



**Agenda item:**

**Procurement Committee**

**On 4 September 2007**

Report Title: Healthy Alliance Budget, Enfield & Haringey Joint Independent Sector HIV Prevention Programme **(Part A): Request for waiver of requirement to tender and Extension of Contract**

Forward Plan reference number (if applicable): **N/A**

Report of: Tim Dauncey, Interim Assistant Chief Executive PPPC

Ward(s) affected: **All**

Report for: **non-key decision**

**1. Purpose**

1.1 To seek Cabinet agreement to waive the requirement to tender under Contract Standing Orders and to extend the existing contract for a period of time not to exceed 12 months i.e. until September 2008.

**2. Introduction by Cabinet Member**

2.1 Haringey Council, in partnership with Haringey TPCT, Enfield PCT and Enfield Council has commissioned HIV prevention programmes targeting local communities at higher risk of HIV infection and poor sexual health since 1996. The recent pressures on the Primary Care Trusts' budgets resulted in serious delays to the approval of funding for both 2006/07 and 2007/08. As a consequence, the partnerships capacity for forward planning has been severely restricted. Despite these significant risks, the voluntary sector has continued to provide HIV prevention services to our residents.

2.2 The PCT's are now looking for approval for a 3 year funding commitment for 2008-11 and the partnership is planning to re-tender local prevention services during the second half of this financial year. This CSO waiver request reflects these changing circumstances and allows the Council to continue to provide an important service to residents during the transition period.

**3. Recommendations**

3.1 That the Cabinet agree's the waiver of Contract Standing Order (CSO) 6.04

(requirement to tender), as allowed under CSO 7, in accordance with waiver requirements noted under CSO 7.03.

3.2 That the Cabinet further approves the request for an extension, for a period not to exceed 12 months from September 2007.

Report Authorised by:

Contact Officer: Joan Badcock, Healthy Communities Development Officer

#### **4. Executive Summary**

4.1 The Procurement Committee note that :

- The circumstances leading to the delay of the re-tendering process for local community based HIV prevention funded through the Healthy Alliance Budget are outside of the control of any one of the contributing partners.
- Haringey TPCT, in recognition of the problems caused by short term funding and late approval of budgets, is currently seeking approval for three year funding
- The Partnership is making plans to re-tender HIV prevention programmes delivered by the voluntary sector for 2008/11.
- This request to waive CSO's meets the requirements laid out in Section 7: Waiver of Contract Standing Orders in the Council's Procurement Code of Practice.
- Approval of this request will ensure that community HIV prevention programmes targeting groups at most risk of HIV infection, poor sexual health and unequal health outcomes continue to receive HIV prevention services while the programme is re-tendered for 2008-2011.

#### **5. Reasons for any change in policy or for new policy development (if applicable)**

5.1 We are not requesting a change in policy or for a new policy to be developed.

#### **6. Local Government (Access to Information) Act 1985**

6.1 List of background documents:

6.2 This report contains exempt and non-exempt information. Exempt information is contained in Part B and is not for publication. The exempt information is under the following category (identified in the amended Schedule 12A of the Local Government Act 1972):

6.3 Information relating to the financial or business affairs of any particular person (including the authority holding that information). See Part B for exempt information.

#### **7. Background**

7.1 The Healthy Alliance budget is managed by a partnership group (comprising Haringey Council's Healthy Communities Development Officer, the Sexual Health

Manager at Enfield PCT and the Health Improvement Officer at Haringey TPCT) and is hosted by the Council's Corporate Voluntary Sector Team. The partnership reports to the Well-being Partnership Board, via Haringey's Sexual Health Partnership Board. During 2006/07 the PCT's approved for six months funding only between April and September 2006. This was extended to the end of the year in September. As a consequence the programme's capacity for forward planning has been severely restricted.

