


Cabinet 5 March 2014	 TOWER HAMLETS
Report of: Robert McCulloch- Graham, Corporate Director Education Social Care and Well Being	Classification: Unrestricted
Permission to extend existing contract for sexual and reproductive health	

Lead Member	Councillor Abdul Asad, Cabinet Member for Health and Wellbeing
Originating Officer(s)	Chris Lovitt, Associate Director of Public Health
Wards affected	All wards
Community Plan Theme	Healthy and Supportive Community
Key Decision?	Yes

Executive Summary

Cabinet agreed on the 11th September 2013 to re-procure public health services. Work has been ongoing to review, re-specify and procure services commissioned as part of the public health grant, including a range of sexual health services. The re-procurement of the sexual and reproductive health services provided by THCaSH was delayed as key information was awaited from the Department of Health and the provider. Procurement commenced on the 20th January 2014 but will not complete before the existing contract ends on the 31st March 2014. Permission is sought to extend the existing contract to provide sexual and reproductive health services for six months to allow sufficient time for the current procurement process to take place.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to the extension of the existing contract to provide sexual and reproductive health services until October 2014.
2. Authorise the Service Head - Legal Services to execute all necessary contract documents to implement this decision.

1. REASONS FOR THE DECISIONS

- 1.1 On the 11th September 2013 Cabinet agreed to re-procure a number of services funded from the public health grant, including a range of sexual health services. Tower Hamlets Contraceptive and Sexual Health Service (THCaSH) located at Mile End Hospital is one of these services. The council is mandated to provide these sexual health treatment services as part of the arrangements of the Health and Social Care Act 2012.
- 1.2 The re-procurement process for sexual and reproductive health services was delayed whilst the contract for 2013/14 was agreed, key information was supplied by the current provider and until the new national standards for treatment of sexually transmitted infections were published.
- 1.3 The new standards were published in January 2014. These have now been incorporated enabling the re-procurement process to start. To ensure continuity of patient care an extension is sought to the current contract of the existing provider until October 2014.

2. ALTERNATIVE OPTIONS

- 2.1 Cease current service provision on 1st April 2014.

This is a mandated public health service which sees large numbers of local residents. There are not currently alternative providers who have capacity or a contract to provide alternative services.

- 2.2 Move to an alternative payment mechanism e.g. Genito Urinary Medicine Payment by Results tariff (GUM PBR).

This is likely to be a more expensive option and does not fully cover the services provided by a reproductive health service e.g. all aspects of contraception fittings, chlamydia screening programme co-ordination, education and outreach.

- 2.3 Allow contract to lapse.

There would be financial and service quality risks if an extension was not agreed.

- 2.4 Reduce procurement timetable.

This contract value exceeds European procurement thresholds and a number

of organisations are expected to bid for the contract. It would be unlikely to be possible to reduce procurement timescales whilst ensuring services to residents were not unduly disrupted.

3. DETAILS OF REPORT

Background

- 3.1 Tower Hamlets Contraception and Sexual health Service (THCaSH), operating from Mile End Hospital, provides sexual and reproductive health services to Tower Hamlets residents and specialist services to support teenage parents. The contract to provide sexual and reproductive health services were transferred to the council in April 2013.
- 3.2 In 2012-13 approximately 9000 Tower Hamlets residents were seen by the service with 2,500 follow up appointments. Services provided included screening and treatment for sexually transmitted infections, sexual health advice/ counselling, contraceptive advice and fitting/ removal of long acting reversible contraception.
- 3.3 These services are part of the Secretary State for Health mandated services and complement other sexual health services provided by primary care and genito- urinary medicine (GUM). The council is required to provide these as part of the Public Health grant. The cost of the THCaSH service to the council in 2013-14 was circa £1.75 million on a block contract.
- 3.4 The current contract with THCaSH ends on the 31st March 2014 and the cost of extending the contract is likely to be £875,000; subject to agreement with the current provider Barts Healthcare Trust.

Why has re-procurement been delayed?

- 3.5 Since cabinet approved the re-procurement of public health services a process of review, re-specification and procurement has been underway.
- 3.6 Work to review current provision has been ongoing in 2013/14 but there have been delays in the current provider supplying necessary information to allow the pricing and specification of services for 2014/15.
- 3.7 The current provider disputed the contract value identified as being transferred to the council in 2013/14 and sought a significant increase of £700,000. As a result of this dispute it was only possible to agree the contract value for 2013/14 in November. The final contract value agreed was advantageous to the council and enabled efficiencies and cost savings as additional services were agreed as part of the contract value.

