



ADULT SOCIAL CARE AND PUBLIC HEALTH COMMITTEE

15 June 2023

REPORT TITLE:	SEXUAL AND REPRODUCTIVE HEALTH SERVICES COMMISSION – UPDATE
REPORT OF:	DIRECTOR OF PUBLIC HEALTH

REPORT SUMMARY

This report updates on the report taken to Adult Social Care and Public Health Committee on the 6th of March 2023 regarding the recommissioning of sexual and reproductive health services in Wirral.

The Director of Public Health has been authorised by the Committee to commence the re-commissioning of Sexual and Reproductive Health Services for an initial five-year period from the 1st of April 2024 with the option for two one-year extensions to a value of £20,300,000 over the seven-year term and award a contract to the successful party/ies following this process.

In light of additional financial pressures likely to be experienced by providers that have since been identified, this report asks for approval to increase the maximum financial value of the contract.

The proposals within this report supports the implementation of the Wirral Plan 2021 – 26 priorities, Brighter Futures and Active and Healthy Lives.

The decision has the potential to affect all wards within the Borough. This is a key decision.

RECOMMENDATION/S

The Adult Social Care and Public Health Committee is recommended to authorise the Director of Public Health to commence the recommissioning of the Sexual and Reproductive Health Services, as otherwise agreed at the Adult Social Care and Public Health Committee of 6th of March 2023 at an increased value of £21,109,078 from £20,300,000. An increased value of £809,078 over the seven-year term.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To ensure that the value of the tender for sexual and reproductive health services in Wirral remains commercially viable and attractive to potential providers.
- 1.2 To mitigate the negative impact of future inflation on the quality of provision of sexual and reproductive health services in Wirral.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The option of not adding an uplift to the contract value was considered, however the following matters have been taken into account:

- The future responsibility of Local Authorities to cover nationally negotiated NHS salary increases;
- The forecast levels of inflation over future financial years;
- The current expenditure of the incumbent provider for delivery of the integrated sexual health service is above the contracted value of £2,700,000 per annum;
- The current level of the Council's expenditure on sexual and reproductive health services, in comparison to neighbouring Cheshire and Merseyside local authorities, where the Council sits 5th out of 9 authorities on expenditure per capita;
- The previous commissioning exercise in 2016/17, where only one bid was received for the integrated sexual health service; and
- The findings of a soft market testing exercise, where inflationary pressures were regularly cited as a prime risk to service delivery.

Having regard to the above factors, there is high likelihood of providers declining to submit bids for the tender. This would jeopardise the future delivery of quality sexual health services in Wirral. It is necessary to recommission the services highlighted in order to comply with Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

- 2.2 The option of increasing the value of the contract(s) by 3.2% each year over the course of the contract(s) has been considered. This value is in line with the uplift to value of the public health grant for 2023/24 and would be closer to the anticipated value of any NHS wage increases, and the likely level of inflation over the duration of the contract (while still leaving a likely shortfall to be absorbed by the provider).
- 2.3 This option was rejected, owing to the uncertainty around future increases in the value of the public health grant beyond 2023/24. An indicative increase of 1.3% has been given for 2024/25, and there is a risk that future awards will continue to be below any proposed 3.2% uplift to this contract, exposing the Council to increased financial risk.

3.0 BACKGROUND INFORMATION

- 3.1 On the 6th of March 2023, the Adult Social Care and Public Health Committee:
1. Authorised the Director of Public Health to commence the re-commissioning of the Sexual and Reproductive Health Services for an initial period of five years (1st April 2024 – 31st March 2029) with the option of two one-year extensions. The expenditure for the services will be no more than £20,300,000 (£2,900,000 per annum) over the seven-year term.
 2. Delegated authority to the Director of Public Health to formalise the agreement with the successful party/ies following the commissioning process.
- 3.2 In the years prior to the latest contract award in April 2017 the Public Health contract value for Sexual Health services was set at a value between £2.7m to £2.8m. From April 2017 and within the context of actual and forecasted annual grant reductions, efficiencies were built into the contract value which have taken it to the present annual value of £2.612m.
- 3.3 National focus on the funding and demand pressures were highlighted in the Local Government Association's November 2022 publication: 'Breaking point: Securing the future of sexual health services.' This document detailed the increased demand for services coupled with the increased price of providing them whilst going on to request further National investment to protect population's health and well-being.
- 3.4 A soft market testing exercise was undertaken in April 2023. Seven providers expressed an interest in delivering Wirral sexual and reproductive health services, but inflationary cost pressures were clearly cited as an area of concern. In accordance with paragraph 10.6.4 of the Council's Contract Procedure Rules, Corporate Procurement have agreed that the standard evaluation criteria for contracts above £100k of 65% price, 20% quality and 15% social value can be varied on this occasion. The 15% social value element will remain, but in light of the already financially competitive market, the weighting for quality will be increased.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The Ringfenced Public Health Grant currently funds the Sexual Health service. The requested budget increase of £809,078 has been calculated based on a year-on-year increase of 1.3% across the seven-year term. This reflects the indicative uplift that the Public Health Grant will receive for 2024/25, which is a lower rate of increase compared to the previous year. The value and availability of the Public Health grant for 2025/26 and beyond is not yet known, so a consistent uplift rate has been applied for the duration of the contract. Should the grant be reduced then contract amounts may need to be varied, and the proposed tender exercises and any resultant contract will take into account appropriate mitigating measures.

