continued provision of high value, cost-effective in-clinic services to our residents. Secondly, Cabinet is requested to grant permission for

continued involvement in pan-London commissioning arrangements of the online London sexual health and contraceptive e-service ("SHL.UK"), which is an integral part of the London SRH service system.

Recommendations:

Regarding our in-clinic integrated sexual and reproductive health services, the Mayor in Cabinet is recommended to:

1. Agree to enter into a collaborative commissioning process together with Newham, Waltham Forest and Redbridge to secure a joint contract, with participating boroughs as named parties, for the provision of clinical Integrated sexual and reproductive health (SRH) services; with the details of the contract to be based on agreements with the collaborating boroughs and as set out in paragraphs 3.27-3.37: a 5-year contract with the option to extend for a further 3 terms of one year each, with an estimated maximum total contract value for Tower Hamlets of £30,988,015. This would be funded from the public health grant.

2. Authorise the Director of Public Health to enter into a contract with the selected provider following the joint procurement set out in recommendation 1, and to make relevant amendments to baselines or tariffs, following consultation with the Mayor, Lead Member for Health, Wellbeing and Social Care, Head of the Legal Services, and Chief Financial Officer.

3. Authorise the Director of Public Health to enter Tower Hamlets as a named third party into contracts with SRH services elsewhere in London, in order to enable cross-charging using the advantageous London Integrated Sexual Health Tarriff where our residents use those services.

Regarding the online London sexual health e-service SHL.UK, the Mayor in Cabinet is recommended to:

4. Approve the continued intention to commission the London sexual health and contraceptive e-service, SHL.UK from 2026.

5. Agree for the London Borough of Tower Hamlets to be named as a Related Authority when the service is reprocured by the Lead Authority, City of London Corporation, in 2025.

6. Approve the LB Tower Hamlets's participation in the procurement of a new contract for the provision of the London sexual health and contraception e-service, as set out in paragraphs 3.48-3.55. The contract will be for an initial period of 5 years from 2026/27 to 2031/32, with the option for extension by two further periods of two years each. The Council's proportion of the total contract spend over the nine years will be based on activity levels, which are estimated to be in the range of £1.1m to £1.4m per annum, or a combined total of £11m over 9 years.

7. Authorise the Director of Public Health to sign the Inter-authority agreement (IAA) with City of London Corporation, and after the procurement exercise to enter into a contract with the service supplier for provision of services for residents of the London Borough of Tower Hamlets, following consultation with the Mayor, Lead Member for Health, Wellbeing and Social Care, Head of the Legal Services, and Chief Financial Officer.

1 REASONS FOR THE DECISIONS

1.1. Sexual and reproductive health is a public health priority in Tower Hamlets, as across London. Tower Hamlets has high levels of need for sexual and reproductive health services, due to the make-up of our population. In Tower Hamlets, as elsewhere across London and England, there has been increases in sexual and reproductive (SRH) health need, such as rates of STIs or demand for contraception. The demand on sexual health services across London continues to rise, with a significant rise in complex cases and in syphilis and gonorrhoea diagnosis.

1.2. The council has a legal requirement to provide comprehensive, open access sexual health services for contraception and testing and treatment of sexually transmitted infections. Tower Hamlets residents are able to access any specialist clinic in the UK, and the council are liable to be charged for the activity. Given the increase in demand which has been seen, without concomitant increase in funding via the Public Health Grant, commissioners in Tower Hamlets have since 2015 implemented an approach that has averted substantial unsustainable cost increases.

1.3. Collaborative commissioning arrangements, strengthened over the past decade, have addressed enabled substantial savings through jointly agreed tariffs and re-charging mechanisms, as well as innovative introduction of online “e-service” to deliver low-risk, low-complexity activity (such as STI testing and results management) in a more cost effective way. As a result, LBTH’s spend on SRH as decreased from £8.9m to £6.5m over the last decade, despite substantial population growth and increases in SRH need. Our current arrangements have demonstrably reduced costs, enable access, and ensure stability of the SRH system, at a time of substantial increases to need for these services.

1.4. Through these collaborative commissioning arrangements we provide services to Tower Hamlets residents (a) by our local integrated sexual and reproductive health service, which we commission jointly with Newham, Waltham Forest and Redbridge; (b) by other London Providers, of which we are named as ‘third party’ in order to allow for cross-charging; (c) via the pan-London online e-service.

For in-clinic integrated SRH services:

1.5. A collaborative approach (together with other NEL boroughs) to commissioning our local in-clinic integrated SRH service “All East” enables us to have direct commissioning control over the local services where large amounts of our residents’ activity take place (both in Tower Hamlets at Whitechapel and Mile End, and in other boroughs such as in Stratford (Newham) and Waltham Forest). It brings wider benefits such as contract control, joint learning, and efficiencies of scale.

