

Committee(s)	Dated:
CoLC Health & Wellbeing Board - For information Procurement & Projects Sub Committee - For Approval Finance Committee - For Approval Court of the Common Council – For Approval	15th November 2024 9th December 2024 10th December 2024 9th January 2025
Subject: Extension of Contract for the Pan-London Sexual Health E- Services contract	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly? Diverse engaged communities, providing excellent services	Outcome 2
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	The Public Health Grant
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Joint report of the Executive Director of Community & Children’s Services and the Chamberlain	For decision
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Summary

30 of London’s local authorities, including the City of London Corporation (CoLC), collaboratively commission “open access” sexual health services, with the City Corporation acting as the accountable body for the participating authorities.

A small Programme team, hosted by The London Sexual Health Programme (LSHP) hosted by City Corporation as the Lead Authority and accountable body, manages the Pan-London Sexual Health E-Services contract on behalf of the 30 participating Authorities which has transformed sexual health for residents through digitally enabled solutions for self-care which are both convenient and cost effective. This contract is fully funded by the 30 participating authorities, inclusive of the London Sexual Health Programme (LSHP) team costs. The programme is also governed through the participating authority’s individual authorisation processes.

The Pan-London Sexual Health E-Services contract, valued at just over £200m, was initially awarded for 5 years in 2017 with the option to extend it by 4 further years.

A 12-month allowable extension is required to complete the reprocurement of the E-Services contract within an achievable timescale. The 30 participating Authorities have recommended to the City Corporation, via the E-Services Management Board (ESMB) of the 31 August 2024, that the current E-Services contract is extended by 1 further year from 15 August 2025 to 14 August 2026.

This report seeks a decision for the City Corporation as lead Authority and accountable body to extend the current E-services contract with Preventx Ltd dated 15th August 2017 currently due to expire on the 15th August 2025 for a further year to expire on 15 August 2026.

This decision is required concurrently with the policy decision for the City of London Corporation to continue act as the Lead Authority, being the accountable body and host of the London Sexual Health Programme Team for the next phase of the LSHP with a view to re-procuring the service. This is subject to each participating authority, including the City Corporation acting by its Health and Wellbeing Board, taking their local decisions to renew the arrangements and to meet the joint costs of the service (both the hosting costs and the service contract) with the City Corporation acting as the accountable body. Due to the potential risks, The City Corporation also needs to be satisfied that the arrangements agreed adequately protect the City Corporation acting as the Lead Authority.

Recommendations

It is recommended that:

- a. the current E-services contract with Preventx Ltd dated 15th August 2017 currently due to expire on the 15th August 2025 is extended for a further year to expire on 15 August 2026.

This recommendation is made concurrently with the approval of City Corporation continuing to act as the Lead Authority and accountable body for the procurement of a new Pan-London Sexual Health E-services contract and the host of the programme management service under an inter-authority agreement (Committee Report Stage 1A)

Main Report

Background

1. London's Sexual Health E-Service is part of the Pan London Sexual Health Programme (LSHP) which aims "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."
2. In 2017 the 30 London local health authorities, including the City Corporation acting in that capacity, agreed to collaborate to deliver these sexual health services under an Inter-Authority Agreement (IAA) dated 16th May 2017, with the City Corporation also agreeing to be appointed as the Lead Authority, being the accountable body responsible for hosting the programme management service and procuring the E-service.

The contract for the provision of the E-Service, valued at over £200m, was awarded by the City Corporation on 15 August 2017, for a minimum 5-year term

with options to extend it by a maximum of 4 years. The contract was extended for a further 3-years extension in 2022, allowing for a further 1-year extension up to 14 August, 2026. The cost of the 12-month extension is £27m.

3. The E-Service is provided by Preventx Ltd who sub-contract with Chelsea and Westminster NHS Trust and Lloyds Online Doctor for clinical leadership, patient care and the supply of medical treatments.
4. It provides online assessment for sexual health testing services by post with remote treatment for chlamydia. The E-Service is partnered with London's NHS Trusts who provide ongoing care to E-Service users as required. It provides contraception to residents of 16 authorities, who have called off this optional service line.
5. The E-Service has performed well against the key performance indicators, the supplier has been responsive to our evolving needs and service user feedback is consistently positive. When compared with providing similar care pathways in a traditional clinic setting, the E-Service provides value for money to the participating Authorities and convenience for their residents.
6. A small Programme team, the London Sexual Health Programme Team (LSHPT) hosted by the Directorate of Community and Children's Services within the City Corporation, manages the E-Service contract on behalf of 30 participating authorities under the IAA. The arrangements provide for the costs of the hosting to be met by the participating authorities as well as for recharging each of the local authorities for their residents' usage in a timely manner so that liquidity risk is managed for the City Corporation as the accountable body.
7. An E-Service Management Board (ESMB), comprising of representatives from each participating Authority, provides strategic oversight for the contract and makes recommendations to the City Corporation when variations, including extensions, to the contract are needed.

