

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Health and Public Health
Date:	18 January 2016
Title:	Level 3 Sexual Health Services
Reference:	7133
Report From:	Interim Director of Public Health

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1. Executive Summary

1.1. The purpose of this paper is to seek approval to:

1.2. Spend in respect of Level 3 Sexual Health Services an amount up to a maximum value of £61,277,062 over a maximum of 7 years from 1 April 2017.

1.3. This paper seeks to

- Set out the background and context to the commissioning of Level 3 Sexual Health Services
- Highlight the current service model & contracts
- Provide an overview of sexual health in Hampshire
- Outline the market management processes and transformation opportunities that are currently being considered
- Consider the finance for the project and the impact on the budget
- Highlight the impact the project will make to the performance of the County Council
- Outline the planned procurement approach.

2. Contextual information

2.1 Local authorities are mandated by secondary legislation, 'The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013' to "provide or secure the provision of open access sexual health services for:

- I. Preventing the spread of sexually transmitted infections
- II. Treating, testing and caring for people with such infections
- III. Notifying sexual partners of people with such infections

- IV. Contraceptive services including the availability of advice on, and reasonable access to, a broad range of contraceptive substances and appliances
 - V. Advice on preventing unintended pregnancy”
- 2.2 According to the regulations, “open access services” means “services that are available on a self-referral basis for the benefit of all people present in the local authority’s area” (i.e. not just Hampshire residents). Providers then invoice the local authority where that person is resident.
- 2.3 This responsibility was transferred to local authorities from the NHS by the Health and Social Care Act 2012.
- 2.4 Contractual measures have been put in place by the County Council to extend contracts for level 3 sexual health services to 31 March 2017 to ensure service continuity pending the reprocurement of these services in accordance with the Public Health Strategic Procurement Plan.

3 Current Service Model & Contracts

- 3.1 Level 3 Sexual Health Services are specialist community sexual health services which include the provision of comprehensive, confidential, open-access services for:
- Contraception
 - STI testing & treatment
 - Chlamydia screening programme 15-24 year olds
 - Psychosexual counselling
 - Specialist outreach services for young people
 - Sexual Health Promotion and HIV prevention services
- 3.2 These are public health services, mandated in secondary legislation, which local authorities are required to provide or secure the provision of for the benefit of all people present within the local authority area.
- 3.3 Local authorities are the responsible commissioner for Level 3 Sexual Health Services.
- 3.4 Level 2 Services are enhanced sexual health services that are also commissioned by the Local Authority & include services for Long-Acting Reversible Contraception, Emergency Contraception and Chlamydia Screening in primary care.
- 3.5 Level 1 Sexual Health Services are more basic or standard sexual health services (e.g. oral contraception) that are commissioned by NHS England as part of core GP and community pharmacy contracts.
- 3.6 Level 3 Sexual Health Services are delivered by specialist sexual health staff (medical and nursing staff who are specially trained to provide specialist sexual health services). These services complement the more basic level 1 and 2 services that are commonly delivered in general practice and/or community pharmacies.

- 3.7 Existing contract responsibilities for Level 3 Sexual Health Services were transitioned into Hampshire County Council from April 2013 and expire on 31 March 2017.
- 3.8 The County Council currently holds a contract for Level 3 Integrated Sexual Health Services with Solent NHS Trust which was awarded by NHS Hampshire following a competitive procurement process in 2011. This contract expires on 31 March 2017. The Service is also commissioned separately by Southampton and Portsmouth local authorities.
- 3.9 HIV treatment services (commissioned by NHS England) and Termination of Pregnancy and Vasectomy Services (commissioned by local Clinical Commissioning Groups) also form part of this integrated service model.
- 3.10 The County Council also holds a contract for Hampshire residents who attend Genito-Urinary Medicine (GUM) services at Frimley Park Hospital as a significant number of residents continue to access this service which sits on the Hampshire/Surrey border. This contract expires on the 31 March 2017.
- 3.11 In addition, the County Council holds a non-contracted activity budget to meet the costs of Hampshire residents who choose to access level 3 Sexual Health Services out of county.