1.6. These collaborative commissioning arrangements have also successfully enabled us to increase priority types of activity – such as targeting particular ‘at risk’ groups (such as BAME men and women), or priority interventions (such as long-acting reversible contraception (LARC), or pre-exposure prophylaxis for HIV prevention (PrEP).

1.7. As commissioners we are determined to ensure value for money and to avoid provider complacency. There are several reasons why these services require relatively long contracts. Firstly, the services are provided by local NHS providers and there is very limited competitive market for these services (in the 2017 tender, there was only one bidder, Barts Health NHS Trust). Secondly, these are complex specialist healthcare services, embedded into secondary care and requiring substantial clinical governance / adherence, and pathways with a wide range other clinical services (Pathology and lab services, HIV, TOPS, Maternity, Obstetrics and Gyneacology, etc). This complexity and requirements for clinical adherence means procurement and mobilisation of any new service is extremely costly to both providers and commissioners. Thirdly, there are known risks to shorter contracts not being able to recruit and retain specialist staff (medical doctors, laboratory specialists etc). For these reasons, relatively long contracts have been in place and are recommended going forward. The contract will have a performance element to enable continued strong contract management and continued high quality delivery throughout the life of the contract.

1.8. In order to control costs and influence the activity delivered for Tower Hamlets residents at other London providers, Tower Hamlets is routinely named as a third party on other services’ contracts. This means that we can be cross-charged on the improved terms of the London tariff (rather than the more expensive national tariff), and that we can set ‘baselines’ – i.e. levels of activity that we will pay for above which reduced rates are applied – and exert financial controls. At present approximately 50% of all specialist integrated SRH provision takes place outside of our local provider, making these third party arrangements particularly important for controlling costs.

For the online London sexual health e-service SHL.UK:

1.9. The online London sexual health e-service “SHL.UK” was introduced in order to provide a cost-effective approach to ‘simple’ sexual health services: STI testing and results, some simple treatment. Since the pandemic, health-seeking behaviours around SRH have changed substantially, with many residents keen to access services online.

1.10. It is estimated that the existence of the e-service saves approximately £1.6m-£2.4m to the Council, compared to if the same Activity (STI testing) took place in in-clinic services. Test positivity in the e-service remains at a level that indicates that appropriate activity is taking place there, rather than creating unnecessary demand. The e-services therefore addresses appropriate 'simple' activity in a highly cost-effective way, while enabling in-clinic services to address more complex SRH need.

1.11. Since 2017, the e-service has achieved strong service user satisfaction (98% of users rate the service highly), reduced the average cost per unit of STI testing and treatment, and has integrated well with in-clinic services.

2 ALTERNATIVE OPTIONS

2.1 Rather than agreeing to continued collaboration with other London commissioners (recommendations 1 and 2), LBTH could seek to commission these services alone without collaboration. This would result in lack of control over the large amounts of activity that happens in neighbouring boroughs' clinics (at present, over 25% of TH residents' activity within our local Service takes place in Stratford's Sir Ludwig Guttman centre). This option is not appropriate due to: increased fragmentation across the system, substantial negative implications for cost containment, negative implications for service quality, patient experience and access, and high risk that no suitable provider would be available for the reduced size of contract.

2.2 Rather than continue to be named as third parties (recommendation 3) on other clinics' contracts elsewhere in London, we could revert to uncontrolled re-charging based on the national tariff. The national tariff is substantially more expensive than the London tariff. Furthermore we would not be able to set baselines and exert financial control on the activity for our residents at other London providers. This option would not bring any benefits to the Council or to our residents.

2.3 Cabinet could reserve the authorisation of the final contract award rather than delegate this to the Director of Public Health (recommendation 2). However as this is a joint procurement, this would be out of line with the approach taken by other Boroughs, and would pose risks to the joint procurement. Cabinet could choose not to delegate authority to name LBTH as a third party on contracts but this is a straightforward administrative action that is integral to the wider approach.

2.4 Cabinet could choose to opt for a different length or nature of contract or service, but this would require us to not collaborate with other London commissioners, thus incurring the disbenefits set out in paragraph 2.1 and 2.2. Alternative options around the length and nature of the contract have been explored and discussed with the Lead Member and Mayor (as well as with collaborating boroughs), and the preferred options are presented in this paper. See also paragraph 3.32 for the rationale for the recommended contract length.

3 DETAILS OF THE REPORT

SEXUAL AND REPRODUCTIVE HEALTH NEED IN TOWER HAMLETS

3.1 Tower Hamlets experiences high level of need for sexual and reproductive health (SRH). Rates of diagnosis of new sexually transmitted infections (STI) continue to be higher than London and England. Tower Hamlets has the 6th highest rate of new STI diagnosis across London. Since the pandemic we have seen an increased rate of STI infections - particularly of gonorrhoea and syphilis - following a similar trend across London. While rates of new diagnosis of HIV have fallen over the past years, an increasing proportion of new diagnoses are 'Late Diagnosis': such cases suffer much greater health harm, and increased risk of transmission.

