

City of London Corporation Committee Report

Committee(s): Health & Wellbeing Board Finance Committee – For decision (Delegated Authority) Projects & Procurement Sub-Committee – For decision Court of Common Council – For decision	Dated: 15/11/2024 04/06/2025 16/06/2025 26/06/2025
Subject: Pan-London Sexual Health eService (SHL.UK)	Public report: For Decision
This proposal: <ul style="list-style-type: none"> delivers Corporate Plan 2024-29 outcomes 	Providing excellent services
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 Director of Community & Children’s DCCS and the Director of Commercial Services	For approval
Report author: Mona Hayat, Director of Sexual Health, DCCS	

Summary

Local Authorities are obliged, by the Health and Social Care Act 2012, to provide open access sexual health services, including STI testing, treatment, and contraception.

The existing SHL.UK service is a public health success story: by providing a discreet, convenient, and cost-effective online platform, we have broken down barriers to care, reaching more residents than ever before. This service ensures that everyone, regardless of their circumstances, can get the support they need from the privacy of their own home. The existing service contract expires in August 2026 and so the second iteration of SHL.UK is required to replace it.

High-quality sexual and reproductive health services are critical to improving health and wellbeing, as are our efforts to address barriers such as stigma, discrimination, language, and cultural competence.

The SHL.UK service provides remote STI testing, results management, and contraception services. It has high user satisfaction and significant testing activity, focusing on cost savings and improved access. The service has been particularly effective in shifting lower-risk and asymptomatic users from clinics to the online platform, freeing up clinic capacity for urgent needs.

The new service will be required to provide enhanced communication, use inclusive imagery, and provide awareness training for other organizations who work with key communities. Specific changes to service requirements include making contraception a core service, exploring multi-lingual support, and improving result communication. The new service also aims to lower the minimum age for access and increase testing kit limits to better meet the needs of the populatio

The successor service aims to enhance communication, inclusivity, and access to sexual health services. It includes aspirations for remote PrEP care, multi-lingual support, and targeted promotion for underserved populations. The service will continue to provide core STI testing and treatment, with optional modules for contraception, PrEP care, and condom distribution. The successor service is set to commence in August 2026 with an initial term of 5 years, until 2031. There is an option for two additional extensions of 2 years each, potentially extending the contract to August 2035. The estimated contract value is £235 million over 9 years, with annual costs rising from £22 million to £29 million.

A PIN was issued in January 2024, where interested suppliers were asked to complete a questionnaire about the services they provide and the structure of the replacement SHL.UK e-Service. We received 7 responses to this. Following the review of the questionnaire responses, interviews were conducted with each of these suppliers to gather more detail. Finally, a market engagement day was conducted in March 2025 where 22 representatives from interested bidders attended.

The service is divided into two areas: the online portal and the testing service. The expenditure is allocated with 20% on the online portal and 80% on the testing service. In accordance with the Health Care Services (Provider Selection Regime) Regulations 2023, soft market testing has confirmed market competition. Therefore, the Competitive Process is deemed the most suitable route to market.

Recommendation(s)

Members are asked to endorse the procurement to Court of Common Council for the replacement E-services contract, due to commence on 15 August 2026.

This recommendation is made following 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.

As the Projects & Procurement Sub-Committee meets after the Finance Committee in June, **FC Members** are requested to provide Delegated Authority to the Town

Clerk, in consultation with the Chairman and Deputy Chairman of the Finance Committee to approve this recommendation, once PPSC Members have scrutinised the Report.

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.
3. 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, and then a final 1-year extension was applied, taking the contract end date to 14 August, 2026.
4. The current 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.
5. 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.
6. 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.
7. 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.
8. 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 Position

9. The 30 participating Authorities have recommended to the City Corporation, via the E-Services Management Board (ESMB), that the current E-Services contract is reprocured and to go live on 15 August 2026.
10. Publishing the tender documentation in June 2025 will ensure there is adequate time for the delivery of a comprehensive competitive procurement process by the City Corporation as Lead Authority, allowing all participating Authorities to obtain their own authorisations throughout the process, and to participate in the subsequent service contract awarded by the City Corporation. The competitive procurement (including legal advice) will be funded by all the participating authorities.
11. 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.
12. 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.

