

For General Release

REPORT TO:	Cabinet Member for People and Communities
AGENDA ITEM:	Part A Background to item 13
SUBJECT:	Integrated Sexual Health Services Contract Award
LEAD OFFICER:	Dr Mike Robinson, Director of Public Health Paul Greenhalgh, Acting Executive Director - People
CABINET MEMBER:	Cllr Louisa Woodley, Cabinet Member for People and Communities
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT

With the transfer of the Public Health function to local authorities under the Health and Social Care Act 2012, the Council has a number of new duties which include responsibility for commissioning sexual health services. Under the Local Authorities Public Health Functions and Entry to Premises by Local Healthwatch Representatives Regulations 2013 (the Regulations), the Council is required to provide or make arrangements to secure provision of open access sexual health services in its area.

This includes:

- Advice on, and reasonable access to, a broad range of contraceptive substances and appliances;
- Advice on preventing unintended pregnancy;
- Services for preventing the spread of sexually transmitted infections;
- Services for treating, testing and caring for people with such infections;

Services for notifying sexual partners of people with such infections.

The proposed award will contribute to the corporate outcome of Independence in the following ways:

- To help families be healthy and resilient and able to maximise their life chances and independence
- To help people from all communities live longer, healthier lives through positive lifestyle choices
- To prevent domestic and sexual violence where possible, support victims and hold perpetrators to account

AMBITIOUS FOR CROYDON & WHY ARE WE DOING THIS:

Provision of these services will contribute to achievement of the following priorities:

Croydon Challenge:

- The services will be redesigned in order to be more streamlined for patients while also delivering cost savings of 15%-20% over three years.

'Ambitious for Croydon' Labour 2014 Manifesto priorities:

- A Labour council will fight for the very best hospital and health care services for Croydon.
- Through the health and well-being board we will seek to address the inequalities that blight our borough.
- Safeguarding will be at the heart of everything we do – protecting our children from abuse and violence is imperative.
- We will make tackling domestic violence a priority and work to ensure a co-ordinated response across the borough.
- We will work vigorously with agencies to secure prosecutions against those who carry out female circumcision (mutilation).

In addition, 'Ambitious for Croydon' states:

- We want Croydon University Hospital (Mayday) to offer the very best...
- We will ensure that Croydon's structure for identifying and intervening earlier in domestic violence, sexual exploitation or violence against women are well-established and working effectively.
- A Labour council will make every effort to prevent and put an end to [female genital mutilation] by working closely with police, hospitals, charities and GP practices.

Public Health Outcomes Framework:

- Reducing teenage pregnancy (Public Health Outcomes Framework Indicator 2.04)
- Reducing chlamydia among 15-24 year olds (Public Health Outcomes Framework Indicator 3.02ii)
- Reducing the number of people diagnosed with HIV at a late stage of infection (Public Health Outcomes Framework Indicator 3.04)

Additional corporate priorities:

- Reducing repeat terminations

FINANCIAL IMPACT

The total cost of the sexual health services included under this award is expected to be £3,418,513 per annum; approx. £2.330m of this is made up of a cost and volume/tariff and is therefore dependent on activity and presenting needs. The cost of this service will be met from the Public Health Grant.

Through the implementation of this award, cost reductions totaling 7.1% are anticipated in 2015/16 against 14/15 budget for Croydon Health Service (CHS) delivered services. This total reduction is made up of a saving of £79,890 through the decommissioning of opt-out HIV testing in the Croydon University Hospital (CUH) Medical Admissions Unit and removal of the Genito-Urinary Medicine (GUM) incentive payment (an incentive amounting to 2.5% of the contract value payable upon delivery of improvements such as data collection and reporting) plus a 5% decrease on the remaining sexual health

service expenditure.

FORWARD PLAN KEY DECISION REFERENCE NO.: 34/14/PC

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Strategic Overview Committee by the requisite number of Councillors.

1. RECOMMENDATIONS

The Leader of the Council has delegated to the Cabinet Member for People and Communities, in consultation with the Cabinet Member for Finance and Treasury, the authority to make the decisions set out in the recommendations below.

The Cabinet Member for People and Communities, in consultation with the Cabinet Member for Finance and Treasury is recommended to:

- 1.1 Approve the direct award of a contract for integrated sexual health services to the incumbent provider, Croydon Health Services for a term of twelve months from 1st April 2015 to 31st March 2016 with a contract value of £3,418,513.

If the

2. EXECUTIVE SUMMARY

- 2.1 The Croydon Sexual Health Strategy 2011-2016 identified a need to integrate existing service provision, improve access and increase uptake of sexual health services through targeting groups at higher risk of sexual ill health, with the intention of improving both outcomes and cost-effectiveness. The redesign of sexual health services to achieve these goals is underway; however, the existing contracts for sexual health services expire on 31st March 2015 and do not have an option to extend.
- 2.2 To maintain service provision during 2015/16, a direct award to the incumbent provider for a period of one year (from 1 April 2015 to 31 March 2016) is recommended. This will provide sufficient opportunity for the Council to work with the incumbent provider to address the objectives outlined in paragraph 2.1, while the Council develops a full strategy in respect of its commissioning intentions in the medium term.
- 2.3 This contract will include the removal of the GUM incentive payment, HIV opt out testing specifically in the Croydon University Hospital medical admissions unit, and a deflation of 4% on the 2012/13 GUM tariff resulting in lower unit costs compared to 2014/15.
- 2.4 Croydon Health Services have committed to work with Croydon Council to deliver the proposed principles of integrated, community-focused sexual health services through service redesign. A set of milestones and outcomes for the 12-month contract period will be agreed and incorporated into the contract prior to sign-off.

3. DEVELOPMENT OF INTEGRATED SEXUAL HEALTH SERVICES

- 3.1 The integrated sexual health model that CHS will be working towards over this 12-month period will be designed to ensure provision of effective sexual health services in Croydon. The aim is to shift the majority of services into the community, with a focus on prevention and self-care, and delivery of integrated clinical services through a 'hub and spoke' offer. This model will adopt a whole-system approach which prioritises outcomes and brings services better in line with established best practice, in particular:
- The integration of GUM and Contraception and Sexual Health (CASH) provision to a more holistic sexual health service provision;
 - The shift from a hospital-based model of care to one with a far greater emphasis on community-based services;
 - An approach that better targets sexual health services at specific groups identified as being at higher risk of sexual ill health.
- 3.2 Some aspects of the sexual health system that are currently provided by the voluntary sector will remain out of scope of inclusion for the integrated model to be delivered by CHS in 2014/15. These include the chlamydia screening programme provided by Terrence Higgins Trust and a number of HIV prevention and care services.

4. CONSULTATION

- 4.1. This proposal is based on recommendations from the Croydon Sexual Health Strategy 2011-2016 and the 2010/11 JSNA Chapter on Sexual Health. Both of these documents were widely consulted upon, and the strategy's ambitions continue to be supported by the Council, local NHS and voluntary sector. Croydon Council is now in a position to realise this ambition through the implementation of integrated sexual health services.
- 4.2. A period of thorough service user, stakeholder and community engagement will be undertaken as part of the detailed planning of the new service model and will be completed prior to implementation of the redesigned services. This will be used to shape the service delivery model and outcomes.
- 4.3. A market engagement event will be jointly held with four other South West London boroughs in January 2015.

5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

5.1. Revenue and Capital Consequences of Report Recommendations

	Current year	Medium Term Financial Strategy – 3 year forecast		
	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Revenue Budget available				
Expenditure	0	3,419	0	0
Income				
Effect of decision from report				
Expenditure	0	3,419	0	0
Income				
Remaining budget	0	0	0	0
Capital Budget available				
Expenditure	0	0	0	0
Effect of decision from report				
Expenditure	0	0	0	0
Remaining budget	0	0	0	0

5.2. Effect of the Decision:

The proposed award will result in a reduction in overall costs to LBC for sexual health services delivered by CHS by 7.1% (approximately £260k) compared to the 2014/15 budget for CHS sexual health services. This total reduction is made up of a saving of £79,890 through the decommissioning of opt-out HIV testing in the Medical Admissions Unit and removal of the GUM incentive

payment plus a 5% decrease on the remaining sexual health service expenditure.

5.3. Risks:

There is a risk that the service may overspend and experience financial pressures if the service redesign changes are not made in conjunction with the reduced financial envelope. There is also a risk of overspend due to increased activity; this is possible both as a result of increased need and also as a positive outcome of improved accessibility of services. Efforts will be made to mitigate these risks by negotiating an appropriate disincentive for activity above plan (e.g. a marginal rate), and/or incentive for remaining within agreed activity levels (e.g. by increasing self-care as part of service redesign).

There is a risk that the incumbent provider will be unable to improve services in the manner stated in paragraph 2.1. Collaborative work will be undertaken with the provider to ensure the best possible chance that they will be able to deliver the required outcomes. Options for alternative strategies and delivery models will be laid out in the Strategy report due to be presented during 15/16.

5.4. Options:

There is insufficient time to put a new service in place or transfer responsibilities to an existing provider that has not delivered this service before. Given the mandatory nature of the services provided, this is the only option available at this time.

5.5. Future Savings / Efficiencies:

The redesigned model of sexual health services that will be implemented over 2015/16 will also elicit savings in future years. These savings are expected to reach 15-20% of the combined current budgets for GUM, CASH and teenage pregnancy services over the next three years.

5.6. Approved by: Lisa Taylor – Head of Finance and Deputy S151 Officer

6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER

6.1 The Council Solicitor comments that the procurement process as detailed in this report meets the requirements of the Council's Tenders and Contracts Regulations and its statutory duty to secure best value under the Local Government Act 1999.

