

MEETING TITLE AND DATE:
Cabinet Meeting 22nd July 2015

REPORT OF:
Director of Health, Housing and
Adult Social Care
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Agenda - Part: 1	Item: 12
Subject: Award of Contract for Enfield Integrated Sexual Health Community Services	
Wards: All	
Key Decision No: KD4160 (HHASC)	
Cabinet Member Consulted: Cllr Keazor	

1. EXECUTIVE SUMMARY

- 1.1 A tender process has been completed for the provision of the Enfield Integrated Sexual Health Community Services contract, which incorporates:
- Family Planning
 - Genitourinary medicine (GUM)
 - Sexual Health Outreach Nurse for young people (4YP)
- 1.2 The current contract with Barnet, Enfield & Haringey Mental Health Trust (BEH MHT) will formally expire 31 October 2015 and the tender supports the Council with mitigating for unnecessary risks.
- 1.3 The financial envelope of this contract is £2,572,000 per annum and the value will remain the same throughout the term of the contract. It is capped at the maximum fixed price level for the duration of the contract, being 3 years 5 months with options to extend + 2 years + 2 years (to a maximum period of 7 years, 5 months).
- 1.4 To afford year on year efficiency gains for the Council whilst addressing the steady 13-15% growth on activity, Tenderers have been required to:
- (a) increase in-borough activity for the GUM service, which would lead to the reduction of out of borough activity, and
 - (b) reduce Family Planning activity via the Community clinic by training and supporting the borough's GPs to deliver this service and thereby increasing their performance level
- 1.5 The Family Planning and Sexual Health Outreach Nurse elements of the contract are paid on block and the GUM activity will be paid by results.
- 1.6 Following approval from the Strategic Procurement Board (SPB) on the 1st April 2015, a full tender process was implemented which adhered to Corporate Procurement Procedures and EU Procurement Regulations. The

new contract includes an initial contracting period of three (3) years and five (5) months with optional extensions on two, two (2) year basis rolling up to a further four (4) years.

1.7 A Market Engagement Event was held prior to SPB's decision to support the proposal. The event was attended by eighteen (18) organisations of which thirteen (13) were established organisations and trusts.

1.8 The Council employed the Open procurement procedure, which allowed all interested parties to tender thereby maximising the potential for a wide and diverse range of bids.

1.9 The tender panel included a Service user and a lead GP from the CCG

1.10 The ITT stage has now been completed and in order to finalise the procurement process, agreement is now being sought from Cabinet to approve the award of contract to the preferred Bidder noted in Part 2 for a period of three (3) years, five (5) months with the option to extend up to a further four (4) years, subject to satisfactory performance.

2. RECOMMENDATIONS

2.1 That Cabinet notes the tender process has adhered to Corporate Procurement Procedures, EU Procurement Regulations and the new contract will afford the Council with on-going year on year performance and value for money benefits.

2.2 That Cabinet notes the procurement process and endorses the award of the contract to the preferred Bidder, as outlined in Part 2 of this Report, for an initial period of three (3) years, five (5) months with the option to apply extensions on a two (2) yearly basis rolling up to four (4) further years.

3. BACKGROUND

3.1 Since the transition of the Public Health function and grant from the NHS to LAs in April 2013, Enfield Council has been an associate to Enfield CCG's Community Services Block Contract of which Enfield Integrated Sexual Health has been a part.

3.2 The Council has a statutory duty to provide Integrated Sexual Health Services as part of its Public Health England (PHE) Requirements.

The Local Authority's public health mandated responsibilities are:

