

Report to CABINET

Request for an extension to the sexual health integrated service contract provided by Virgin Care Ltd.

Portfolio Holder:

Councillor Chauhan, Cabinet Member Health and Social Care

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**Reason
for**

Decision

The value of this contract requires a decision to be taken at Cabinet

Executive Summary

Oldham Council is mandated to commission comprehensive open access sexual health services. Virgin Care Ltd hold the contract for the delivery of integrated sexual health services across Oldham. The contract was awarded on 19th August 2015 following a collaborative procurement with Rochdale and Bury Councils and the service went live in Oldham on 1st January 2016. Rochdale are the lead commissioner of this cluster arrangement and hold the contract with Virgin Care Ltd, under a tripartite legal agreement Oldham and Bury Councils are associates to the contract.

The contract was awarded for 3 years and 3 months and will end on 31st March 2019 with an option to activate + 1 years + 1 years extension. This paper outlines the proposal to activate a two year extension once the contract ends, with the intention to re-tender a cluster integrated sexual health service for April 2021. This collaborative approach to the procurement enabled maximum efficiencies and therefore significant savings.

Recommendations

Agree the recommended option of a 2 year contract extension of the current integrated sexual health service provided by Virgin Care Ltd.

Request for an extension to the sexual health integrated service contract provided by Virgin Care Ltd.

1 Background

- 1.1 On 19th August 2015 Virgin Care Ltd were awarded the contract for the delivery of an integrated sexual health services following a collaborative procurement with Bury and Rochdale Councils (referred to as ORB).
- 1.2 Rochdale are the lead commissioner of this cluster arrangement and hold the contract with Virgin Care Ltd, under a tripartite legal agreement Oldham and Bury Councils are associates to the contract.
- 1.3 The contract was awarded for 3 years and 3 months and will end on 31st March 2019 with an option to activate + 1 years + 1 years extension.

2 Current Position

- 2.1 ORB commissioners have discussed the risks and benefits of both a 1 year and 2 year extension and have concluded that the preferred option would be to trigger the + 2 years extension option to the contract based on the following;
- 2.2 There are no significant issues with the performance of the current provider.
- 2.3 The service is more established in Oldham as Virgin Care Ltd provided the service prior to the cluster commissioning arrangement however, Virgin Care were a new provider in Bury and Rochdale. Therefore they are keen to maintain consistency in service delivery and the 2 year extension option is preferred by Bury and Rochdale.
- 2.4 Consideration needs to be given to the new arrangements as part of the formation of Oldham Cares and how sexual health services fit into the wider system. A two year extension would allow time to observe how this develops in Oldham so that it can be reflected in the planning of any new service.

3 Points to Consider

- 3.1 As considerable savings have already been made from sexual health services there is no intention to create further savings through this contract. It is also felt that any savings from one borough could de-stabilise the whole contract and therefore it is mutually agreed across ORB commissioners to be unviable.

4 Options

- 4.1 Request that Rochdale Council enact a +1 year extension to the contract
- 4.2 Request that Rochdale Council enact a +2 year extension to the contract. This is the recommended option

5 Preferred Option

- 5.1 Request that Rochdale Council enact a +2 year extension to the contract. This is the recommended option

6 Financial Implications

- 6.1 It is proposed that the existing contract with Virgin Care Ltd be renewed for a further two year period, from April 2019 to March 2021.
- 6.2 Budgetary provision exists within the Public Health base budget to cover the cost of the proposed contract extension. Retaining the contract sum at the current cost negates the impact of annual inflationary increases and represents a saving in real terms.
- 6.3 There are no adverse financial implications as a result of renewing the contract. (Jenny Howarth Senior Accountant/Andy Cooper Senior Finance Manager)

7 Legal Services Comments

- 7.1 There is provision under Rule 17(1) (a) of the Council's Contract Procedure Rules to modify a contract in circumstances where provision for the modification is included within the original tendered contract. (Elizabeth Cunningham Doyle)

8. Co-operative Agenda

- 8.1 All Public Health services fully support and adopt the Council's cooperative values as they promote the active engagement of Oldham residents in the life of the community. This contract particularly promotes fairness and openness in terms of the services that it provides.

9 Procurement Implications

- 9.1 Provision exists in the original procurement exercise to extend this contract in line with the recommendations in this report. Strategic Sourcing therefore supports the recommendations in this report. Mohammad Sharif, Sourcing & Contracts Consultant 10.12.2018

10 Key Decision

- 10.1 Yes

11 Key Decision Reference

- 11.1 SCS-01-19