Appendix 1: Integrated Sexual Health Services Contract

EVALUATION OF ROUTES TO MARKET

Several procurement routes have been assessed. Details of each including the preferred option are detailed below:

Preferred Option 1: Direct award a new contract to the existing provider for 1 + 1 years

Benefits in relation to Option 1 are listed below:

1) Positioning the current contract in the national landscape

The Government white paper - 'Integration and Innovation; working together to improve health and social care for all'[1] describes a changed landscape within which to commission and deliver NHS contracts. The white paper specifically covers public health commissioning of healthcare services such as Public Health Community Nursing and Sexual Health contracts. It aims to enable collaboration and collective decision-making and eliminate the need for competitive tendering where it adds limited or no value. It indicates that there may be legislative changes in the future which would enable an existing arrangement for this contract to continue where the incumbent provider is doing a good job.

The white paper outlines a lead in time of approximately two years to operational impact with some legislative changes envisaged from 2022. It is of strategic benefit to position the end of the current Integrated Sexual Health Services contract in line with these national changes to health commissioning.

2) Ensuring stable conditions

Providing contract stability will avoid the impact on exhausted staff and processes of the additional work involved in tendering for such complex services and the concomitant impact on service delivery during that period of tender and contract uncertainty. Put simply we need good quality service providers to be concentrating on recovery and not on tendering processes with the inevitable further loss of experienced staff that always accompanies periods of uncertainty and change.

Given the provider has consistently met KPI targets and has shown willingness to flex and support it is fair to assert that the most effective way to deliver COVID recovery is to create the conditions for stable continued delivery with this proven provider.

There is no guarantee that we will simply exit the pandemic in the near future. Having staff who have the experience and expertise to quickly stand up and adapt services as needed is critical to business continuity.

[1] https://www.gov.uk/government/publications/working-together-to-improve-health-and-social-care-for-all/integration-and-innovation-working-together-to-improve-health-and-social-care-for-all-html-version

3) **Critical Business Interdependencies**

A significant number of staff employed by University Hospitals Sussex delivering the Integrated Sexual Health Contract also work on the NHS England Contract for HIV treatment services. This interdependency would create critical issues should the Contract transfer to another provider by reason of a competitive process;-

Staffing Issues
Most of the specialist staff delivering the BHCC contract and the NHS England contract spend more than 50% of their time on the NHS England contract and would not therefore TUPE transfer to the new provider.

The specialist staff working across both services includes 7.7 WTE consultant grade doctors, 12 WTE training grade doctors, 2.29 WTE Speciality and Associate Specialist Doctors, 18.22 WTE administrative and ancillary staff bands 3 – 7 and a smaller number of nurses.

All staff received salary uplifts based on the assumption that they were spending 41% of their time on the Council's integrated sexual health contract and 59% on NHS England's HIV contract.

The new provider could arrange to employ the staff who don't automatically transfer under TUPE for the time spent on the BHCC contract, but this would be unsatisfactory both for the staff (who would have two different employers) and would interrupt the smooth provision of services

Site Issues
It is highly unlikely that a different, non-NHS provider could use the same site to provide the service. Providing the service from a different site (separate to the HIV outpatient service) would cause significant logistical difficulties.

Service Integration Issues
Clinicians' speciality is 'sexual health and HIV' enabling a more holistic service and supporting a smooth transfer of patients with an HIV diagnosis into care in the same setting provided by the same clinicians. This would not be possible if the service was delivered by different clinicians from a different service.
Fragmentation of the sexual health and HIV speciality is also likely to impact continuing professional development (CPD) for staff and staff retention.

Option 2: Proceed with a full market tender for a new contract in time for April 2022

Running a full procurement process would reduce the risk of external challenge. The procurement process would be undertaken by senior procurement officers, with support from a range of officers and subject matter experts in compliance with PCR 2015. There are a number of reasons why this is not the preferred option:

1) Lack of a viable provider market

Although the value of the contract is high, there are substantial fixed costs which may potentially render it unattractive to the market. The salary element accounts for a significant proportion of the budget. The staff pool is on NHS pay schemes which cannot be amended and would continue to be comparable in the event of a TUPE transfer.

There is also a CPD training element, equipment and travel costs, management costs and general administration costs which come out of the remaining portion, so the provider's potential profit is low. This may mean that there are no operators beyond the incumbent interested in providing the service.

2) Value for money

As detailed above, delivery of the service has little in the way of potential bottom-line reductions, which may be realised in competitive procurement procedures for other contracts. There is little to no value for money argument in favour of competitive tendering for the Integrated Sexual Health Services contract without risk of a reduction in service quality. In the current arrangement, the contract value is the reimbursement of the legitimate costs of providing the service, making the opportunity not commercially viable for private organisations, who would require profit. Additionally, the internal resource cost for BHCC would be high for a procurement project of this nature, particularly given the time pressure of completing by April 2022.

The duration of the contract awarded through a procurement procedure would need to be reviewed, as the White Paper will likely lead to significant policy changes. This may mean a shorter contract is sought to ensure flexibility to respond to these policy changes, further reducing the commercial viability of the service and the potential for increased value for money.

Option 3: Possibility of bringing the service in house

As a local NHS Trust, the current service provider is a public sector partner, operating within Brighton and Hove. The service requires significant specialist and established clinical infrastructure, expertise and staffing. This includes laboratory and pathology functions as well as pharmacy and dispensing.

Staff are employed on NHS terms and conditions and salary costs make up the vast majority of the overall service cost – these costs would be transferred to the local authority as a result of a TUPE event, should the service be brought in-house.

In summary, there is unlikely to be a financial benefit to delivering the service in-house.

The current government White Paper in relation to Health and Social Care integration suggests a national shift towards integrated and partnership working between local authorities and NHS providers. Continuation of an externally delivered service allows BHCC to work closely with our local NHS providers to

deliver our shared objectives, without taking on additional cost and operational responsibility.