3.2 Several factors mean Tower Hamlets' population has high and growing need around sexual and reproductive health. The size of our young and sexually active population has grown substantially. We have large and growing populations in key 'at risk' groups (the groups with highest rates of STIs including young people, minority ethnic groups, and Gay and Bisexual Men who have Sex with Men (GBMSM); the groups with highest need for reproductive health include young women). Across London we have seen an increase in the proportion of people that identify as lesbian or gay from 1.9% 2014 to 3.3% in 2021. The 2021 census data showed that in Tower Hamlets 18,000 people identified as lesbian or gay, which was much higher than the London and England average.

3.3 Providing high quality, effective and integrated sexual and reproductive health services is an important way to address the above health need. Given the unequal distribution of need among our population, these services are essential to reduce health inequalities, such as the increased rates of STIs among BAME, young people and GBMSM.

3.4 Responsibility to provide open access integrated sexual health services that meet the sexual and reproductive health needs of residents falls to Local Authorities, funded through the Public Health Grant.

BENEFITS OF SERVICES AND ACHIEVEMENTS MADE TO SERVICES IN RECENT YEARS

In-clinic integrated SRH services:

3.5 Our joint contract with our local provider has enabled collaboration with other commissioners across North East London, and joint management of our local services. This has resulted in a number of significant benefits, such as the integration of the online e-service via pathways to ensure appropriate channel shift; innovative service developments such as the delivery of PrEP which has contributed to substantial reductions in HIV new diagnoses, and strong recovery of high priority activity types since the pandemic.

3.6 In 2022-23 the in-clinic integrated sexual health service had 36,190 consultations with Tower Hamlets residents and 33% of these were for residents that were accessing the service for the first time.

3.7 Since the contract was let in 2017 there have been significant changes within the service and across the sexual and reproductive health system:

a) The roll out of Pre-exposure prophylaxis; PrEP (medication to reduce the risk of HIV).
b) A shift towards peripatetic clinics delivering sexual health services in convenient settings such as maternity, abortions and mental health inpatient services to optimise service access.
c) Introduction of, and shift of a great proportion of activity, to the on-line E-service. Commissioners expanded the e-service to initially cover STI testing but now includes simple STI treatment. This allows in-clinic services to respond to more complex patient needs and to deliver more services like PrEP and LARC.
d) Improved clinic access via online booking systems, expanded call centres Improvements and redesign of the service website.
e) Set up of dedicated clinics for high-risk and vulnerable residents with issues linked to drug use and sex.
f) In 2024 collaboration with Homerton University Trust to set up a specific clinic for Trans and non-binary residents, focusing on STI and contraceptive needs with consideration of wider psycho-sexual issues.

3.8 Our payment mechanism has changed since the contact was let. The current contract was initially funded on a price per activity basis, using the London-wide Tariff. During the pandemic, in line with all London providers this was changed to block contract to mitigate severe risks to London-wide provision. Subsequently in 2022 we introduced a revised 'modified block with incentives' payment model, under which 80% of the contract is on block, and the 20% remaining is used to incentivise activity among high-risk residents and focusing on high impact interventions.

3.9 Our joint contract, joint contract management and payment mechanism has led to substantial improvements including:

3.1.9 LARC activity increased by 40% between 2017 and 2022.
3.2.9 55% increase in overall PrEP uptake between 2021-22 and 2022-23.
3.3.9 Implementation of online booking system across all NEL London Providers.
3.4.9 Modernised and fully updated All East website.
3.5.9 Chlamydia detection rate among young people (15-25) across NEL is 25% higher than London average (2021).
3.6.9 HIV testing coverage for eligible NEL residents 9% higher than London average (2021).

Online London sexual health service and wider SRH system:

3.10 Today there are 31 Authorities working together via the London Sexual Health programme (LSHP), to commission open access sexual health clinics. Of these, 30 Authorities work together to commission the London sexual health and contraception e-service, SHL.UK.

3.11 The unified online service has successfully moved activity online away from central London clinics (where activity is more expensive). It has strong brand awareness, marketing and promotion. It provides economies of scale on prices & volume as well as a centralised and efficient contract management (risk, audit & GDPR).

3.12 Under the current MoU signed by participating London Authorities, the City of London Corporation continues to host the LSHP programme team, responsible for the following workstreams:

- SHL.UK contract management and Local Authority billing
- System leadership and governance
- Development and maintenance of the integrated sexual health tariff for (ISHT)
- Oversight of cross charging for when residents access an out of borough sexual health clinic.

3.13 This has enabled millions of pounds of savings to LBTH, while maintaining quality services. In 2013-14, the cost of sexual and reproductive health services for Tower Hamlets residents was £8.9m. By 2022-23 this had fallen to £6.5m, despite substantial increases in the size of at-risk populations and to rates of STIs.