4 Sexual Health in Hampshire

- 4.1 Sexual health is an important aspect of most people's lives and the consequences of poor sexual health can be serious. Many different factors can influence relationships and safer sex including personal attitudes and beliefs; social norms; peer pressure; religious beliefs; culture; confidence and self-esteem; misuse of drugs and alcohol; and coercion and abuse.
- 4.2 Sexual health in Hampshire is relatively good with teenage conception, HIV and acute Sexually Transmitted Infection (STI) rates below national and regional averages.
- 4.3 Sexually transmitted infections (STI) have generally been increasing both nationally and locally in men and women; however we are now starting to see improvements. Left untreated, sexually transmitted infections can lead to a range of complications including ectopic pregnancy, infertility, disability, cancer and premature death. Chlamydia is the most commonly diagnosed STI in the UK and in Hampshire and infection rates are substantially higher in young adults than in any other age group.
- 4.4 The number of people diagnosed with HIV in Hampshire continues to increase year on year and it is estimated that a further 20% of people of people with HIV remain undiagnosed and unaware of their infection. While there have been significant advances in treatment for HIV, which means that some people on treatment have a mortality risk identical to their HIV-negative peers, there is still no cure for HIV and late diagnosis (i.e. diagnosis after the point at which HIV treatment should have started) is associated with onward HIV transmission, high-levels of short-term mortality, poor prognosis and higher health and social care costs.

- 4.5 Unintended pregnancies can have a significant impact on both the physical and mental health of women and their children as well as on their educational outcomes and social and economic well-being. It is estimated that up to 30% of all pregnancies are unplanned and there is increasing research evidence that unplanned pregnancies are associated with poorer pregnancy, health and educational outcomes. In a national survey, among women aged 16-44 who self-reported their pregnancy as unplanned, the majority (57%) resulted in a termination, with only 6% being carried to full-term. As well as it being an avoidable experience, abortions represent an avoidable cost to the NHS.
- 4.6 Poor sexual health is not evenly distributed within the population. There is a clear association with poverty and social exclusion and a greater impact on young people (aged 15-24), men who have sex with men and certain minority ethnic groups. There is also evidence of a clear link between poor sexual health and the use of alcohol and drugs.

The past few decades have seen significant changes in people's relationships, sexual behaviour and how they choose to live their lives. While the age of first sex has generally remained the same there have been reported increases in both the total number of lifetime sexual partners that people have as well as increases in the numbers of people who report concurrent sexual partnerships. There has also been an increase in the numbers of people who report same-sex partners as well as increases in the number of people who report paying for sex.

5 Market Management & Transformation to 2017

- 5.1 Level 3 Sexual Health Services are enabled by significant public health expenditure and the commissioning of local services is complex, involving a number of other local commissioning partners. As such, the procurement of Level 3 Sexual Health Services is currently being managed in accordance with the County Council's Market Management and Transformation to 2017 processes.
- 5.2 Baseline analysis has identified that there are a number opportunities to transform services and reduce costs through both the procurement process and the development of transformed sexual health pathways for low-risk, asymptomatic residents with low level needs.
- 5.3 Demand - while sexual health in Hampshire is improving, demand for most Level 3 Sexual Health Services has been increasing. Between 2013/14 and 2014/15 there has been an 11% increase in the number of Hampshire residents attending local sexual health clinics for STI testing and a 9.6% increase in Hampshire residents attending local clinics for contraception.
- 5.4 56,000 Hampshire residents were seen in local Level 3 Sexual Health Services in 2014/15 and it is estimated that a further 5-10,000 were seen out of county.
- 5.5 This level of increase in demand is clearly not sustainable and a sexual health transformation programme has been developed with the current provider to identify and pilot alternative ways to meet increasing demand

within available resources. This includes the offer of self-sampling kits to low-risk residents seeking STI testing without symptoms, in place of face-to-face appointments, as well as on-line digital self-assessment and referral to reduce inappropriate and unnecessary appointments. Pilots are running from September to February and the outcomes will feed into the overall strategy and design of the new service.

- 5.6 Opportunities are also being taken to lead on the transformation and commissioning of Level 3 Sexual Health Services in partnership with neighbouring local authorities and local Clinical Commissioning Groups (CCGs).
- 5.7 A long-list of opportunities for transformation is being analysed which will inform the commissioning strategy and service specifications.
- 5.8 A commissioning strategy for Level 3 Sexual Health Services is scheduled to be presented to the County Council's Market Management Group for corporate approval in February 16.

6 Finance

- 6.1 Level 3 Sexual Health Services are mandated Public Health services with an identified funding stream within the Public Health Grant Allocation.
- 6.2 The required funding (£8,753,866 per annum) is met within the existing Public Health Allocation which is expected to reduce by 2.3% to 3.9% per year over the next 3 years.
- 6.3 The required spend includes funding for local Level 3 Sexual Health Services as well as funding for Hampshire residents seen in out of county services for which we are cross-charged.
- 6.4 Opportunities to reduce local and out of county costs are being explored as part of the Council's Market Management Gateway process.
- 6.5 A Sexual Health Transformation Programme has been developed with the current main provider of Level 3 Sexual Health Services to pilot more cost-effective approaches to meeting increasing demand within limited resources.
- 6.6 The findings of both exercises will inform the Council's commissioning strategy in relation to these services.
- 6.7 The resulting contract will be constructed to provide contractual flexibility to refocus service provision and budgets and to drive out outcomes as well as year on year value. The contract will include standard termination clauses in relation to under-performance as well as provision to vary funding in line with variations to the Public Health Grant received by the Council from the Department of Health.
- 6.8 The costs of tendering have been identified within the public health budget for 16/17.