Options

13. There were four options identified to take forward the re-procurement:

Option 1: Run a “Competitive Process” under the Health Care Services Provider Selection Regime

Advantages to this Option:

- Value for Money: Encourages cost-effective service provision.
- Innovation: Promotes new approaches and improvements in service delivery.
- Transparency & Fairness: Reduces legal and reputational risks associated with direct awards.

Disadvantages to this Option:

- Time & Resource Intensive: Longer procurement timelines and higher administrative costs.
- Potential Disruption: Transitioning between providers may pose risks to service continuity.
- Market Uncertainty: Can create instability for existing providers.

Possible risks associated with this Option:

The key risk to this option is the continued provision of a quality service to residents of London. This has been mitigated through extensive market engagement and the

drafting of a detailed specification. The ITT will seek responses to key method statements, with minimum scores required to ensure continued quality. A period of 4 months has been allowed for the new service to “ramp up” prior to the cessation of the current service (a term confirmed with all potential bidders to be sufficient). The contract will contain key performance indicators to allow for robust contract management post award.

Option 2: Use the “Most Suitable Provider” process under the Health Care Services Provider Selection Regime.

Advantages to this Option:

- Flexibility: Enables authorities to tailor service selection to strategic priorities.
- Reduced Procurement Burden: Avoids lengthy competitive processes.
- Continuity of Care: Maintains stability when transitioning to a new contract.

Disadvantages to this Option:

- Subjectivity Risk: Requires clear justification, which may be challenged.
- Limited Market Testing: Does not always ensure the best value for money.
- Potential Provider Discontent: Other providers may dispute the selection process.

Possible risks associated with this option:

Due to the complexity of this service (value, cross-borough), conducting a desktop exercise to identify the most suitable provider would be a huge risk, as it would be unlikely to sufficiently allow us to be satisfied that any provider would be able to meet the requirement to the scale and complexity required.

Option 3: Use the “Direct Award Process C” process under the Health Care Services Provider Selection Regime (awarding to the incumbent).

Advantages to this option:

- Efficiency: Faster procurement with reduced administrative burden.
- Continuity: Ensures stability in service delivery.
- Market Confidence: Reduces uncertainty for providers currently delivering services.

Disadvantages to this option:

- Limited Competition: May not encourage innovation or cost savings.
- Legal Challenge Risk: Could be subject to scrutiny if the justification for direct award is weak.
- Equity Concerns: Could be perceived as favouring incumbent providers unfairly.

Possible risks associated with this option:

The soft market testing that has been conducted has demonstrated that there are several providers working in this space. They have demonstrated an appetite to bid for this contract and bring with them new and innovative ideas regarding service delivery. Having engaged with them throughout the process so far, The City would stand a significant risk of challenge should the contract not be competed. Whilst the service being provided is of a high quality, some Boroughs are happier than others with the incumbent provider performance.

Option 4: Use a framework agreement.

Advantages to this Option:

- **Reduced Procurement Burden:** Avoids lengthy competitive processes.
- **Risk Management:** With established terms and conditions, there is more certainty and stability in the procurement process, reducing potential risks and uncertainties.
- **Compliance:** They help demonstrate and justify decision-making and best practices, ensuring compliance with procurement regulations.

Disadvantages to this Option:

- **Reduced Competition:** Framework Agreements limit access to new or alternative suppliers, hindering the opportunity to achieve the full service requirement, and negotiate better prices or terms (the Framework Terms and Conditions must be used).
- **Lack of Flexibility:** The scope and T&Cs of the Framework may restrict our ability to adapt to changing needs or circumstances and explore new or improved ways of delivering goods or services.
- **Simplistic:** Framework Agreements are not designed for such complex service delivery models of SHL.UK

Possible risks associated with this option:

There is currently no Framework Agreement in the market available for us to use should this have been the preferred route to market. NHS SBS are putting a Framework in place, but it will not be active until after we have awarded our contract. As such, it is not clear whether the incumbent and other providers included in the soft market testing will be on the Framework. Going to market later using a Framework that may not include these suppliers would provide a significant risk of challenge.