- 7.2 In April 2007 Haringey Council received confirmation from the PCT's of full year funding for 2007/08. A proposal to roll forward the 2006/07 work programme was agreed at a meeting comprising Vicki Hobart, Head of Inequalities and Partnerships at Haringey TPCT, Susan Humphrey's Head of the Corporate Voluntary Sector Team at Haringey Council and Zena Brabazon, Head of Corporate Partnerships at Haringey Council on the 25 April 2007. This proposal was subsequently accepted by Enfield Council and Enfield PCT. On going discussions with the three voluntary sector providers has enabled the programme to continue to provide community HIV prevention interventions.
- 7.3 The services provided by the voluntary sector meet the requirements laid out in Department of Health's 'Effective Sexual Health Promotion, a Toolkit for PCT's and others working in the field of promoting good sexual health and HIV prevention, 2003'.
- 7.4 The HIV Prevention programme funded by this budget was reviewed in 2006. The review concluded that the collaboration between the two primary care trusts and councils is appropriate for work designed to meet the sexual health needs of 'harder to reach' groups such as African and Caribbean communities and young gay men. It also recognised the need for the programme to match national and London wide best commissioning practice and **'seek to establish a budget to support three year commissioning arrangements with local community and voluntary sector providers'**.
- 7.5 In recognition of the problems caused by the uncertain funding last year Haringey TPCT, the major investor responsible for 76% of the total budget, is currently taking steps to secure agreement to a three year funding commitment between 2008/2011 in order to ensure that these problems are not repeated in future years.
- 7.6 The Joint Programme has set a Compact compliant timetable for re-tendering these programmes and aims to have new contracts approved by the end of the 2007/2008 financial year. **If the successful tenders are different from the existing providers it will be necessary to roll forward these services for the first quarter of 2008/09 in order to ensure a seamless hand over of responsibility for delivery of targeted HIV prevention in the community.**
- 7.7 In order to ensure that these services are continuously provided to the target groups, the Partnership has requested that Haringey Council's Procurement Committee agree to waive CSO for 2007/08 in to allow the existing services to be rolled forward while the re-tendering for 2008/2011 is completed.

## 8. Budget

- 8.1 The Joint Programmes currently holds four contracts with three voluntary sector providers. These are as follows:

|  |                       |
|--|-----------------------|
| Ethiopian Community Centre (UK):                         |                       |
| <b>Pan African &amp; Caribbean Primary Prevention</b>    | <b>£137,000</b>       |
| <b>Pan African &amp; Caribbean Secondary Prevention</b>  | <b>£ 49,000</b>       |
| <br>   |                       |
| PACE:  |                       |
| <b>Outzone (young gay men's services)</b>                | <b>£ 41,500</b>       |
| <br>   |                       |
| African HIV Policy Network:                              |                       |
| <b>Community HIV Network</b>                             | <b>£ 27,880</b>       |
| These details are also included in Part B of the report. | <b>Total £255.380</b> |

## 9. Description of Procurement Process

- 9.1 Voluntary sector contracts for the provision of HIV prevention services in the community across the two boroughs were first tendered in 2003. Following a review of the monitoring data, primary prevention services targeting African and Caribbean men was re-tendered in 2005. The new services were first delivered during 2005/06.
- 9.2 Delays in budget approval within the two PCT's have genuinely affected the Partnership's ability to plan ahead.
- 9.3 This request to waive CSO is under 7:03 d. i.e. it is in the council's overall interest. Evidence for this is provided by:

*'Keeping our Communities Healthy'* (commissioned by the Teaching Programme at HTPCT in 2005) mapped health promotion skills in the local voluntary sector. The report showed that there are very few organisations with the capacity to deliver outcomes focused health promotion interventions in Haringey. This matches the Partnership's experience of tendering these programmes in 2003 and 2005. We conclude that the market for these services (both locally and London wide) is very small.

*'Changing Perspectives'*, AHPN's Annual Report 2004-05 stated that 'HIV prevention should be ongoing to reinforce messages as people have short term memories and to avoid complacency by reminding people in different ways that HIV continues to be a threat'.

## 10. Consultation (if applicable)

- 10.1 Decisions to re-tender services are agreed by all of the funding partners. The re-tendering exercise planned for 2007 will meet the best practice guidelines outlined in 'Working BETTER Together'; - Haringey's Compact and will include consultations with service users, including people living with HIV, the wider voluntary sector and existing providers in order to ensure that the new Commissioning Intentions documents are informed by the needs of end user groups, are clear to the voluntary

sector and are based around achievable outcomes and processes.

## **11. Key Benefits**

11.1 The proposal to extend the existing contracts for a period of up to twelve months ensures that community based HIV prevention services will be delivered continuously.

## **12. Risk**

12.1 The primary risk to the Healthy Alliances Programme is that the PCT's will not allocate funding for the three year period commencing April 08. Although a commitment to the funding has been given, it has not been confirmed formally. If the funding ends in March 08, it will not pose a direct financial risk to the Council. It will however, pose a risk to local public health with a possible increase in incidence and prevalence of HIV following the termination of the local community HIV primary and secondary prevention programmes, funded from this budget. This could have a knock on effect to the Council with an increased need for social care services provided for people with HIV.

## **13. Contract and Performance Management**

13.1 The contract for each of these four services follows the standard template agreed by the Council's Legal Department for use by the Corporate Voluntary Sector Team. This specifies that monitoring data, including quality assurance data, showing progress against an agreed profile of targets is provided quarterly and reviewed by regular monitoring meetings.

## **14. Summary and Conclusions**

14.2 The services commissioned through these four voluntary sector contracts have been delivered in accordance with the standards outlined in the Council's standard template for contracts with the voluntary sector and the agreed targets identified within the individual service level agreements.