- 3.8 New national standards for the management of sexually transmitted infection were commissioned by the Department of Health- these were felt to be essential to defining the specification for the re-procurement. Following their publication and incorporation in the new service specification in January 2014 this has now enabled the re-procurement process to commence.
- 3.9 The views of Tower Hamlets Health Watch, Tower Hamlets NHS Clinical Commissioning Group, NHS England and Public Health England have been sought and they are supportive of a six month extension of the contract with the existing provider.
- 3.10 **Decision sought**
A decision to extend the existing contract to provide sexual and reproductive health services is sought whilst the current re-procurement process takes place. Owing to the size, complexity and need to ensure services are not unduly disrupted an extension to October 2014 is recommended.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1. The report identifies that the cost of the six month extension to the contract would be £0.875m in total, subject to agreement with Barts Healthcare Trust, the provider. This is the same rate as the contract in 2013/14, which cost £1.750m in the full-year. This cost would continue to be met from the Public Health Grant.

5. LEGAL COMMENTS

- 5.1. The Council assumed responsibility for the provision of various public health functions in 2013 following amendment of the National Health Service (NHS) Act 2006. The Council has a general obligation to take such steps as it considers appropriate for improving the health of the people of Tower Hamlets.
- 5.2. By virtue of section 6C of the NHS Act and the Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013, the Council is required to carry out specified public health functions of the Secretary of State. These include providing, or making arrangements to secure the provision of, open access sexual health services in Tower Hamlets. The Council must do this by:
- Making arrangements for the following contraceptive services: (a) the giving of advice on contraception; (b) the medical examination of persons seeking advice on contraception; (c) the treatment of such persons, and (d) the supply of contraceptive substances and appliances.
 - Exercising its general public health functions for the following: (a) preventing the spread of sexually transmitted infections; (b) treating, testing and caring for people with such infections; and (c) notifying sexual partners of people with such infections.

- 5.3. The Council may exercise its functions by purchasing the service provision from bodies that are external to the Council, provided that, in accordance with the Local Government Act 1999, the Council obtains best value. The competitive exercises being carried out are designed to comply with the Council's best value duty. The winner or winners of those processes should be those that have shown the best value based on a mix of quality and price. In order to comply with its best value obligation the Council should only award a contract to those bidders which show the best value through the tendering process.
- 5.4. The services to be purchased are Part B services within the meaning of the Public Contracts Regulations 2006. This means that some of the requirements of the Regulations do not apply to procurement of the services, such as advertising in the Official Journal of the European Union. However, the Council is still required to comply with other requirements of the Regulations, such as the requirements to:
- treat contractors, suppliers and services providers equally and in a non-discriminatory way;
 - act in a transparent way; and
 - have a standstill period prior to award.
- 5.5. The current proposal is to award a six month contract to the existing providers without subjecting this to competition. This could lead to a challenge by a third party on the basis that they have not been given the opportunity to bid for this work. However, the Council's obligations under the Public Contracts Regulations must be weighed against the need to ensure continuity of the services which the Council has a statutory duty to provide. In the circumstances, it appears reasonable for the Council to grant an extension in order to complete the competitive exercise (which it has commenced by placing the advert for the new procurement).
- 5.6. When considering whether to extend the contract, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Many of the service users who benefit from the services provided under the Public Health function will have protected characteristics for the purposes of the Equalities Act 2010 and the Council should consider the impact on such service users should this extension not be granted.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. This is an open access service which has recently undertaken an internal equity audit. The audit details that THCASH provides a service to people from all of the protected characteristics. An extension of the contract will ensure that services continue without undue disruption whilst re-procurement takes place.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 The current service is provided locally from the Mile End Hospital site and the re-procurement process highlights the importance of locally provided and accessible services. These criteria ensure that increased environmental impact of out of borough travel are minimised.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1. There are risks if an extension is not agreed relating to increased cost, reduced service quality and adverse sexual health outcomes for residents. An extension will allow these risks to be addressed whilst ensuring that services to residents are not unduly disrupted.
- 8.2. If the extension to the contract is agreed there is a risk of the council being asked to account for the extension by other interested providers. However, this risk is felt to be small as a) the re-procurement process has now commenced and b) the reasons for the delay were outside the control of the council.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 The sexual and reproductive health service has clear pathways to ensure that clients reporting crimes including domestic violence, sexual exploitation, female genital mutilation are treated and/or referred. Extending the existing contract will ensure these services continue.

10. EFFICIENCY STATEMENT

- 10.1 It is anticipated that the current provider will agree an extension to the existing contract without an increase in cost. The re-procured service specification will offer increased efficiencies owing to enhanced join up across other council services and an increase in service capacity.

Linked Reports, Appendices and Background Documents

Linked Report

- Cabinet report, CAB 60/123, "Future Commissioning Arrangements for Public Health Services"

Appendices

- NONE

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

- NONE