3.14 This has been achieved through:

a) The commissioning of an online STI self-testing (E-Service) as an alternative to in clinic testing, and cheaper delivery platform for basic STI testing. This service is rated positively by 98% of service users.
b) development of a London Integrated Sexual Health Tariff (LISHT) which applies robustly costed tariff prices for a range of clinical sexual and reproductive health interventions and pathways;
c) Pan-London commissioning approach, enabling LBTH to be listed as a ‘third party’ on all other London contracts, meaning our residents can be re-charged via the above Tariff; and containing costs through application of baselines and marginal rates.

RE-COMMISSIONING OF IN-CLINIC SEXUAL AND REPRODUCTIVE HEALTH E-SERVICE

3.15 LBTH are part of commissioning arrangements for specialist in-clinic integrated SRH services through two routes, in addition to the online e-service (covered below, from paragraph 3.41)

3.16 Firstly, local in-clinic integrate SRH service (All East). For residents who attend local specialist services in Tower Hamlets and neighbouring boroughs, LBTH is a joint signatory to a joint contract with Newham, Waltham Forest and Redbridge. A Shared Service, hosted by LB Newham on behalf of all NEL boroughs, led the procurement exercise in 2016-17 and leads on contract management on behalf of the other NEL boroughs, overseen by an Oversight Group, of which all NEL Directors of Public Health are members. Barts Health NHS Trust is the current provider of the All East service. The contract was let in December 2017, for 5+1+1+1 years. The final end date of this contract is on 30th November 2025.

3.17 Secondly, provision of access to integrated SRH services elsewhere in London and beyond. LBTH is named as a third party on all other contracts for specialist clinics across London. This means that for TH residents who access services elsewhere in London, we are charged by the provider via the London Integrated Sexual Health Tariff (LISHT).

3.18 Across North East London commissioners and providers have developed a Sexual and Reproductive Health strategy, via extensive consultation with professionals and over 525 residents. The agreed strategic direction is to maintain our current sexual and reproductive health service landscape (as set out in paragraphs 3.5-3.14) while continuing to deliver ongoing improvements using levers including the collaboration and our incentive payments within the modified block contract.

3.19 To inform decisions about re-commissioning, we have undertaken:

a) a review of existing service data, looking at changes of utilisation over time, performance against KPIs, service outcomes, patient satisfaction, and patterns of activity.
b) a needs assessment of measures of population health need and inequalities.
c) an estates review and Time Travel Analysis.

3.20 Time travel analysis has shown that the sites of the current integrated SRH service at the Ambrose King Centre in Whitechapel and the satellite at Mile End Hospital, complemented by the Sir Gudman Ludwig Guttman Centre in Stratford (which is part of the same contract) provide good access to the residential locations of residents, and are located optimally given areas of high need.

3.21 Estates review has also found that there are limited alternative options for locations that are as well-connected as our existing sites in Whitechapel and Mile End. The Ambrose King Centre's status as a sexual health clinic is supported by a policy within the Tower Hamlets Local Plan, affording the site some protection from increased rents and/or alternative uses.

3.22 Finding of the needs assessment demonstrate the need for continued provision of this service. It has identified some areas of need for system improvement going forward, which we will seek to address under the current and future contract.

a) The highest burden of STI infections in Tower Hamlets is in GBMSM groups: we see a significant increase in gonorrhoea and syphilis in this group which indicates that we need to improve control measures through better partner notification systems in ISHS and actively promote regular testing to reduce reinfections and other prevention activities in this group.
b) Targeting black and mixed ethnicity particularly those that identify as heterosexual as this group has a high rate of STIs but a low level STI testing compared to other groups.
c) Increase level of awareness of HIV and testing to respond to (small increase) in cases of late diagnosis in heterosexual groups by increase the level of HIV testing in the ISHS.
d) Better recording of demographic data to ensure equity access to PrEP in all high-risk groups (Including Black women).

3.23 A detailed service-level review is to be completed by July 2024 of our existing practice against best practice guidance (based on a desktop review alongside in-depth interviews with clinicians and service managers). This will inform the service specification.

Engagement with residents and stakeholders

3.24 Service patient satisfaction information shows a high level of satisfaction across the in-clinic service, with all areas reporting over 93% satisfaction 22-23.

3.25 The current model was developed following engagement with over 5,000 residents across north east London (NEL). Furthermore, more recent engagement and 'Mystery Shopping' work undertaken by NEL commissioners in collaboration with providers indicated that the quality of the service was almost universally high across clinic settings.

3.26 Service user feedback gathered via a NEL-wide survey in 2022, and a mystery shopping exercise shows that participants highly rated the ISHR service. Feedback from these includes that clinic staff are excellent; simple booking processes; appointments available; choice of available appointments; short waiting time to be seen (same day / 48 hours); short waits for telephones to be answered; appointments are easy to cancel / rearrange; and people feel safe in the clinic environment.

Commissioning intentions for in-clinic integrated SRH service

3.27 The following commissioning intentions set out the nature of the service that will be commissioned after the current contract ends.

3.28 **Service locations:** The current service locations, including our centre of excellence based at the Ambrose King Centre in Whitechapel, and satellite location at Mile End hospital, as well as other locations in Newham and Waltham Forest, will be maintained, for the reasons set out in 3.23-3.24.

3.29 **Jointly-held contract**: Tower Hamlets, Waltham Forest, Newham, and Redbridge will continue to hold a joint contract with a single Integrated Sexual and Reproductive Health Service provider.

3.30 The procurement exercise will be led by LB Newham, but with each individual Borough entering into the joint contract. Other boroughs will provide similar authorisation to enter into a joint contract.

3.31 The collaborative arrangement allows for cost containment and contract control across sites in other boroughs that our residents use, improves patient access, ensures a coherent system, reduced the risk of fragmentation (multiple providers) and aligning the aims of multiple commissioners. Other benefits include greater efficiencies in contract management with our provider. LB Newham acts as the lead commissioner on behalf of the other sub regions and the lead for NEL representing at London level to support commissioning sexual health services efficiently.

3.32 **Contract length:** The intended contract length is for five years, with three extensions of 12 months each to be available within the contract. Given very limited competitive market for these services, there is limited benefit to shorter contracts. This contract length would also provide some protection against inflationary cost pressures: as new procurements are an opportunity for providers to review internal costs, with an associated risk of requests to increase budgets. Enabling more sustainable, longer-term services delivers us good value for money. These are very complex services, requiring clinical governance and complex pathways with other clinical services, which require a long contract in order be established appropriately. As contracting these services therefore incurs substantial costs to both the Council and providers, minimising the frequency of costly re-procurements enables best value for money.

3.33 Contract lengths of 5+3 years have been the norm in this market for many years. Risks associated with shorter contracts are:

a) Reduced ability of providers to offer permanent contracts to staff – and hence less scope to recruit and retain high quality staff. This is particularly relevant in the current climate, where the NHS as a whole is facing widespread problems related to training and retention of clinicians.
b) Likelihood of no interest from the market due to greater uncertainty attached to shorter contract terms. Increased risk of a failed procurement.
c) Deterioration of clinical pathways to and from other essential services.

3.34 **Contract value:** The annual contract value is based on the activity baselines within the current contract. The current contract (if 100% of the performance-related elements were paid) is £2,900,450 in 2023-24. Applying two years' of increases for population growth (2%) and Agenda for Change staff costs increases (2.5%) gives an estimated first-year 2025-26 contract value of £3,303,652. Throughout the contract, we forecast annual 2% growth to account for the increasing size in our population, and 2.5% inflationary increases (covering NHS salary costs and tariffs) giving the maximum total

contract value of the life of the 8 year contract to be an estimated £30,988,015. Any variations to baselines or tariffs that would affect this Contract Value will be agreed by the DPH Oversight Group for North East London, and approved for Tower Hamlets by the DPH in consultation with the Head of Finance.

3.35 **Payment mechanism:** The contracts will be structured as 'modified block with incentive payments' model. 80% of the contract value will be paid on block, based on baseline estimates based on previous years' activity plus an uplift for growth based on the substantial population growth expected over the coming years. A proportion will be paid based on performance. This payment model gives the best balance of stability for provider (especially given very tight financial viability of these services) while minimising risk for the Council of Commissioner. Commissioners can use annual reviews of KPIs to amend the 'incentive payments' and therefore focus provision on the most important types of activity for addressing health need and reducing inequalities, including long-acting contraception, HIV prophylaxis (PrEP), and recall / partner notification to prevent onward transmission of STIs.

3.36 **Scope of new service.** The new service will provide specialist, integrated sexual and reproductive health provision, including provision of the following:

1. Genito-Urinary Medicine (GUM): prevention, testing and treatment for all forms of sexually transmitted infections (STIs) and HIV (including provision of pre- and post-exposure prophyaxis for HIV (PrEP and PEPSE).
2. Contraception: All methods of contraception, with an emphasis on the most effective 'LARC' methods.
3. Testing and treatment for Hepatitis B and C and immunisation for Hepatitis B.
4. Psycho-sexual support comprising individual and group-based counselling.
5. Additional Optional Work Packages for:
    a) System leadership in primary care
    b) Targeted research and interventions for high risk and/or vulnerable groups.
    c) Community-based outreach for prevention and screening of STIs.
    d) Specialist SRH for children and young people.
    e) Testing kits for use in the community by other providers in the wider SRH community.

3.37 The detailed service specification will be finalised by August 2024 after the analysis of: a detailed service-level review of existing practices against best practice guidance (based on a desktop review alongside in-depth interviews with clinicians and service managers), and benchmarking against other high-performing services known to commissioners.

<u>Procurement of the new contract for in-clinic services</u>

3.38 Procurement regulations for health and care services changed significantly in January 2024 with the introduction of the NHS 'Provider Selection Regime'

(PSR). Sexual and Reproductive Health services fall within the scope of the PSR. The PSR must therefore be followed in order to contract these services.