7 Performance

- 7.1 The provision of Level 3 Specialist Sexual Health Services directly supports improvements in the performance of the County Council in relation to the following three Public Health Outcome Indicators:
- 7.2 Rate of conceptions per 1,000 females aged 15-17 (PHOF Indicator 2.04)
- 7.3 Rate of chlamydia detection per 100,000 young people aged 15 to 24 (PHOF Indicator 3.02)
- 7.4 HIV late diagnosis - percentage of adults (aged 15 or above) newly diagnosed with HIV at a late stage of infection (PHOF Indicator 3.04)
- 7.5 Performance in relation to these indicators has improved since Level 3 Sexual Health Services were previously redesigned and procured in 2012.
- 7.6 Comparison with the County Council's statistical neighbours on the framework indicates that there are opportunities for further performance improvement in these key outcome areas.
- 7.7 Performance and quality within the current contracted Level 3 Sexual Health Services is also good with performance and quality targets being achieved for the majority of our locally specified key performance indicators and information reporting requirements.
- 7.8 Concerns remain in relation to the ability of local services to deliver the nationally set chlamydia detection rate indicator per 100, 000 young people aged 15-24 in Hampshire and we are currently reviewing the continued value of commissioning community chlamydia screening services.
- 7.9 Level 3 Sexual Health Services also play a critical role in safeguarding both children and adults by identifying young people who may be at risk of sexual exploitation and identifying women who have experienced female genital mutilation.

8 Consultation and Equalities

- 8.1 A local Sexual Health Needs Assessment (SHNA) has been updated to identify population groups and geographical areas of greatest need.
- 8.2 Most at risk of poor sexual health are young people aged 15-24, men who have sex with men (MSM) and people of Black or mixed ethnicity.
- 8.3 The SHNA included focus groups with population groups at most risk of poor sexual health as well as an online questionnaire with members of the public and local practitioners.
- 8.4 It is not anticipated that the re-procurement of these services will have any negative impact upon any particular group of clients.
- 8.5 The re-procurement does however provide the opportunity to deliver a range of positive enhancements that will be of benefit to all Hampshire residents as well as specific target groups. This will include:

- 8.6 The availability of STI self-sampling services for residents who are unable to access local clinics thereby enhancing local access to the benefit of clients affected by mobility issues and travel poverty and/or those living in dispersed rural communities;
- 8.7 The focusing of dedicated resources on engaging with population groups at most risk of poor sexual health, including young people aged 15-24, men who have sex with men (MSM) and people of Black or mixed ethnicity
- 8.8 A detailed Equality Impact Assessment has been undertaken and is summarised at Integral Appendix B.

9 Procurement Approach & Contract Term

- 9.1 The County Council together with Portsmouth City Council and Southampton City Council intend to collaborate to jointly procure these services as all three local authorities currently commission the same Level 3 Sexual Health Service. A collaborative approach is considered to have the most potential to deliver efficiencies for all partners through greater economies of scale.
- 9.2 Detailed analysis has identified that 33% of all Hampshire resident attendances take place in Portsmouth and Southampton based clinics. It is therefore imperative that we work together in order to ensure that Hampshire residents have access to high quality sexual health services in the cities, that also provide best value for money for Hampshire County Council and its residents.
- 9.3 It is the current intention, although this is subject to review, that all three local authorities will award and hold their own contracts for these services.
- 9.4 Current Level 3 Sexual Health Services also include HIV treatment services under contract to NHS England and Termination of Pregnancy & Vasectomy services under contract to local Clinical Commissioning Groups (CCGs). Opportunities are being taken to explore the interdependencies between these services and opportunities for efficiencies for all commissioning partners.
- 9.5 A soft market testing exercise has recently been completed (7 December 2015) which generated 27 expressions of interest from potential providers. Six of these providers completed and submitted a detailed soft market testing questionnaire.
- 9.6 The findings of this exercise plus a planned stakeholder engagement event in January 2016 will be used to further inform the County Council's commissioning strategy and procurement approach.
- 9.7 An initial analysis of the completed questionnaires suggests that the continued commissioning of an integrated model of service provision across Hampshire, Portsmouth and Southampton is likely to be the most attractive option for potential providers with the greatest potential to deliver efficiencies through delivery at scale.
- 9.8 As part of the soft market testing exercise, providers were asked for their views on the minimum contract term that they would see as being

commercially viable as well as the minimum contract term that they would consider necessary to provide best value for money.

- 9.9 Of the six responses received, only four organisations expressed an interest in providing the full range of level 3 service requirements. Two reported 5 plus years as the minimum contract term that they would see as being commercially viable, with two reporting 4-5 years.
- 9.10 In relation to the minimum contract term that providers felt would deliver the best value for money for the County Council, three reported 5 plus years, with one respondent reporting 4-5 years minimum.
- 9.11 A contract term of an initial period of 5 years with the option to extend this period by two further periods both of 12 months is currently seen as the preferred option for the County Council. This option is considered to have the most potential to deliver best value for the County Council over the initial term of the contract as well as flexibility to extend if required. The initial term of the contract may be less than 5 years to enable collaboration between the three authorities.
- 9.12 An initial contract term of 5 years is more attractive to potential new providers and encourages more competition and a more competitive price.
- 9.13 This option also increases the opportunity of getting a better price over the initial term of the contract as it discourages providers from front-loading costs into the initial term of a standard contract as contract extensions are not guaranteed.
- 9.14 Level 3 services require suitable clinical premises, medical equipment, pathology services and pharmaceutical drugs. Local experience has shown that it can take over 3 years for Level 3 Sexual Health Service providers to fully negotiate and deliver efficiencies throughout the supply chain. An initial contract term of 5 years will therefore support providers to negotiate better deals for the supply of these services which will in turn deliver greater efficiencies for the County Council within the initial term.
- 9.15 It is understood that longer contracts also have the most potential to deliver and demonstrate significant improvements to key public health outcomes as these can take time to deliver and for the impact to be reported in national datasets.
- 9.16 A review of current local authority market opportunities also indicates that 5 years is the standard minimum contract term for Integrated Level 3 Sexual Health services within this sector.
- 9.17 The resulting contract will be constructed to provide contractual flexibility to refocus service provision and budgets and to drive out outcomes as well as year on year value. The contract will include standard termination clauses in relation to under-performance as well as provision to vary funding in line with variations to the Public Health Grant received by the County Council from the Department of Health.
- 9.18 It is envisaged that all commissioning partners would award and let their own contracts based on a shared service specification and agreed pricing.

10 Recommendation(s)

- 10.1 It is recommended that the Executive Member for Health and Public Health gives approval to spend in respect of Level 3 Sexual Health Services an amount up to a maximum value of £61,277,062 over a maximum period of 7 years from 1 April 2017.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Maximising well-being:	Yes
Enhancing our quality of place:	Yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<u>Level 3 Sexual Health Services</u>	<u>6859</u>	<u>17 September 2015</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	
<u>The Health & Social Care Act 2012</u>	<u>2012</u>	
<u>The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2013</u>	<u>2013</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

- 1.1 The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

Equalities Impact Assessment:

- 1.1 A Sexual Health Needs Assessment (SHNA) has been updated to identify population groups and geographical areas of greatest need.
- 1.2 An Equality Impact Assessment (EIA) has also been undertaken.
- 1.3 There are currently no material changes proposed to the existing model of delivery for level 3 sexual health services. Consequently it is not anticipated that the procurement of these services will have any negative impact upon any particular group of clients.
- 1.4 A public consultation exercise has taken place to inform the procurement of these services which has been carefully analysed to identify the needs and preferences of groups with protected characteristics. These findings will be used to inform the planned service specification(s).
- 1.5 The procurement provides the opportunity to deliver a range of positive enhancements that will be of benefit to all Hampshire residents as well as specific target groups. This will include:
- 1.6 The availability of STI self-sampling services for residents who are unable to access local clinics thereby enhancing local access to the benefit of clients affected by mobility issues and travel poverty and/or those living in dispersed rural communities;

- 1.7 The focusing of dedicated resources on engaging with population groups at most risk of poor sexual health, including young people aged 15-24, men who have sex with men (MSM) and people of Black or mixed ethnicity
- 1.8 It must be noted that every aspect of Council business led by public health considers the opportunities to reduce inequalities.

2 Impact on Crime and Disorder:

- 2.1 Public Health functions and services will not impact on Crime and Disorder.
- 2.2 By definition, interventions considered to improve and protect the public's health are designed to support the citizen's of Hampshire to live safely and have improved health and health outcomes.

3 Climate Change:

- 3.1 Public Health functions and services into the County Council will not have a bearing on climate change
- 3.2 Consideration of climate change and its impacts on the population and its current and future health forms part of the evidence informing interventions to improve and protect the public's health