- To protect the health of the local population

- To ensure appropriate access to Sexual Health Services

- 3.4 These services specialise in delivering sexual health protection and prevention treatment for the whole population. Together these services reduce the number of unwanted pregnancies and undetected sexually transmitted diseases that can have a long standing effect on individuals and the community. Ultimately, these services make a positive contribution to addressing the health inequalities in the Borough. The existing contract for Integrated Sexual Health services expires 31st October 2015 and cannot be extended without posing unnecessary risk to the Council from the market place as the current service delivery is not addressing the needs of the Borough.
- 3.5 The London Borough of Enfield tendered the three (3) services – Family Planning, GUM and Sexual Health Outreach Nurse - within the same contract to ensure the delivery of an integrated service and to attract competitive submissions from the market place. This approach also enabled innovative thinking from the market place around a whole systems design for service delivery. However it equally did not preclude bidders from partnering with other organisations to provide the quality services required.
- 3.6 The contract is for an initial period of three (3) years five (5) months with extensions on two two (2) yearly basis rolling for a further four (4) years. Any extension will be subject to satisfactory year-on-year performance being achieved. This will incentivise the successful bidder to retain high performance levels throughout the life of the Contract and will offer the Council improved opportunities for efficiency gains given that historical allocations of PHE funding for reproductive and sexual health has been determined by performance achievements.
- 3.7 The Genitourinary medicine (GUM) service is 100% fully payment by results compliant. This model of service delivery incentivises providers to deliver high performing provision and enables the Council to only pay for actual service delivery achieved, with a financial cap of £2,572,000; thereby offering further opportunities for efficiency savings. The contract also includes working with Voluntary and Community organisations to deliver HIV secondary counselling and to engage with the Borough's diverse community effectively.
- 3.8 The Family Planning service is payable on a block basis, which covers the delivery of contraception, liaising with the CCG when providing Termination of Pregnancy (ToPs) counselling and Psychosexual counselling. The contract places the successful Bidder as the sexual health lead for the Borough, delivering and monitoring the training and support of the Borough's GPs and Pharmacies to deliver a quality contraceptive service. The contract includes a comprehensive clause to enable the Council to change the contracting mechanism at its discretion if required in the future.
- 3.9 The Sexual Health Outreach (SHOUT) Nurse element of the contract relates to the employment of a SHOUT nurse service that supports the Teenage Pregnancy team, working with the young adult population across the Borough.

- 3.10 The contract is innovative in its design with the increase of locations and opening hours, thereby significantly improving access (see Appendix 1).
- 3.11 The use of surveys throughout the delivery of the service has supported the need to redesign the service delivery and a User Representative has been involved in the tender panel selection process.
- 3.12 Enfield Integrated Sexual Health community services is currently managed and delivered from locations that are under the management of the incumbent and/or NHS Property Services Ltd.
- 3.13 In order to maintain continuity of service beyond the contract term and manage the in-direct costs relating to the contract, the London Borough of Enfield will be the head lease holder for at least the Hub and the Town Spoke premises of the service model to ensure that the properties remain linked to the service and not the provider
- 3.14 The collective contract value of all three services is £2,572,820 per annum. The annual contract price is capped at a maximum fixed price level, pending performance. There is no annual increase for inflation.
- 3.15 Full details of the preferred Bidder, contract prices, and improved performances are contained herein within Part 2 of this Report.

3.14 The Tender Process

3.14.1 Following approval from the Strategic Procurement Board in April 2015 and a Market Engagement presentation on 5th March 2015, a competitive tender process for the Enfield Integrated Sexual Health (EISH) Community Service was commenced.

3.14.2 Full consultation has taken place with and support from Corporate Procurement, Finance and Legal Services over the management of the tender process. An open tender procedure was chosen due to the timeline and the desire to attract a wide and diverse selection of bids. The process was carried out in accordance with the Council's Contract Procedure Rules and EU Procurement Regulations.

3.14.3 A market engagement event was held on the 5th March 2015, which was attended by 35 people from 18 organisations. This event offered interested bidders an opportunity to gain an early understanding of the services being commissioned. It equally supported the Council to share details of its payment by results commissioning framework for GUM and receive feedback from the market place.

3.14.4 Following the Market Engagement Event, interested parties were invited to one-on-one meetings with the Commissioning Manager, Public

Health to address any queries that transpired from the event. Seven (7) organisations took advantage of the opportunity.

3.14.5 The Council advertised the opportunity on the 29th May 2015 through the London Tenders Portal. Initially 24 organisations expressed an interest, with four submitting their Tender on the 25th June 2015.

3.14.6 Pass/Fail responses were first assessed by Corporate Procurement. Technical capacity in the Tender and responses to the Technical Questionnaire and Method Statement were evaluated by the tender panel. Financial viability assessments were completed by Finance Officers. All four bidders were interviewed on the 1st and 2nd July 2015 by the panel after being evaluated as having both the technical capacity and financial viability to provide the services.

3.14.7 The evaluation criteria were based upon 40% finance and 60% Quality. The technical evaluation was designed to assess bidders' ability to offer quality services across the full breadth of specified requirements:

-	Service Delivery	40%	
	Meeting the requirements of the Service Specification		20%
	Community Needs		10%
	Working with the Commissioner		5%
	Staffing		5%
-	Performance	15%	
	Key Performance Indicators		9%
	Managing Performance		6%
-	Governance	10%	
	Quality Assurance		3%
	Clinical Governance		4%
	Safeguarding		3%
-	Social Value	10%	
-	Partnership Working	15%	
	Other Agencies		6%
	Voluntary Sector Organisations		5%
	Patients and Carers		4%
-	Implementation Arrangements	10%	

3.14.8 The commercial evaluation was produced to assess bidders' ability to improve on baseline performance data from 2014/5. There is no increase in contract value for this contract. Tender bidders have been required to submit proposals that will outperform previous performance with no additional resources.

3.14.9 The assessed commercial value on the basis of bidders' responses to two (2) performance elements:

- increasing the number of GUM attendance in-borough (thereby reducing the out-of-borough liability);
- reducing the number of contraceptive activity

These are based on the 2014/5 baseline performance levels.

3.15 The tender process complied with Corporate Procurement Regulations and EU Procurement Regulations and it is now necessary to award the contract for the Borough's Integrated Sexual Health Community Services.

4. ALTERNATIVE OPTIONS CONSIDERED

4.1 There were no alternative options to tendering externally as Enfield Council was unable to directly provide such a specialist service in-house within a competitive price range.

4.2 There was no option to extend the existing contracts as this would leave the Council vulnerable to challenge as the opportunity to extend was not detailed during the tender process. Additionally, the Council could not report on adequate performance and value from the existing Contractor that was transferred from the NHS.

5. REASONS FOR RECOMMENDATIONS

5.1 Tenderers have submitted responses to the ITT as part of a transparent and fair competitive procurement process in accordance with the Council's Contract Procedure Rules and EU Procurement Regulations. All responses have been robustly evaluated for quality and price.

5.2 Bidders have submitted applications and provided evidence to confirm that they have adequate experience in delivering the Borough's Integrated Sexual Health Community Services to afford the Council the assurance required. They have also demonstrated that they have a clear understanding of the sexual health needs of Enfield and have submitted proposals that will support the Borough in achieving its vision of '*making Enfield a Safer, Healthier and More Prosperous Community*'.

5.3 It is important that the Council sustains integrated sexual health provision to:

5.3.1 Reduce the levels of unwanted pregnancies in the Borough;

5.3.2 Reduce number of abortions and repeat abortions;

5.3.3 Reduce the level of undetected STIs and HIV late detection

- 5.3.4 Ensure that the Council's residents have direct access to services to help them make a positive and direct contribution towards the community;
 - 5.3.5 To ensure that young people have the best opportunity to stay safe, achieve and make a positive contribution;
 - 5.3.6 To ensure that residents have easy and direct access to high quality integrated sexual health services that deliver the best interventions in the most cost effective community settings.
- 5.4 It is recommended that Cabinet notes the procurement process and endorses the award of the Contract to the preferred Bidder for an initial period of three (3) years five (5) months, with the option to apply extensions on two, two (2) yearly basis rolling up to four (4) further years.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Finance Implications

6.1.1 Budget

Public Health England's initial grant allocation for Enfield in 2015/16 was £14.257 million, however, the Chancellor announced on 4th June 2015 that there would be an additional £200m reduction in the Public Health grant during 2015/16 in England; this represents an average reduction 7.14% nationally. There is a period of consultation underway to decide how best to deliver these savings, however if the reduction was to be applied evenly, this would equate to £1.018m for Enfield and result a reduction in the Public Health Grant from £14.257m to £13.239m and therefore this would be the new the base budget.

The grant is ring-fenced for promoting public health within the borough. The associated grant conditions are specific to public health outcomes, with the requirement to submit both quarterly & annual expenditure returns, to the DCLG & Public Health England.

The ring-fenced Public Health grant, which is designed to cover all expenditure incurred in delivering the Public Health function, covers three components:

Mandated (statutory) services (Sexual Health services, NHS Health Checks, National Children Measurement Programme, providing public health advice to NHS Commissioners and ensuring plans) are in place to protect the health of the public.

Non-mandated services (Tobacco control & Smoking Cessation services, increasing levels of physical activity and interventions to tackle obesity) and the commissioning of drug and alcohol prevention and treatment services,

which are currently commissioned by Drug and Alcohol Action Teams (DAAT's).

6.1.2 Contract

This entire contract is included in the mandated (statutory) services.

Bidders were asked to submit up to the indicative financial envelope allocated to this Contract, which is £2,572,000 per annum. The Invitation to Tender stated that any submission where the annual contract sum exceed the upper financial limit, would result in that submission being excluded from the tender process.

The Finance score represented a maximum of 40% of the overall Invitation to Tender, which was weighted in accordance with the quantitative data provided. The finance score was based on the performance figures submitted in the price schedule and not the total contract price.

Further detail is set out in Part Two of this report.

6.2 Legal Implications

6.2.1 Pursuant to the Local Authorities (Public Health Functions and Entry to Premises by Local HealthWatch Representatives) Regulations 2013/351 Part 2 Public Health Functions Regulation 6 'Sexual health services' (1) Subject to paragraphs (4) and (5), each local authority shall provide, or shall make arrangements to secure the provision of, open access sexual health services in its area.

6.2.2 The Council must comply with the Public Procurement Regulations 2015 (the Regulations) and its Contract Procedure Rules (CPR). This report confirms that Regulations and the CPR have been fully complied with.

6.2.3 The Council must comply with its obligations with regards to obtaining best value under the Local Government (Best Value Principles) Act 1999.

6.2.4 As the proposed contract is £250k or above the Council must comply with Key Decision procedure.

6.2.5 All legal agreements arising from the matters described in this report must be approved by the Assistant Director of Legal Services.

6.3 Property Implications

6.3.1 Strategic Property Services have negotiated a seven year lease term for two commercial units within Enfield Town to be used as the 'Spoke' for the (EISH) Community Services contract.

6.3.2 The lease will be contracted out of the security provisions of the Landlord and Tenant Act 1954.

6.3.3 There will be capability within the lease to sublet to the chosen contract provider.

6.3.3 The Landlord will be responsible the upkeep and repair of the exterior of the property including the provision of adequate buildings insurance. The Council will take on the responsibility of insuring and repairing the interior of the properties.

6.3.4 The Council will take the Properties on in a shell and core condition and procure a contractor to fit out the units to a high clinical standard. The specification to procure a contractor should highlight any standard/level of clinical requirement to fit out and design as mandatory under NHS guidelines.

6.3.5 The Council will also need to submit a planning application for a change of use to D1 Use under the Town and Country Planning (Use Classes) Order 1987 (as amended).

6.3.6 There will be additional transactional costs such as legal fees, surveyors and the potential VAT implications; currently the rent agreed is exclusive of VAT.

6.3.7 The acquisition of a 7 year lease conforms to the Council's Property Procedure Rules (PPR's) and the rent agreed demonstrates the Council's obligations have been satisfied under s120 of the Local Government Act 1972.

6.3.8 The leased-in properties will have to be entered onto the Councils Asset management data base – Atrium and managed within the Councils Commercial Portfolio.

7. KEY RISKS

Two key risks have been identified:

- 7.1 The management of performance during the transition period, which could lead to an initial possible loss in performance.

This was managed by requiring bidders to submit detailed Implementation Plans in their ITT applications.

The Contract start date of 01 November 2015 will give the successful Bidder adequate time to effectively implement the new contract.

HHASC Council Officers will closely monitor performance for sexual health provision on a monthly basis and the reports are subject to quarterly scrutiny by the Joint Sexual Health Board.

- 7.2 The out-of-borough activity will be open to strict scrutiny to ensure the annual reduction, as projected and required for Efficiency Savings.

HHASC Council Officers will closely monitor out-of-borough activity and work with the Borough Provider to ensure that the correct locations are available for residents to access seven days per week.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

The tender process has been conducted in accordance with both the Council's Contract Procedure Rules and EU Procurement Regulations. Therefore the tender process has adhered to the principles of transparency and fairness to encourage healthy competition within this specialist sector and bidders have accordingly been appropriately supported throughout the process.

8.2 Growth and Sustainability

The increase in performance required will ensure that more people in the community are given access to integrated sexual health treatment to improve health opportunities in more appropriate and cost effective community settings.

8.3 Strong Communities

Enfield Integrated Sexual Health Community Services will be a community service working with the voluntary sector and other community services, examples being:

Secondary HIV prevention for people living with HIV, which assists in reducing onward transmission (including mother to child) and reduces stigma and social isolation.

Recognising the Borough's gang culture, it is acknowledged that gang allegiances may interfere with the safe access to clinics for some of the youth. This service will work with local partners – including the Enfield Gangs co-ordinator – offering access to EISH services from different venues.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 An Equalities Impact Assessment was undertaken to inform and support the previous Integrated Sexual Health Commissioning objectives. The findings and recommendations from this are still current to this process and have been utilised accordingly. This will improve the equality of access to services in the local area.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 Integrated Sexual Health Community Services are subject to robust monitoring processes for service delivery and service quality. The HHASC Commissioning, Public Health officer will ensure that appropriate and robust contract monitoring arrangements are maintained. The principal focus will be on accessibility to service users as well as how the successful Bidder manages performance. It is equally imperative that we increase HIV and STI testing, increase focus on outreach and preventative work and ensure that all members of this Borough's diverse population receives equal, quality treatment and support.
- 10.2 Regular contract monitoring will be undertaken on a monthly basis and regular audits to ensure that they are being compliant with national and local clinical guidelines, NICE guidance and use of Patient Group Directions (PGDs).
- 10.3 The successful Bidder is required to:
 - 10.3.1 generate quarterly data extract of all patient attendances and associated diagnoses and services at GUM and non-GUM clinics in accordance with PHE (Public Health England) Genitourinary Medicine Clinic Activity Dataset (GUMCADv2¹);
 - 10.3.2 utilise Sexual and Reproductive Health Activity Dataset (SRHAD) to capture contraception and other sexual and reproductive health activities;
 - 10.3.3 following a new HIV diagnosis, the Bidder is required to generate a data extract to the HIV and AIDS Reporting Section (HARS) in Public Health England;
 - 10.3.4 The completion of the Chlamydia Testing Activity Dataset (CTAD) is mandatory for all NHS and NHS-commissioned chlamydia testing carried out in England. Whilst CTAD is submitted by laboratories, it is the responsibility of the Bidder to ensure the core CTAD data requirements are provided to the laboratory for each chlamydia test.
- 10.4 SRHAD and HARS, together with GUMCADv2 will form the basis for a standardised sexual health dataset collected from the Borough's sexual health clinic settings (plus CTAD from laboratories). The Contractor is expected to report on and discuss quarterly GUMCADv2 and SRHAD data analysis from PHE to enable informed commissioning decisions relating to GUM attendances, activity and STI trends.

¹ PHE Genitourinary Medicine Clinic Activity Dataset (GUMCADv2) Guidance to Clinic Staff and Technical guidance and specification for data extract can be found: <http://www.hpa.org.uk/gumcad>

11. HEALTH AND SAFETY IMPLICATIONS

The Contractor is responsible for executing H&S guidelines

12. HR IMPLICATIONS

Not applicable.

13. PUBLIC HEALTH IMPLICATIONS

Good sexual health is an important part of people's lives, fundamental to the health and wellbeing of the individual and has obvious implications for the society. It requires a positive and respectful approach to sexuality and sexual relationships. Good service provision supports this through control of fertility and of sexually transmitted infections (STIs).

Given the financial implications of sexual health to Council budgets it is important to note the need for effective commissioning of services to meet both sexual health and financial needs. This contract should help to secure both.

It is anticipated that by increasing the number of GU in-borough attendances that not only will this contract reduce the borough's carbon footprint (climate change has been described as the greatest public health challenge of the 21st century) but also that the needs of the borough's diverse community will be better served, particularly the young and less affluent populations who may be both less able to travel and more sexually vulnerable.

Background Papers

None