Current context

8. The 30 participating Authorities have recommended to the City Corporation, via the E-Services Management Board (ESMB) of the 31 August 2024, that the current E-Services contract is extended by 1 further year from 15 August 2025 to 15 August 2026.
9. This extension will ensure there is adequate time for all participating Authorities to obtain their own authorisations to extend the arrangements, including hosting and procurement by the City Corporation as the Lead Authority and accountable body, and to participate in any subsequent service contract awarded by the City Corporation, and for the delivery of a comprehensive competitive procurement process by the City Corporation as Lead Authority. Shared legal advice continues to be procured for the benefit of all those anticipating to advise on the revised IAA and proposed forthcoming competitive procurement, which advice will be funded by all of the participating authorities.
10. The new Provider Selection Regime (PSR) sets out the rules for procuring health care services in England by organisations termed Relevant Authorities. The key criteria under regulation 5 of the PSR are (a) quality and innovation, (b) value, (c) integration, collaboration and service sustainability, (d) improving access, reducing health inequalities and facilitating choice and (e) social value.

11. The participating Authorities reached a consensus in the ESMB of the 18 April 2024 for a competitive process to be undertaken for the (re)procurement of the Sexual Health E-services and this was endorsed by the authorities at a subsequent meeting of the LSHP's Strategic Board. City Corporation as the host authority has taken this decision on behalf of the Related Authorities via the IAA.

Consideration and Evaluation of options

12. The request to extend the current E-services contract with Preventx Ltd for a further year to expire on 15 August 2026 will ensure there is adequate time for all Authorities to obtain authorisation to extend the arrangements, including hosting and procurement by the City Corporation as the Lead Authority and accountable body, and to participate in any subsequent service contract awarded by the City Corporation, and for the delivery of a comprehensive competitive procurement process by the City Corporation. This will be guided by the expertise of City Corporation's Finance, Governance & Commercial Services, and Legal Services the Comptroller & City (CCS) Solicitor's. The CCS Department will oversee the execution of the legally binding service contract and would advise the City Corporation in relation to matters arising on the joint advice for the City Corporation, and as lead authority on the forthcoming procurement unless this substantive commercial legal advice was within the brief of the external legal advisers where the CCS would be limited to the drafting of the provisions for insurance and indemnities (alongside the Chamberlain under the Corporate governance framework of the CoLC) and execution formalities for the CoLC.

Recommended options

13. So that the local authorities have time to ensure there is adequate time for all Authorities to obtain authorisation to extend the arrangements, and to participate in any subsequent service contract awarded by the City Corporation, and the delivery of a comprehensive competitive procurement process by the City Corporation it is recommended that the City Corporation
 - (a) agrees to the current E-services contract with Preventx Ltd is extended for a further allowable year to expire on 14 August 2026 under the management of City of London Corporation as Lead Authority and accountable body for the procurement of a new Pan-London Sexual Health E-services contract and the host of the programme management service under an inter-authority agreement. This is aligned to the terms agreed by the majority of participating Authorities at the ESMB on the 31st August 2024.

Results Savings, efficiencies and benefits

14. The current contract for E-services provides value for money to the participating authorities when compared with providing similar care pathways in a traditional clinic setting. Since the inception of the E-services contract, London's system provides 50% more sexual health consultations than it did in 2017. Funding has been flat – this growth has been accommodated through efficiencies.
15. The greater the proportion of activity that happens online, the greater the efficiencies for the Authorities individually and collectively. Public Health England predict that the next 10 years will see a return on investment based on £9.00 saving for every £1 invested in publicly provided contraception.

16. The E-Service is addressing accessibility challenges for residents from deprived areas. 69% of STI Kits were ordered from the top 5 most deprived areas in London with 74% for routine contraception and 81% for Emergency contraception.
17. Providing the same care at lower prices enable the participating Authorities to meet the challenge of rising demand for sexual health testing that accompanies expanded uptake of Pre- Exposure Prophylaxis (PrEP) and fulfil the capital's commitment to becoming the first nation in the world to achieve zero new HIV transmissions by 2030.
18. The LSHP Team have a new dedicated senior Health Business Analyst joining the team in December 2024 to undertake all the data and financial modelling to detail the efficiency, effectiveness, value and behaviour of Pan-London residents accessing the Sexual Health E-Service and how it is critically improving health outcomes across all participating authorities. This information will underpin the impending Business Case for the new procurement to be approved across all Related Authorities to proceed to market via a PSR route.