5.0 LEGAL IMPLICATIONS

- 5.1 The recommissioning of the service as detailed within this report is compliant with the Public Contract Regulations 2015 and the Council's Contract Procedure rules.
- 5.2 The Council has a general duty under Section 2B of the National Health Service Act 2006 to take such steps as it considers appropriate for improving the health of the people in its area.

5.3 The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013 (Part 2, Regulation 6) states that each local authority shall provide, or shall make arrangements to secure the provision of, open access sexual health services in its area for:

1. preventing the spread of sexually transmitted infections;
2. treating, testing and caring for people with such infections; and
3. notifying sexual partners of people with such infections.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 Transfer of Undertakings (Protection of Employment) Regulations 2006 (T.U.P.E.) may be applicable. The incumbent provider will provide the Council with anonymised details of staff engaged in the provision of relevant services, who may be subject to TUPE. This information will be shared with the tender documentation. It is the responsibility of tenderers to liaise with incumbent suppliers to establish whether TUPE applies to the contract and to ensure that TUPE information provided by incumbent suppliers is accurate.

7.0 RELEVANT RISKS

7.1 There is a risk that a yearly contract increase of 1.3% (in line with the Public Health grant for 2024-2025) will create a funding gap relative to NHS pay inflation, which could compromise service quality. This will be closely monitored through formal contract management processes. This would also be escalated to The Department of Health and Social Care, requesting that future year Public Health allocations are resourced to meet the nationally agreed settlements.

7.2 There is uncertainty regarding the Public Health Grant budget beyond 2024-2025, which hinders long term financial planning. The period between 2015-2016 to 2019-2020 saw year on year decreases to the grant. This risk of reduction will be mitigated by the insertion of appropriate provisions in the contracts.

7.3 There is a risk if the tender is not sufficiently financed this could result in no providers bidding, or a lack of competition for tender. The revised value with inflation aims to strike a balance between putting out a viable tender and financial sustainability within the Public Health grant.

8.0 ENGAGEMENT/CONSULTATION

8.1 In order to inform the development and design of the future service, engagement and consultation has been undertaken with local residents and current providers of sexual and reproductive health services. Other key stakeholders within the health system will also be consulted. Soft market testing has been conducted with the wider market.

8.2 A Sexual and Reproductive Health Joint Strategic Needs Assessment has been developed and will inform the development of the new service specifications.

9.0 EQUALITY IMPLICATIONS

- 9.1 The Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone.
- 9.2 Providers will need to demonstrate their commitment to eliminate discrimination and ensure equality rights of people with protected characteristics, in accordance with the Equality Act 2010 within their tender submission. Equality contract clauses are included within the Public Health contract and compliance will be routinely monitored over the lifetime of the contract.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 During the procurement process, bids will be evaluated on any social value added to the service (along with price and quality). Bidders will need to consider and demonstrate how they can have a positive impact on Wirral's environment and climate.
- 10.2 The content and/or recommendations contained within this report are expected to have no direct impact on emissions of carbon dioxide.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 Ensuring equitable access to sexual and reproductive health services will contribute to community wealth building. Any ill health can have negative economic consequences, ensuring good sexual and reproductive health will contribute to reducing the economic impact of ill health in Wirral.
- 11.2 A key strategic aim for Wirral's sexual and reproductive health is to reduce unplanned pregnancies by improving access to long-acting reversible contraception. Wirral has high rates of teenage conceptions and abortions, which can negatively affect young women's and girls' educational and employment outcomes. Women and girls in more deprived areas are disproportionately impacted.

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APPENDICES

N/A

BACKGROUND PAPERS

Local Government Association: Breaking point: Securing the future of sexual health services 15 Nov 2022
<https://www.local.gov.uk/publications/breaking-point-securing-future-sexual-health-services#what-we-want>

UKHSA. Summary profile of local authority sexual health Wirral, 27 January 2022. Wirral Community Health and Care NHS Foundation Trust, Wirral Council Public Health Contract (Integrated Sexual Health Service) 2017 – 2022. DN176000

Sahir House, Wirral Council Public Health Contract (Specialist HIV Prevention and Support Service) 2017-2022. DN176000

Department of Health and Social Care/ Public Health England. Integrated Sexual Health Services: A suggested national service specification. August 2018.

Wirral Sexual and Reproductive Health JSNA (May 2023).

<https://www.wirralintelligenceservice.org/jsna/sexual-and-reproductive-health/>

TERMS OF REFERENCE

This report is being considered by the Adult Social Care and Public Health Committee in accordance with Section 2.2(c) of its Terms of Reference:

All Public Health functions (in co-ordination with those functions reserved to the Health and Wellbeing Board and the Overview and Scrutiny Committee's statutory health functions)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Adult Social Care and Public Health Committee	6th March 2023