14.3 The services were reviewed as part of a whole programme review of the 'Healthy Alliance Budget' in October 2006, which found that they were designed and delivered in accordance with national guidance set by the Department of Health.

14.4 The rationale behind the request to waive CSO meets the requirements outlined in Section 7: Waiver of Contracts of Standing Orders in the Procurement Code of Practice.

## **15. Recommendations**

15.1 That the Cabinet approve the waiver of CSO 6.04 as allowed under CSO 7.02 and that the Cabinet further agree an extension from September for a period of 12 months in order to ensure the seamless transfer of responsibilities for providing services to new providers if necessary.

## **16. Equalities Implications:**

- 16.1 1,534 residents of Enfield and Haringey received treatment for HIV in 2005. In addition, approximately 33% of infected people do not know of their status and the actual figure is therefore likely to be over 2,040.
- 16.2 The Joint Programme targets HIV prevention and sexual health promotion to communities at higher risk of HIV infection as a result of poor access to mainstream services, discrimination, HIV related stigma and fear and social exclusion. Many of diagnoses of HIV infection in people who acquired their infection through heterosexual contact are among black and minority ethnic adults. An estimated 3.6% of black Africans and 0.3% of black Caribbean's living in the UK had diagnosed HIV infection. This correlates respectively to 46 and 3.7 times the estimated prevalence of diagnosed HIV infection in white heterosexuals (0.08%).
- 16.3 In 2005, the annual incidence of HIV infection in men who have sex with men attending GUM clinics remained high at 3.2% AND, the prevalence of previously undiagnosed HIV infection in MSM aged under 25, an indicator of relatively recent transmission, was 1.5% for London and 1.3% for outside London.

## **17. Health and Safety Implications**

- 17.1 All organisations that carry out the services required under this contract shall have and be able to demonstrate effective risk assessment procedures in relation to all activities.

## **18. Sustainability Implications**

- 18.1 Haringey TPCT are seeking a commitment to three year contracts for the voluntary sector from 2008. This will ensure that the community HIV services are planned and delivered within a more sustainable model.

## **19. Financial Implications**

- 19.1 The contributing partners have approved the 2007/08 budget on the understanding that the work will continue to deliver against the targets and milestones set in the 2006/07 service level agreements. Any significant variation in the level of activity delivered by the voluntary sector would be identified during regularly monitoring and would undermine the partner's current efforts to secure a 3 year funding commitment.

## **20. Comments of the Director of Finance**

- 20.1 The Director of Finance has been consulted in the preparation of this report and notes that to ensure continuity of provision it is in the Council's overall interest to extend the existing contract as described above.
- 20.2 The cost of the proposed new contract will not exceed the available funding for this service.

## **21. Comments of the Acting Head of Legal Services**

- 21.1 This report is seeking Cabinet approval to a waiver of Contract Standing Order 6.05 (requirement to tender) as set out in CSO 7.3(d) that it is in the Council's overall interest.

- 21.2 The value of the contract exceeds the EU threshold of £144,371 for services. HIV services are a Schedule B service therefore the full EU tendering is not required.
- 21.3 The value of the contract is in excess of £250,000.00 therefore the Cabinet Procurement Committee must approve the waiver in accordance with CSO 11.03.
- 21.4 The waiver is sought on the grounds that it is in the best interest of the Council on the grounds mentioned in paragraph 3.1 of this report.
- 21.5 An extension of the contract for twelve months from September 2007 is also sought. Members have powers under CSO 13.02 to approve an extension of contract.
- 21.6 Members have the power under CSO 7.02(a) to approve the requested waiver on the ground set out in CSO 7.3(d) provided the Cabinet Procurement Committee is satisfied, upon consideration of the content of this report that the approval of the waiver is in the Council's best interest.
- 21.7 The Acting Head of Legal confirms that provided members are so satisfied, there is no Legal reason preventing Members from making the decision.

## **22 Comments of the Head of Procurement**

- 22.8 The recommendation to Waive to need to tender these services's and to extend the contractual arrangements currently in place, represents value for money to the council. The timetable for testing the market is within the next 12 months and the agreed 3 year funding will make this service a more attractive offering to the market.
- 22.2 Regular Contract monitoring is in place against a pre established profile of targets, this will ensure early recognition of any areas of concern and continued contract compliance.
- 22.3 The 12 month extension period allows for planned handover of services if needed and this will mitigate the risk of contract failure for our service users.
- 22.4 These recommendations are in line with the Procurement code of Practise

## **23 Use of Appendices / Tables / Photographs**

- 23.1 [List any Appendices and their titles]
- 23.2 Part B of this report contains exempt information.