Financial Implications

19. City Corporation acting as a trusted broker on behalf of the LSHP is of no cost to the Corporation. The LSHP will not be requesting an uplift from participating authorities during this period.
20. The extension of the E-Service contract for a further 12 months would result in a status quo position regarding how City Corporation manages the financial model on behalf of the participating authorities.
21. The value of the monthly invoices from the existing supplier under the current contract requires enhanced approval processes involving the Chamberlain, Chamberlain's Department, and the Executive Director of Community & Children's Services. The programme team includes a dedicated resource for recharging the participating authorities each month according to their residents' usage. The level of liquidity in the funds under the arrangements is regularly reviewed with the Chamberlain and any new measures to manage risk for the City Corporation as accountable body are then implemented.

Legal Implications

22. The existing IAA permits the service contract to be extended by one year with City Corporation procurement procedures being followed to affect this extension.
23. A continuation of the joint arrangements for a further 12-months means there will be a continuation of the existing governing arrangements, including financial commitments; this will include the City Corporation as local authority which decisions are for the Health and Wellbeing Board and will be considered separately by that Board should this reports recommendations be supported. The City Corporation, as the Lead Authority can then take the relevant steps to (re)procure the Sexual Health E-Service in accordance with the City Corporation's standard procurement procedures and a new IAA will be required after approvals are confirmed at City Corporation Stage 2 authorisation.

24. The IAA will clearly state the apportionment of liabilities across all participating authorities.

Risk Implications

25. There is significant risk for London's sexual health system if the City Corporation does not approve the 12-month contract extension on behalf of the Related Authorities.
26. If the mandate is not approved as recommended by the participating Authorities, this would create significant risk of major reputational damage for all participating Authorities and potential adverse publicity for all Authorities, including the City Corporation because the activity currently managed through the sexual health E-Service will be transferred back to in-person clinics across London. If this were to occur the LSHP team will have to support participating authorities with a streamlined contingency plan service due to service disruption and financial constraints.
27. Under the leadership of the LSHP, the impact of not approving a 12-month contract extension will limit the Programme's capability to seek a more effective and efficient supplier in a competitive market under the PSR regime. The current pan London Needs Assessment indicates that there are critical changes in resident profiles and trends that require a an updated service model and specification. The impact would mean service status quo and the existing contract will continue to deliver services out of contract.
28. A lack of continuity of service will create a significant rise in financial burden for all participating authorities that has not been accounted for. The LSHP would have to seek advice and guidance from each participating authority finance teams (including City Corporation through its own participation).

A disruption in service will have a impact on residents requiring STI and contraception support across the region. This is counter-intuitive to the values and principles of the City Corporation's Corporate Plan, specifically Outcome 2: Diverse engaged communities, providing excellent services.
29. Conducting an end-to-end procurement that meets the City of London Corporation procurement code will be untenable due to a lack of adequate time to deliver the procurement in a meaningful and compliant manner. This is would be a digression from the City Corporation's Corporate Plan.
30. The LSHP team are committed to ensuring a 12-month contract extension is negotiated carefully with the advice and support of the CoLC legal team (contract and governance) to aligns with the original contract's objectives. This is to avoid unintended consequences such as changes in terms, duration, and additional obligations. LSHP will be prudent in reviewing the terms of the extension.

Equalities implications

31. The Programme has sought external support from the Equalities & Human Rights Commission to ensure Public Sector Equalities Duty compliance. To ensure the Programme remains fully compliant throughout the duration of the Programme an Equalities Diversity & Inclusion Advisory Board (EDIAB) has been established as part of the existing governance structure to provide advice to the Statutory Board and Clinical Advisory Board on all matters related to the delivery of the Programme. The EDIAG consists of diverse service user representation to ensure service users' voices are heard and represented on all matters related to the Programme. This Group will be consulted on the Equalities Impact Assessment (EQIA) completed by the Programme.

Climate implications

N/A

Security implications

N/A

Conclusion

32. The City Corporation as a Lead Authority (and through its own participation as a local authority) will ensure an exemplary LSHP procurement process will be undertaken on behalf of all participating authorities with the approval of a 1-year extension that will provide timeline assurance.

By extending these arrangements, the City Corporation is provided with the opportunity to continue to enhance its reputation for delivering excellent public services, technological innovation and cost effectiveness.

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