

Agenda Item:

# Joint Public Health Board

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Bournemouth, Poole and Dorset councils working together to improve and protect health

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| Date of Meeting    | 9 <sup>th</sup> November 2015  |
| Officer            | Director of Public Health  |
| Subject of Report  | <b>Progress report on procurement of the integrated sexual health service</b>  |
| Executive Summary  | <p>This paper provides an update of progress in the procurement process for the integrated sexual health service since the last report to Board in July 2015.</p> <p>The paper covers:</p> <ul style="list-style-type: none"> <li>• A summary update on procurement</li> <li>• An update on the position and continuation for the current sexual health contract requirements</li> <li>• Summary of the way forward</li> </ul> |
| Impact Assessment: | <p>Equalities Impact Assessment:</p> <p>An equalities impact assessment screening tool has been completed and does not include a full equalities impact assessment</p>   |
|                    | <p>Use of Evidence:</p> <p>The commissioning update uses</p> <ul style="list-style-type: none"> <li>• Internal performance and data monitoring information</li> <li>• Evidence base for best practice guidance</li> <li>• Financial and service review recommendations</li> <li>• Risk assessment tools</li> </ul>   |
|                    | <p>Budget:</p> <p>The budget for 2016/17 will depend on the outcome of the Comprehensive Savings Review in November. As the overall</p>  |

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|                               | <p>sexual health budget is one of the largest, the reduction in budget will be correspondingly large, although spread across a number of provider organisations.</p> <p>Risk Assessment:</p> <p>There is a medium financial risk as the value of services being commissioned through a single managed contract is in excess of £1 million. The main risks include public health funding changes and subsequent pressures, effective management of early decommissioning, potential destabilisation of elements of NHS commissioned services and the need for media plans to be in place.</p> <p>Current Risk MEDIUM<br/>Residual Risk MEDIUM</p> <p>Other Implications: non acceptance, media challenge, contractual disengagement.</p> |
| Recommendation                | <p>The Joint Public Health Board is asked to:</p> <ol style="list-style-type: none"> <li>1. Note procurement developments</li> <li>2. Approve current contract management and financial changes for 2016/17</li> <li>3. Approve next steps to commence procurement and award for integrated sexual health services</li> </ol>   |
| Reason for Recommendation     | To enable service continuation in short term and transformation through reprocurement in medium term.   |
| Appendices                    | None  |
| Background Papers             | <p>Joint Public Health Board report 6 November 2014, 3rd February and 8<sup>th</sup> July 2015</p> <p>National and local integrated service specification</p> <p>Risk register for sexual health</p> <p>Public Health Dorset financial updates 2015</p>   |
| Report Originator and Contact | <p>Name: Sophia Callaghan, Assistant Director of Public Health/<br/>Sexual Health Lead<br/>Public Health Dorset<br/>Tel: 01202 261105<br/>Email: <a href="mailto:sophia.callaghan@dorsetcc.gov.uk">sophia.callaghan@dorsetcc.gov.uk</a></p>   |

## **1. Update on Service Procurement**

- 1.1 The development to date has been presented and agreed at the Joint Public Health Board within three background papers from November 2014 to July 2015.
- 1.2 To summarise, in November 2014 a paper was submitted to the board, which outlined the current services for sexual health and the vision for an integrated cost effective service. This included contract notice and was approved. Supplier engagement days took place early 2015.
- 1.3 The overall procurement plans were developed and outlined to the Board with approval to award a newly commissioned service and contract, which was planned to commence early 2016. A further Board update in July 2015 outlined the tender and evaluation process, risks and mitigation plans and raised the challenge of the in-year Public Health funding changes announced during 2015/16.
- 1.4 The tender submission evaluation process ran during July 2015 with three interested providers. During this procurement timeframe, central government announced a proposal to reduce the public health in year grant by approximately 7.5%, subsequently 6.2% when out to consultation. All those providers involved in the tender process were consulted and acknowledged the financial changes and agreed to proceed. At a later stage however, a challenge by one of the bidders, regarding the legality of the budget changes during the tender process, led to withdrawal of consent by a provider and a subsequent stop to the tender process. This was to mitigate the risk of any further challenge at final award stages.
- 1.5 Since July 2015, further central government announcements have intimated that public health will be included in the Comprehensive Spending Review calculations. This means that it is likely that the initial saving target that impacted on the initial financial envelope could increase to between 15%-40% over the next three years.
- 1.6 Whilst it has been disappointing and challenging not to proceed to award stage, it presents us with the opportunity to continue to further refine the service options, to address the challenging budget reductions, while presenting an effective and efficient integrated commissioning model.

## **2. Progress with Current Contracts**

- 2.1 In view of the delay to the tender process, and the previous notice to terminate existing contracts in December 2015, Public Health Dorset are currently seeking to update the existing contracts from a NHS managed process to a Local Authority managed contractual process from January 2016.
- 2.2 Letters requesting an extension to the exiting sexual health service contracts have been sent to all incumbent providers for a 6 month plus 6 month duration from January 2016, which has been agreed in principle. The new contractual and monitoring arrangements will improve risk and activity management directly with providers, which is often associated with the NHS payment by results system (PBR), while reflecting the relevant savings required for quarter 4 during 2015/16 and for 2016/17.
- 2.3 The contract from December 2015, for 2016/17, will be at least 6% less than previous and we will need to agree and prioritise change in existing service provision with providers. Given the history of trying to effect system wide change informally in sexual health, this may be challenging.

### **3. Tender Process**

3.1 The new service model has an approach to develop a fully integrated, community based service that is nurse led with appropriate consultant sessions to meet complex levels of need. The focus will be to manage low value activity more effectively, and to prioritise very vulnerable groups.

There will be a clear service specification with:

- A planned single point of access with effective triage and opportunistic brief intervention, improved risk assessment and coordinated partner notification ;
- An effective engagement and referral system for users to access the right information, assessments, advice and required intervention;
- A recognised branding, single IT system and marketing strategy to engage users;
- Self management as a strong focus, using interactive on line services to improve ease of access and STI testing, especially for lower risk groups.

The wish is to go out to tender as soon as the documentation/process is completed. This is likely to be in the first quarter of 2016 with, hopefully, implementation by the end of 2016.

### **4. Recommendations**

4.1 The Joint Public Health Board is asked to:

- Note procurement developments
- Approve current contract management and financial changes for 2016/17
- Approve next steps to commence procurement and award for integrated sexual health services

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