Proposals

14. In April 2024, contract law specialists held a workshop for London commissioning and procurement teams to review the new legislative framework for sexual health services. A consensus emerged that both Direct Award Process C and a Competitive Process were viable procurement routes.

During the LSHP Strategic Board meeting in October 2024, a number of Authorities agreed on their preferred procurement route for the London e-Service being the Competitive Process; the rationale being that since the award of the existing contract, a number of new entrants have entered the market. With new entrants in the market, this approach fosters competition and innovation, ensuring value for money while enhancing service quality for users.

Key Data

15. The London Sexual Health Programme has made significant strides in both clinic-based and online sexual health services. The NHS operates 34 specialist sexual health clinics that now offer contraception services aligned to a common service specification, ensuring consistent performance indicators. In the 2023/24 period, these clinics activated 409,648 STI testing currencies, with Chelsea and Westminster Hospital NHS Foundation Trust and Central and North West London NHS Foundation Trust being the largest providers. Notably, there has been a 26.1% reduction in out-of-area activity since 2013, with 27.4% of residents attending these services.

Between 2019/20 and 2023/24, there was a 20% reduction in overall attendances at NHS clinics, leading to a £9.6 million reduction in overall spend. Specifically, attendances for STI care dropped by 28%, resulting in an £11 million reduction in spend on STI interventions. Overall, London's total local authority expenditure on STI testing and treatment decreased by £13.1 million from 2018 to 2023.

NHS clinics have referred over 500,000 individuals to the SHL.UK website, with more than 200,000 of these referrals occurring in clinics, allowing test kits to be taken away and freeing up clinic capacity for urgent needs. A 2024 survey of 1,420 London residents confirmed the effectiveness of this shift, with two-thirds having visited a sexual health clinic in the past 12 months, and over a third of these also using SHL.UK. Additionally, over half of those who did not visit a clinic used the online service.

16. Corporate & Strategic Implications

Strategic implications

Having a 99% service user satisfaction rate, the SHL.UK E-Service fully supports the City's outcome of "Providing Excellent Services".

The current contract has so far delivered high user satisfaction (99% recommendation rate), award-winning service, and significant testing activity (57% of all testing in London). The service has recently been awarded 'Environmental Sustainability Project of the Year' at the HSJ Partnership Awards 2025 for the recycling and reuse of testing equipment.

Performance against KPIs is reviewed with the supplier at quarterly Contract Board and reported to all Authorities at quarterly E-Service Management Board.

Results savings, efficiencies and benefits

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. Currently the participating authorities are spending £11 million less on STI interventions than in 2019/20. 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.

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.

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.

The LSHP Team have a new dedicated senior Health Business Analyst joining the team in September 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 has underpinned the Business Case for the re-procurement and has been approved across all Related Authorities to proceed to market via a PSR route.

Financial implications

City Corporation acting as a trusted broker on behalf of the LSHP is of no cost to the Corporation.

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.

Resource implications

There is already a team in place within City of London who manage the SHL.UK service on behalf of the London Boroughs; the re-procurement will not require additional resource to be brought in.

Legal implications

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

Risk implications

There is significant risk for London's sexual health system if the City Corporation does not re-tender the SHI.UK E-Service on behalf of the Related Authorities.

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.

The re-procurement of the SHL.UK E-Service gives 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 an updated service model and specification.

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.

Equalities implications

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 Equity Equalities Diversity & Inclusion Advisory Board (EEDIAB) 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 EEDIAB 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

The following initiatives around climate and responsible procurement are in place currently and will be built upon throughout the new service:

- The existing e-Service as recently won a national environmental award:
- Environmental impact (energy use, managing waste)
Community benefits (engagement with neighbours, residents & businesses, service user involvement)
- Workforce representation (ethos, culture, mindset)
- Economic outcomes (recruitment of workers from London's diverse communities, local volunteering opportunities)

Security implications

N/A

Conclusion

17. 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 re-procurement of the SHL.UK E-Service.

By conducting this re-procurement, the City Corporation is provided with the opportunity to continue to enhance its reputation for delivering excellent public services, technological innovation and cost effectiveness.

Appendices

- Appendix 1 – List or write ‘None’
NONE

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