6.2 **Approved by: Gabriel MacGregor, Head of Corporate Law on behalf of the Council Solicitor & Monitoring Officer)**

7. HUMAN RESOURCES IMPACT

7.1. There are no immediate HR considerations that arise from the recommendation of the report for LBC staff.

7.2. **Approved by: Michael Pichamuthu, HRBP, on behalf of Heather Daley, Director of Workforce**

8. EQUALITIES IMPACT

- 8.1 A full equalities analysis was undertaken for the Croydon Sexual Health Strategy, which found the overall equalities impact of the proposals (upon which these proposals are based) would be positive.
- 8.2 A full Equality Analysis for the proposed developments to integrate services and move more provision into community settings has also been completed. This identified that there is greater sexual health need in certain protected groups, for example: HIV prevalence is higher among Black Africans and men who have sex with men (MSM); chlamydia prevalence is higher among young people.
- 8.3 The Equality Analysis identified that there the protected groups that should experience a positive impact were: BME groups; LGBT individuals and those who have undergone gender reassignment; younger people; men; women; those with disabilities; and some religious groups. The positive benefits identified were: improved access to full range of contraceptive services, STI testing and treatment; reduction in unplanned pregnancy including teenage pregnancy; improved access to pregnancy testing and referral to maternity or abortion services; reduction in STI prevalence, HIV incidence and HIV late diagnosis. These proposals will therefore contribute towards the Council's achievement of Objective 7 of its Equalities Strategy 2012-2016: to improve health and wellbeing by reducing health inequalities.
- 8.4 Potential negative impacts were identified among the same protected groups as detailed above if the increase in local, community-based services results in increased concerns over anonymity. However, this risk will be mitigated by maintaining a choice of setting, location and times to access sexual health services. Lack of awareness of service locations following changes may also be a negative impact of the proposed changes; however, this will be mitigated by the implementation of a comprehensive communication plan to raise awareness among potential service users. In addition, there is limited research and data on the potential impact of the proposed changes on people with disabilities so the potential negative impact on this group is not known, although it is considered likely that the provision of integrated, community-based services should improve accessibility for those with complex needs or those who may be unable to travel to central service locations. This will be evaluated once the service is established.
- 8.5 Engagement with target groups and potential service users, including protected groups, will be undertaken as part of the service design process by summer 2015; this will inform the changes to service delivery to ensure that potential negative consequences are minimised or eliminated and that positive impacts are maximised. The Equality Analysis will also be updated following this work, by September 2015. The project was considered to already include appropriate actions to advance health equality and foster good relations between groups.

8.6 The service specification will include a requirement to identify and provide services that meet any specific needs of protected groups as identified in the analysis and to share data and actively participate in the evaluation of the service so that access and outcomes among protected groups can be monitored. It will also detail the requirement to undertake engagement work with target groups, the wider community and NHS services and organisations working with these populations. This will help to minimise barriers, improve engagement for people with more complex needs and actively tackle health inequalities.

9. ENVIRONMENTAL IMPACT

9.1. The environmental impact of the proposed contract award is limited; however, the intention to move services closer to people's area of residence is likely to have a positive environmental impact as it will contribute towards a reduction in car, motorcycle and taxi journeys among service users.

10. CRIME AND DISORDER REDUCTION IMPACT

10.1. Sexual health service staff are in a strong position to identify victims of domestic and sexual violence and child sexual exploitation due to the increased risk of sexual ill health among victims and the opportunity to undertake comprehensive assessments with service users. The integration of training for front line staff for appropriate detection of these crimes and signposting or referral of possible victims will help support crime detection rates and have a positive impact on crime and disorder.

11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 11.1. The proposed direct award is recommended to ensure continued provision of mandatory sexual health services in Croydon and ensure the Council fulfils its obligations under The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013. It will also allow the provider time to demonstrate progress in integrating services and targeting groups at higher risk of sexual ill health, with the intention of improving both outcomes and cost-effectiveness.
- 11.2. This gradual move to integrated services will also reduce the risks associated with a sudden change in service provision and allow more time for community engagement.
- 11.3. The proposal will also allow time for Croydon Council to review the progress made in implementing an integrated sexual health service and develop a longer-term commissioning strategy based on this information.

12. OPTIONS CONSIDERED AND REJECTED

- 12.1. An option to go out to tender for services to start in April 2015 was considered and rejected as there is not enough time to complete this process and deliver the desired outcomes. An interim arrangement would therefore still have been necessary; it was deemed more likely that the required outcomes and financial efficiencies for 2015/16 could be achieved through a period of development with the incumbent provider than by an attempt to tender services quickly.
- 12.2. An option to directly award to CHS all elements of sexual health provision that may form a future integrated sexual health service (including those currently provided by the voluntary sector) was considered. However, this was rejected as CHS have not proven their ability to deliver these services and current providers may be better placed.

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BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972

None