

Committee(s): Health and Wellbeing Board - For information	Dated: [Insert date as DD/MM/YYYY}
Subject: Pan-London Online Sexual Health Service contract	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	2
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	£
What is the source of Funding?	Management fees that have already been paid to the City Corporation by 30 authorities (all London authorities except Croydon, Greenwich and Hillingdon)
Has this Funding Source been agreed with the Chamberlain's Department?	Y/N
Report of: Judith Finlay, Executive Director, C&CS	For Information
Report author: Adrian Kelly, Lead Commissioner, C&CS	

Summary

This report informs members of the Health and Wellbeing Board of a request made to the City Corporation, by the Local Authority representatives on the Strategic Board of the London Sexual Health Programme, to assess options for the re-procurement of a city-wide online sexual health service.

Any procurement and/or subsequent award would be intended to replace the current contract, which is managed by the City Corporation acting on behalf of 30 authorities (all London authorities save Croydon, Greenwich and Hillingdon) who pay management fees to the City Corporation which covers the costs of hosting a small programme team based at the Guildhall.

The programme has raised sufficient resources from the participating authorities thus far, ahead of any decision on whether (and/or what) to re-procure. These reserves are able to cover the additional costs of this initial phase, including internal recharges by colleagues in other departments and external expert capacity where necessary.

This report does not request authorisation for initiating a procurement exercise.

Recommendation(s)

Members are asked to:

- Note the report.

Main Report

1. Background

- 1.1. Local government acquired responsibility for commissioning many sexual health services in April 2013, as part of changes under the Health and Social Care Act 2012. This responsibility includes an obligation to pay open-access sexual health clinics anywhere in England and Wales, whenever their residents use those services.
- 1.2. An extensive range of clinic locations operate across London, with significant flow of residents to services in other areas of the capital. There has been substantial growth in sexual health service activity in recent years, for testing which has been accompanied by increases in the diagnosis and treatment of some sexually transmitted infections. This means collaborative commissioning arrangements in London are needed so authorities can manage the risk to their budgets accordingly.
- 1.3. Collaborative commissioning arrangements for sexual health clinics are facilitated by London Sexual Health Programme, in addition to the programme managing the contract for online sexual health services for residents of the participating authorities.

2. Current Position

- 2.1. The City Corporation currently manages a contract for the provision of London-wide online/remote sexual health testing services which it entered on August 15th, 2017, for a minimum term of 5 years with the option to extend the contract by up to 4 more years. This award followed a procurement process undertaken by Camden Council on behalf of 31 “named” authorities.
- 2.2. The authorities that participate in the programme pay management fees to the City Corporation; this pays for a small programme team that delivers a whole-system transformation programme by:
 - 2.2.1. Providing system leadership by consensus-building across authorities.
 - 2.2.2. Coordinating contracting and cross-charging arrangements for clinics.
 - 2.2.3. Managing the supplier’s performance under the online contract.
 - 2.2.4. Recharging authorities for use of the online service by their residents.
 - 2.2.5. Providing a secretariat function for the programme’s governance.
- 2.3. The online service, mobilised on January 8th, 2018, had a goal of moving at least one third of testing for sexually transmitted infection from physical clinics to the online channel over a 3-year period. This objective had been broadly achieved by 2020, when a third of sexual health testing screens were delivered online.

- 2.4. The COVID19 pandemic was especially challenging for London's sexual health clinics, and the online service has played a key role in assuring the continuity and sustainability of access to public health services for residents. Consequently, the proportion of testing done online has increased further, with two-thirds now done online. Service lines for contraception were also introduced for authorities that choose to activate them for their residents, these additional service lines now cover half of London.
- 2.5. The 30 authorities that participate in the contract have subsequently agreed to extend it by three years beyond the minimum term, to August 14th, 2025. The option for a fourth and final one-year extension remains.
- 2.6. The programme is not authorised to pursue successor arrangements under its existing governance, this requires new authorisation: from the Corporation as the lead authority and from any authorities who wish to participate in any new procurement process and/or contract award.

3. Options

- 3.1. As this paper is for information, options are not presented at this point. An options paper will be presented in the autumn to relevant committees of City Corporation and to the other authorities involved in the programme.

4. Proposals

- 4.1. The representatives of the authorities that participate in the London Sexual Health Programme request that the Corporation of London supports them in exploring their options for successor arrangements for the online contract and the Programme.
- 4.2. Options for successor arrangements will need to be informed by the following products which the Programme Team intends to initiate at this time:
 - 4.2.1. A market engagement exercise
 - 4.2.2. Service user and stakeholder engagement
 - 4.2.3. A Needs Assessment
 - 4.2.4. An initial Equalities Impact Assessment
- 4.3. When the authorities' representatives have reached a consensus, in Autumn 2023, the Programme Team will prepare a report on their proposals for consideration by the participating authorities and the relevant committees of the Corporation of London. This is likely to request that one authority leads a procurement exercise on their behalf with the objective of awarding a successor contract by August 2025, and the consensus of the Programme's authorities indicates they are keen for the City of London Corporation to carry out this role. Proposals for new governance arrangements and resource requirements for hosting the contract/programme will also be set out ahead of any decisions.

- 4.4. Any new procurement proposals will build on the substantial work undertaken in the development of the current service and original contract model, combined with updated expectations and requirements.
- 4.5. If the Corporation decides not to take on the procurement role for a new online service, the participating authorities will need to identify an alternative authority to lead the procurement/programme.

5. Key Data

- 5.1. With a kit return rate of 78%, the online service has tested 1.7m returned kits since January 2018. All service users are invited to rate their experience out of 5 stars, approximately half respond, and 99% rate it positively.
- 5.2. Over £100m spend is forecasted across the 8 years that the current contract operates and if the same activity was delivered in clinics, we estimate that it would instead cost the authorities c£350m.
- 5.3. The value of a successor contract is expected to exceed £20m per annum – the equivalent activity is estimated to cost the authorities c£70m per annum if provided by physical clinics instead.
- 5.4. Successor arrangements for when the current contract ends in August 2025 will need to be in developed and delivered if the authorities wish to continue benefitting from the efficiencies generated by having online channels.

6. Corporate & Strategic Implications

- *Strategic implications*

The transformation of sexual health service delivery across London helps:

Contribute to a Flourishing Society where people have good health and wellbeing, equal opportunities to enrich their lives/reach their potential and feel safe in cohesive communities that have the facilities they need.

The online service is an important source for HIV testing and supports the use of anti-HIV Pre-Exposure Prophylaxis (PrEP), which are important contributors to the Fast Track Cities goal of no new HIV infections in London by 2030.

The successful implementation of online services has increased the resilience of the wider sexual health system, enhanced the City's reputation for digital innovation around the world and supported economic regeneration in Sheffield where the laboratory of the current supplier is based.

Relevant regional and national strategies this work support include:

[Fast-Track Cities London Roadmap to Zero new HIV infections, zero deaths and zero stigma](#)

[A Framework for Sexual Health Improvement in England](#)

[Commissioning sexual health, reproductive health and HIV services](#)

- *Financial implications*

No financial implications arise from this stage of the process, the cost of the proposed activities can be met by the budget reserves that the programme team holds. This reserve is formed of any budget surplus from the annual management fees that participating authorities have paid to the Corporation and would be returned to those authorities if not used for the proposed purpose.

When the options have been assessed in detail they will be costed and any additional funding that participating authorities may need to pay the Corporation, will be set out.

- *Resource implications*

Undertaking a procurement exercise is resource intensive and will need to be delivered in partnership with specialist colleagues in Chamberlain's and Comptroller's departments. Internal recharges against the Programme budget will ensure that the cost of providing additional support for this exercise is recovered by the department/s.

- *Legal implications*

The Programme team has managed the risks associated with hosting the current arrangements through effective partnership working with colleagues in Chamberlain's and the Comptroller's departments.

In the pre-procurement phase, the risk of legal challenge by a potential supplier is paramount and is mitigated by acting transparently and fairly, this includes:

- Ensuring the incumbent receives no unfair advantage through our ongoing contract management relationship.
- Complying with regulations and good practice for transparency in respect of the current contract and its performance.
- Conducting early market engagement through approved processes.

Developing and agreeing new governance arrangements, including the contract, will be undertaken by a specialist legal firm with oversight from colleagues in Chamberlains.

This subsequent phase, of going to market, will require individual authorities to confirm their commitment and obligations for indemnification of the City Corporation ahead of going to market.

- *Risk implications*

Any procurement exercise will be guided by a detailed risk assessment which is actively managed with colleagues in the Chamberlains and Comptrollers departments as outlined in the preceding section and overseen by the representatives of the participating authorities.

The Programme team will commission expert support for proactive stakeholder communications with senior leaders across London to manage reputational risk.

- *Equalities implications*

Sexual health outcomes are closely aligned with social and economic inequalities. An Equality Impact Assessment will be completed over the summer to inform the appraisal of options before concrete proposals are brought to City Corporation Committees and the Cabinets of individual authorities.

- *Climate implications*

The current supplier is fully engaged with the City Corporation's program to achieve net zero carbon emissions within its full value chain by 2040. Learning from this work will inform the options that are presented in the autumn.

- Security implications

None

7. Conclusion

7.1. The City Corporation has successfully delivered on the undertaking it gave to London's authorities: to facilitate the transformation of the capital's sexual health system through hosting the London Sexual Health Programme and the online contract. This new request, to prepare options for successor arrangements, is a clear endorsement by our stakeholders that this phase has been satisfactorily delivered. Additionally, London's national and international reputation for innovation and ambition has been enhanced considerably with widespread interest in our achievements.

7.2. The forces driving the programme's inception, rising need coupled with pressure on public finances, are expected to continue for the foreseeable future and successor arrangements will therefore continue to be required. The programme has developed the expertise to prepare proposals for what comes next, and it has that built up cash reserves to ensure that this initial phase is adequately resourced and supported by expert advice from across the City Corporation.

7.3. The Board is asked to note the proposal to embark on the initial phases of delivery market engagement, needs assessment, stakeholder engagement and assessing impact on equalities so the programme team can work with London's authorities in preparing concrete proposals for proper consideration.

8. Appendices

None

Background Papers

[Extension to the contract for the provision of E-Services relating to the Pan London Sexual Health Transformation Programme.](#)

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