

PFCC Decision Report

Report reference number: 05-23

Classification: Official – Commercial

Title of report: Lot 6 - Sexual Assault Referral Services O-4-0100-19

Area of county / stakeholders affected: Essex (collaborative Procurement with BCH and NHS England, separate lotted contracts)

Report by: Gary Cummins (Supplier Relationship Manager)

Chief Officer: David Levy – Director, Commercial services

Date of report: 15th March 2023

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1. Executive Summary

This report contains details relating to the Essex Sexual Assault Referral Services (SARC) contract extension for the Police, Fire and Crime Commissioner and Essex Police and requests that authorisation be given for the extension of the contract for a 1-year period, and the application of the PFCC's electronic signature to the extension documentation.

2. Recommendations

For the reasons set out in this report the PFCC for Essex is recommended to:

- Approve the extension of the Essex Sexual Assault Referral Services (SARC) for a period of 1 year from 1st April 2023 to 31st March 2024
- The cost of the service over the 1-year period will be £1,077,821. The cost to Essex Police will be £580,917, with £496,904 funded by NHS England.
- Authorise the application of the PFCC's electronic signature to the extension documentation for execution before 31st March 2023

3. Background to the Proposal

Essex Police and the Essex Police, Fire and Crime Commissioner have been in contract with Mountain Healthcare since 2020 for the provision of Sexual Assault Referral Centre (SARC) services. This service is co-commissioned with NHS England (East). A joint procurement was undertaken with Bedfordshire, Hertfordshire and Cambridge with individual lotted contracts awarded.

The SARC services provide around-the-clock support to victims and survivors of sexual assault and sexual violence, including forensic evidence, healthcare and onward referral to other health and social care services including ISVAs. The provision delivers services both to recent and non-recent victims and survivors and offers the opportunity to assist in a police investigation of their crime.

The current contract is due to expire on 31st March 2023 with the option to extend for 2 x 1-year periods. To ensure Essex has an ongoing SARC service in place, negotiation for a 1-year extension was initiated by 7 Force Commercial services.

Award of this contract will enable the PFCC for Essex and Essex Police to meet its responsibilities for commissioning support services for victims, bringing perpetrators to justice, and supporting victims and survivors of serious sexual offences.

4. Proposal and Associated Benefits

Following negotiation with Mountain Healthcare, it is recommended that the contract is extended for a period of 1 year. The primary benefit of this proposal is the ongoing delivery of the critical SARC service and to meet the PFCC's responsibility for commissioning support services for victims.

The extension period will also allow the PFCC, Essex Police and 7F Commercial to undertake formal full-market procurement activity in FY 23/24 with the intention of informing long-term strategic aims, current market position/appetite and the most economically advantageous options available from 2024.

5. Options Analysis

- Do Nothing - this is a fundamental service to the Police force and the PFCC. If a SARC service is not in place, it leaves the PFCC and Police forces in a position whereby victim services will not be delivered and the responsibility for commissioning support services for victims will not be met. Therefore, this option was ruled out.
- Proposal 1 - 1 year extension on current terms.
- Proposal 2 - 1 year extension on current terms with an NHS Pay-band linked index – this option was explored to minimise the potential cost impact of NHS pay band rises in FY 23/24. c.£17k savings against could be delivered against proposal 1 on the basis the Force underpin any NHS pay awards above 8.5% in FY 23/24 (including backdated payments.). This option was considered but ruled out due to the relatively low benefit but higher uncertainty and risk.

6. Consultation and Engagement

Greg Myddelton (Strategic Head of Partnerships and Delivery, PFCC), ACC Kevin Baldwin (T/Assistant Chief Constable, Crime/Public Protection & Criminal Justice), D/Supt Neil Pudney (Head of Investigations, Crime & Public Protection Command) and Debbie Martin (CFO) have been engaged and consulted as part of the renewal process. This recommendation has been approved by those named.

Following internal approvals and supplier notification of the intention to extend, wider consultation and engagement will be carried out with the key users during the contract extension period to ensure ongoing service needs are being met. The Supplier Relationships Manager for SARC services will be supporting all 6 Forces (BCH, Essex, N&S) with this.

7. Strategic Links

This contract supports the objectives within the Police and Crime Plan. Without the service, the force and PFCC would be unable to meet their commitments and responsibilities to victims of serious sexual crime.

The 1-year extension period will also underpin the long-term strategy for SARC services across the 7 Forces. An initial full-market appraisal has taken place in FY22/23 to determine the most economically advantageous options available to all Forces, with the intention of proceeding to formal procurement activity in FY 23/24. All Forces have been engaged in this activity, with work ongoing to agree a joint approach to market. This will ensure competitive benchmarking within the SARC extension periods and avoid further extensions with the incumbent being our default position.

8. Police operational implications

The contract is fundamental to operational policing to ensure the ability to reduce offences, bring perpetrators to justice and to support victims (ensuring an environment where victims feel they can come forward to report these crimes.)