3.39 The PSR affords the commissioning Authority different options around contract award – including three different routes to Direct Award, a Most Suitable Provider option, or Competitive award process.

3.40 The procurement will be led by LB Newham, as hosts of the Shared Service, on the behalf of itself and the other participating Councils. The contract will be awarded using the most advantageous method available under PSR.

3.41 Commissioners, legal and procurement colleagues from all INEL authorities will collaboratively agree the most appropriate procurement route. This decision will be informed by the results of a 'Prior Information Notice' (PIN) to assess interest and capability within the market.

3.42 Social Value considerations including around local employment (work placements, apprenticeships and support for local schools/colleges), support for local businesses through the supply chain, environmental impacts and wider community benefits will form part of the Procurement contracting process.

RECOMMISSIONING AND PROCUREMENT OF ONLINE LONDON SEXUAL HEALTH E-SERVICE SHL.UK

3.43 The London sexual health and contraception e-service, SHL.UK, was launched in 2018 'to manage and deliver an efficient virtual service as part of a wider healthcare system that responds effectively to the sexual and reproductive health needs of London's residents'.

3.44 SHL.UK is a remote contraception and sexually transmitted infections (STIs), HIV and blood borne viruses (BBV) testing and results management service, for sexually active individuals aged 16 years and older, residing in the commissioning boroughs.

3.45 The service contract was awarded on 15 August 2017, for a minimum 5-year term with options to extend by a maximum of 4 years to August 2026. The contract is currently its eighth year and discussions across London partners around using the 12-month allowable contract extension are already underway.

3.46 The COVID-19 pandemic and subsequent Mpox outbreak resulted in a notable shift in people's service seeking behaviours, with many seeking STI testing and contraception services online. SHL.UK has evolved and adapted to new needs, adverse events and requirements with agility and has embedded resilience into London's sexual health system.

3.47 City of London Corporation has agreed in principle, as Lead Authority, to procure the service on the behalf of all participating London Boroughs; to

award and manage the contract with the appointed supplier and continue to host the London Sexual Health Programme.

Commissioning Intentions for new SHL service specification

3.48 **Contract length:** The contract will be for an initial period of 5 years from 2026/27 to 2031/32, with the option for extension by two further periods of two years each. See paragraph 3.32 for rationale.

3.49 **Contract Value:** The service is an Activity-based contract. Service activity and therefore spend on the contract has plateaued over recent years and so it is estimated that the total contract value (across London boroughs) will be in the region of £205m over the nine years, which is approximately £21-£25m per annum.

3.50 Tower Hamlets Council's proportion of the total contract spend over the nine years will be based on activity levels, which are estimated to be in the range of £1.1m to £1.4m per annum, based on our 2023-24 outturn of £1.040m and accounting for additional spend on Trichomonas vaginalis (TV) testing and treatment as well as a 2% year on year growth in activity. This represents a combined total of £11m over 9 years.

3.51 It is anticipated that the new service contract and affiliated programme costs will continue to be funded from the Public Health Grant, within the approved budget in the Health and Adult Social Care Directorate.

3.52 **Scope of new service.** The existing service is comprised of the following:

- A digital 'front door' for sexual health services;
- Online registration and sexual history risk assessment
- Sexually Transmitted Infection (STI) kits assembly and order fulfilment
- Laboratory services and negative results notification
- Remote telephonic support and referral to local services
- Remote treatment for uncomplicated Chlamydia infection
- Results and patient record system
- Electronic activity portal and dashboard for boroughs

3.53 The new service procured will be an evolution of the current contract so that it is reflective of London's current context, needs and makes best use of available technologies. It is likely to continue to be comprised of a core and standardised service offer across London, with additional service modules that commissioning Authorities can elect to 'turn on' for their residents.

3.54 A centralised appointment booking system, a universal patient identification system, HIV prevention medication (PrEP) and renal monitoring as well as TV testing and treatment for symptomatic females are currently being considered as additional service requirements in the procured contract. Implementation of any service developments and innovations will continue to be agreed by the programme's E-Service Management Board.

3.55 **Payment mechanism:** This is an activity-based contract.

Arrangements for the new contract

3.56 Following the procurement exercise, City of London Corporation will sign the contract with the appointed supplier. Related Authorities will have access to the contracted services upon signing the IAA with City of London Corporation. Payment for provision of service will likely continue to be based on activity.

3.57 City of London will bill Related Authorities for their service activity on a monthly basis.

3.58 Levers in the contract will continue to be in place for commissioning Authorities to regulate service activity and spend. The London Sexual Health Programme will manage the contract thereafter and service performance against key performance indicators, for the duration of the contract.

Procurement of the new contract:

3.59 The procurement will be undertaken by City of London Corporation, as the Lead Authority, on the behalf of itself and the other participating Councils. The contract will be awarded using the most advantageous method available under PSR.

3.60 Responses from suppliers to a soft market testing exercise in 2024 suggest there is a market for provision of this service; and so, after much deliberation around the merits of each of the procurement routes available, London Directors and Commissioning Officers have expressed interest in procuring the service through open competitive procedure.

3.61 Weighting for price, quality and social value as well as evaluation panel members will be agreed for the tender at London level.

3.62 Tenderers will be required to meet the Council's suitability assessment at the Selection Questionnaire (SQ) stage in order for their tender to be considered against the award criteria.

3.63 The award of this contract will be approved by the Category Board at City of London Corporation, under delegated authority.

3.64 The indicative procurement timelines would be as follows:

Invitation to tender published (FTS/Contracts Finder)	Mid- February 2025
Tender deadline	Early April 2025
Tender Evaluation	Late April to Late May 2025
Service contract and IAA signed	Mid October 2025
New contract start date	1st April 2026

4 EQUALITIES IMPLICATIONS

4.1 There are significant inequalities in sexual health with higher rates of STIs, unwanted pregnancies and poorer access to contraception overrepresented in some groups including gay and bisexual men, young people and people from specific ethnic groups including people from black ethnic origins.

4.2 Maintaining open access service to sexual health services, monitoring uptake and utilisation of services by the nine protected characteristics alongside specific targeted prevention and health improvement programmes will reduce health inequalities.

4.3 Equity of in-clinic service delivery is monitored on a continual basis via:

a) Annual Equity Reports from Barts Health NHS Trust
b) Monthly 'line-by-line' resident-level backing data including age and sex

4.4 Significant work has been undertaken by the in-clinic provider in order to understand the equity of provision within the service. The Lead Consultant for the service is a city-wide leader for initiatives to improve the equity of sexual and reproductive health services. This represents significant 'added value' for the Barts Health sexual health offer. Specific examples of equity-focused work undertaken to-date include:

- Targeted, co-developed engagement programmes to increase PrEP uptake among Black African women (the 'Women 4 Women' project).
- Focus groups and 1:1 interviews to increase understanding, awareness and equity of LARC uptake among women of colour.
- Dedicated clinics for high-risk and vulnerable residents with issues linked to chemsex (the E1 Clinic).
- Barts Health and Homerton University Trust are currently collaborating on a specific clinic for Trans and non-binary residents, focusing on STI and contraceptive needs with consideration of wider psycho-sexual issues.
- Service KPIs set on improving inequalities in access (Hepatitis treatments, LARC and PrEP).

4.5. Finally, the modified block payment model for specialist SRH services serves to further incentivise an ongoing drive towards equity of service uptake by linking financial benefits to widening access to PrEP, increasing coverage of Hepatitis vaccinations and improving LARC provision among women of colour.

5 OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are

required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

Best Value Implications,
Consultations,
Environmental (including air quality),
Risk Management,
Crime Reduction,
Safeguarding.
Data Protection / Privacy Impact Assessment.

5.2 No other statutory implications have been identified.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 This paper outlines the plans for the recommissioning of the Integrated Sexual Health and Reproductive Health in-clinic Services under a collaborative commissioning agreement with the London Boroughs of Newham, Tower Hamlets, Waltham Forest, and Redbridge.

6.2 The recommissioning will be led by L.B. Newham on behalf of the collaboration on a 5-year contract period, with further extension periods of 3 1-year extensions, making a total contract period of 8 years. The contract figures build in assumptions of 2% for growth in population and 2.5% Agenda for Change staff wage increases per annum. The contract is based on an 80% block payment and 20% for incentive (performance) payment. The first year of the contract (2025/26) has two years of growth and Agenda for Change uplifts included to account for the 24/25 increases.

6.3 The contract is paid from within the ring-fenced Public Health Grant allocation in each financial year, as a statutory service that must be paid for within the grant. The total cost of the contract in 2023/24 was £2.950m against a budget of £2.956m. This was made up of £2.833m block payment and £0.117m incentive (performance) payment.

6.4 The Public Health Grant allocation for 24/25 is £39.2m, within which the budget for the ISHS contract is £2.959m. The grant allocation for 25/26 onwards is not known yet, however, the contract budget will be set as soon as the grant allocation is announced. Costs associated with this contract will be fully funded within the Public Health Grant allocation for each financial year of the contract.

6.5 The Table below shows the total contract values for each Local Authority in the collaboration agreement and is based on the profile of demand in each area. Tower Hamlets has the highest demand of the Local Authorities in the collaboration agreement due the makeup of its population with high levels of high-need groups (young people, BAME, and gay/bisexual and other men who have sex with men (GBMSM).

Table: Total Contract Values by Local Authority

Local Authority/ financial Year	LB Newham	LB Tower Hamlets	LB Waltham Forest	LB Redbridge	Total
2025/26 Yr 1	£3,281,018.36	£3,303,621.50	£1,723,761.61	£483,726.55	**£8,792,128.01**
2026/27 Yr 2	£3,428,664.18	£3,452,284.47	£1,801,330.88	£505,494.24	**£9,187,773.77**
2027/28 Yr 3	£3,582,954.07	£3,607,637.27	£1,882,390.77	£528,241.48	**£9,601,223.59**
2028/29 Yr 4	£3,744,187.00	£3,769,980.95	£1,967,098.35	£552,012.35	**£10,033,278.66**
2029/30 Yr 5	£3,912,675.42	£3,939,630.09	£2,055,617.78	£576,852.91	**£10,484,776.20**
Total 5 Year Contract Period	**£17,949,499.04**	**£18,073,154.27**	**£9,430,199.39**	**£2,646,327.53**	**£48,099,180.24**
2030/31 Yr 6	£4,088,745.81	£4,116,913.44	£2,148,120.58	£602,811.29	**£10,956,591.12**
2031/32 Yr 7	£4,272,739.38	£4,302,174.55	£2,244,786.01	£629,937.80	**£11,449,637.73**
2032/33 Yr 8	£4,465,012.65	£4,495,772.40	£2,345,801.38	£658,285.00	**£11,964,871.42**
Total 5 Yr + 3 * 1 Yr Extensions	**£30,775,996.87**	**£30,988,014.67**	**£16,168,907.36**	**£4,537,361.61**	**£82,470,280.51**
Total Tower Hamlets	Block 80%	£24,790,411.74			
	Incentive 20% (Max)	£6,197,602.93			

6.6 The total contract value for Tower Hamlets for the 8-year period 2025/26 to 3032/33 is £30.988m made of £24.790m block payment and a maximum of £6.198m incentive (performance) payment.

6.7 The collaborative arrangement approach allows for cost containment and contract control across sites in other boroughs that our residents use. The modified block payment arrangement allows commissioners to use annual review of KPIs to amend the 'incentive payments' and therefore focus provision on the most important types of activity for addressing health need and reducing inequalities.

Online London Sexual Health e-service

6.8 The London sexual health and contraception e-service, (SHL.UK), is a remote contraception and sexually transmitted infections (STIs), HIV and blood borne viruses (BBV) testing and results management service, for sexually active individuals aged 16 years and older, residing in the commissioning boroughs. City of London Corporation has agreed in principle, as Lead Authority, to procure the service on the behalf of all participating London Boroughs; to award and manage the contract with the appointed supplier and continue to host the London Sexual Health Programme.

6.9 The costs of this service are activity based, i.e. dependent upon how many people use the service. In 2023-24 the costs of the service to Tower Hamlets was £1.040m against a budget of £1.028m. The contract will be let for a period of 5 years with 2 further periods of extensions for 2 years each, making a total

of 11 years. The total costs of the new contract will range from £1.1m to £1.4m per annum, allowing for a 2% growth factor (population and testing of new conditions). The total costs of the new contract will be £11m over the 9-year period.

6.10 The Public Health Grant allocation for 24/25 is £39.2m, within which the budget for the ISHS E-contract is £1.028m. The grant allocation for 25/26 onwards is not known yet, however, the contract budget will be set as soon as the grant allocation is announced. Costs associated with this contract will be fully funded within the Public Health Grant allocation for each financial year of the contract.

7 COMMENTS OF LEGAL SERVICES

7.1 It is a legal function of the Council to provide sexual health services relating for both sexually transmitted infections (testing and treatment) and for contraception. Both services referred to in this report fall under that function

7.2 The Council has a legal duty to ensure Best Value in the delivery of its functions in terms of economy efficiency and effectiveness. Prior to the change in law the Council in collaboration with others would have tendered the services on the open market with the contractor being chosen as the best bidder when evaluated on a pre-advertised blend of quality and price. This would also have assisted the Council to demonstrate that the resultant contract was the best available at that point in the market in terms of economy efficiency and effectiveness. However, the services which are the subject of this report now fall under the new Provider Selection Regime.

7.3 Where services fall under the Provider Selection Regime the Council must follow the PSR routes of procurement which can lead to more limited methods of competition. Therefore, the Council may need to resort to other methodologies to demonstrate Best Value such as comparison with similar services and other concluded contracts.

7.4 The Council will need to include robust arrangements with the partner authorities for the monitoring of the delivered services to tower hamlets residents where such services are accessed within the other partner boroughs. The Council will also need to make appropriate arrangements for the sharing of information between the boroughs in order to manage both he best interests of the individuals as well as appropriately monitor the delivery of the services

7.5 The Council will need to ensure that the services remain within the scope and terms of the Public Health Grant in as far as it relates to sexual health services as it changes throughout the contract period.

Linked Reports, Appendices and Background Documents

Linked Report

- Health & Adults Scrutiny Sub-committee Report March 2020 “Sexual Health Services- update on new services”: LONDON BOROUGH OF TOWER HAMLETS
- Cabinet Paper January 2016 “Collaborative agreement on sexual health”: LONDON BOROUGH OF TOWER HAMLETS

Appendices

- NONE.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

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