9. Financial implications

The current cost for this service is £953,889 per annum for Essex. Essex Police/PFCC currently fund £469,347 of this cost.

The cost of renewal for 1-year is £1,077,821 (+12.99%). £580,917 will be funded by PFCC/Essex Police, with the remaining £496,904 funded by NHS England. The £290,459 PFCC funding is from the 2023-24 Victims' Fund.

Historically, these services have been funded on a near 50/50 basis with NHS England (some elements wholly funded by NHSE.) The NHS England budget will only increase by 2.9% in 2023/24, leaving a funding gap against the proposed supplier extension costs which will need to be met by the Force/PFCC. The impact of NHSE only funding 2.9% is that the Force/PFCC will be funding a 23.34% increase.

Contract Renewal Cost Comparison

CURRENT COST		RENEWAL COST		DIFFERENCE (£)		DIFFERENCE (%)	
£953,889		£1,077,821		£123,932		12.99%	
FORCE /PFCC	NHS	FORCE /PFCC	NHS	FORCE /PFCC	NHS	FORCE /PFCC	NHS
£470,989	£482,900	£580,917	£496,904	£109,928	£14,004	23.34%	2.90%

Cost Increase Insights

- The primary driver for the proposed price increases relate to resource costs which account for c.70% of the total service cost. Resource costs in the medial sector have risen considerably in the past 24 months in line with NHS pay band awards to ensure ongoing competitiveness in market.
- Non-pay costs have also risen in line with inflationary pressures, with an average 12% increase being seen across the wider contract base (as forecast by 7F commercial in Aug 2022.)
- The NHSE budget position increases the Force contribution, thus the YoY Force increase should be viewed with this in mind (i.e. Force increase not wholly attribute to supplier increase.)

Discussion on the uplift was undertaken with the NHS. Our default position was that NHSE should continue to fund on a 50/50 split (excluding any elements which they wholly fund). NHSE have said they will not be able to meet the overall funding increase for the renewal period. 7F Commercial have pushed back on the much smaller inflationary increase but this has been rejected on the basis:

1. Where the NHS are in partnership with external bodies, the NHS guidance relating to the uplift of all contracts for 23-24 is 2.9%.
2. NHS have agreed to provide the maximum uplift of 2.9%

NHSE are not prepared to move on this position. We have attempted to reduce the cost impact through supplier negotiation also. The extension pricing is in line with expectations based on our market research.

10. Legal implications

The original procurement was carried out in accordance with the Contract Standing Orders and the Public Contracts Regulations 2015. The award of a 1-year extension is in alignment with the contracted extension rights present in the awarded contract.

No legal implications are expected.

11. Staffing implications

There are no staffing implications to this procurement.

12. Equality, Diversity, and Inclusion implications

N/A in extension period

13. Risks and Mitigations

Procurement risks are mitigated through use of dedicated Supplier Relationship Management expertise. This resource will continue to oversee the performance and governance of the contract throughout the extension period.

14. Governance Boards

This proposal has not been discussed at any formal governance boards, but stakeholders are well-sighted and a 7F engagement event was held in Colchester on 28th Feb 2023 to discuss ongoing options for SARC and custody healthcare services.

15. Links to Future Plans

The delivery of SARC services supports the objectives in the Police and Crime Plan. There is ongoing work to consider and prepare for the impact of impending SARC accreditation requirements. This work is being progressed alongside the discussion around contracted services within the SARC.

16. Background Papers and Appendices

[Redacted]



[Redacted]

[Redacted]

Report Approval

The report will be signed off by the PFCC's Chief Executive and Chief Finance Officer prior to review and sign off by the PFCC / DPFCC.

Chief Executive / M.O.

Sign: Dhorsman

Print: Darren Horsman - Deputy Monitoring Officer

Date: 22.3.2023

Chief Finance Officer

Sign:



Print: Janet Perry

Date: 22 March 2023

Publication

Is the report for publication?

YES

NO

If 'NO', please give reasons for non-publication (Where relevant, cite the security classification of the document(s). State 'None' if applicable)

None

If the report is not for publication, the Chief Executive will decide if and how the public can be informed of the decision.

Redaction

If the report is for publication, is redaction required:

1. Of Decision Sheet?

YES

2. Of Appendix?

YES

NO

NO

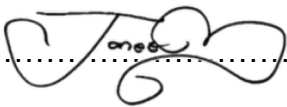
If 'YES', please provide details of required redaction:

Appendices not to be published

Date redaction carried out: 29/03/2023...

Chief Finance Officer / Chief Executive Sign Off – for Redactions only

If redaction is required, the Treasurer or Chief Executive is to sign off that redaction has been completed.

Sign: 

Print: Janet Perry

~~Chief Executive~~ / Chief Finance Officer

Decision and Final Sign Off

I agree the recommendations to this report:

Sign: 

Print: ROGER HIRST

PFCC/Deputy PFCC

Date signed: 29/03/2023

I do not agree the recommendations to this report because:

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Sign:

Print:

PFCC/Deputy PFCC

Date signed: