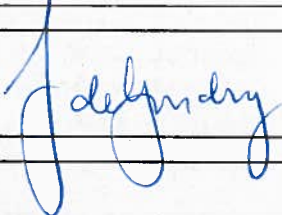


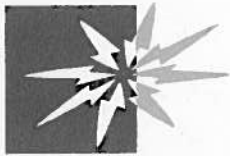


Haringey Council

Report for:	Cabinet 20 January 2015	Item Number:	FINAL
Title:	Waiver and Award of GUM Services contracts for 2014-15. Approval to enter into collaborative commissioning arrangements for contracting GUM services in 2014-17.		
Report Authorised by:	Jeanelle de Gruchy, Director of Public Health 		
Lead Officer:	Susan Oti, Assistant Director of Public Health		
Ward(s) affected: ALL	Report for Key/Non Key Decisions: Key Decision		

1. Describe the issue under consideration

- 1.1 This report is requesting Cabinet to note the inter-borough collaboration arrangements for GUM (genito-urinary medicine) sexual health services in 2013-14 and 2014-15, including the results and benefits achieved by local authorities working together across London to commission GUM services in order to achieve value for money from NHS Trusts.
- 1.2 The report also seeks Cabinet approval to waive Contract Standing Order (CSO) 9.01 (requirement for tendering) as allowed under CSO 10.01 (that it is in the best interest of the Council) and to award 4 Public Health Contracts to 3 NHS Trusts (detailed in paragraph 3.2) for GUM sexual health services provided to Haringey residents in the period 2014-15. These services were negotiated as part of the original 'five borough' GUM commissioning collaborative in 2013-14; which was subsequently expanded to a 12 borough collaborative in relation to sexual health services commissioned for 2014-15. The report seeks approval for the Council to enter into a formal agreement with the 11 other Councils which collaborated in commissioning GUM services for 2014-15.
- 1.3 The report also seeks approval for the Council's continuing participation in joint negotiations with nineteen other London Boroughs in relation to the commissioning of GUM sexual health services for 2015-17.
- 1.4 In addition, the report seeks approval for the Council's proposal: a) to enter into a formal agreement with the 19 other Councils to collaborate towards commissioning GUM services for 2015-17; b) to waive the requirement to tender in respect of the commissioning, together with 19 other London Boroughs, of GUM



Haringey Council

services for 2015-17; and c) to be part of the London wide procurement strategy for a new GUM service model starting in 2017-18.

2. Cabinet Member introduction

- 2.1 The need for sexual health services in London is significantly higher than the national average and is continuing to rise. London has significantly higher rates of sexually transmitted infections, including HIV, than any other part of the country; 42% of new diagnoses are made at later stages of infection and an estimated fifth of Londoners with HIV do not know they have the infection. Gay, bisexual and other men who have sex with men, and men and women from African communities are disproportionately affected and should be a particular priority.
- 2.2 I welcome Haringey Council's active and ongoing participation in the current twelve borough GUM commissioning collaborative that it is proposed to extend to 20 boroughs for 2015-16 and 2016-17, and the future London wide transformation change programme and procurement activity for sexual health services for 2017-18. Haringey Council is committed to working with other councils, in order to manage more effectively, demand led treatment services, with the intention of achieving increased value for money for Haringey residents.

3. Recommendations

3.1 That Cabinet:

- (a) notes the benefits that have been derived over the financial years 2013/14 to 2014/15, set out in para 7.4 below, from collaborating with other local authorities towards effectively commissioning open access GUM sexual health services and managing the Council's associated costs (see paragraph 6); and
- (b) approves, subject to paragraph 3.4 of this report, the entry into a formal collaboration agreement with 11 other local authorities (identified in paragraph 6.2 of this report and associated footnote) for commissioning GUM sexual health services in 2014-15.

3.2 That Cabinet agrees:

- (a) the waiver, in accordance with CSO 10.01.2(d) (that it is in the Council's overall interest), of the requirement under CSO 9.01 for tendering in respect of the 4 contracts identified in paragraph 3.2(b); and
- (b) the award, in accordance with CSO 9.01.6(d), of the following 4 contracts for GUM sexual health services provided to Haringey residents in the period 1 April 2014 to 31 March 2015 to the 3 NHS Trusts indicated below:



Contract	NHS Trusts	Contract values
(1)	Barnet, Enfield & Haringey Mental Health NHS Trust	£ 82,000
(2)	Central & North West London NHS Foundation Trust	£654,000
(3)	Royal Free London NHS Foundation Trust (Barnet & Chase Farm Hospitals)	£ 33,000
(4)	Royal Free London NHS Foundation Trust (Royal Free Hospital)	£156,000

- 3.3 That Cabinet approves the Council's continuing participation in the joint negotiation with an extended group of 19 other London boroughs [see paragraph 6.2 of this report and associated footnote] towards the award of GUM contracts for 2015-16 and 2016-17 and, subject to paragraph 3.4 of this report, the entry into a formal collaboration agreement for this purpose to be achieved by March 2015.
- 3.4 That Cabinet delegates authority to the Director of Public Health, acting in consultation with the Lead Cabinet Member, to finalise the terms of the formal collaboration agreements to be entered into in accordance with paragraphs 3.1(b) and 3.3 of this report.
- 3.5 That Cabinet approves the waiver of the requirement to tender in respect of the commissioning, together with 19 other London Boroughs, of GUM services for 2015-17, (see paragraph 2 of the exempt information report for further details).
- 3.6 That Cabinet endorses the main findings of the 'case for change' (see section 5 below) developed by the Pan London Sexual Health Transformation Project and the next steps as the project seeks to develop a collaborative procurement plan across London for GUM services in 2017-18.
- 4. Alternative options considered**
- 4.1 The complexity of the current system of NHS provided GUM sexual health services, combined with the increased complexity of the commissioning environment means that Councils can be more effective when they work together. Haringey Public Health's experiences over the last two years have shown that it has insufficient leverage to either work independently or in smaller groups of commissioners (as was the case with the NHS North Central London GUM sexual health collaborative in 2013-14) when faced with negotiating costs and activity levels from the range of NHS 'open access' GUM services available to Haringey residents across London.



Haringey Council

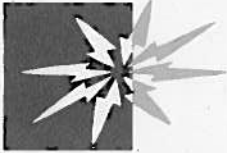
5. Background information

- 5.1 By law GUM sexual health services are 'open access' services which means Haringey residents can go to any GUM service anywhere in the country for assessment, testing and treatment; and the service then invoices the Council for the activity. Total GUM related expenditure in 2013-14 was approximately £5 million.
- 5.2 Prior to April 2013, when NHS Haringey commissioned sexual health services, the only contract for GUM services for Haringey residents was with the main local provider, Whittington Health NHS Trust. All other GUM activity was not contracted and was paid for by monthly invoicing to NHS Haringey.

6. GUM Commissioning Collaborative

- 6.1 In April 2013, commissioning responsibility for some sexual health services transferred to local authorities. During 2013-14 the 4 public health departments in north central London (Barnet, Camden & Islington, Enfield and Haringey) worked together to put contracts in place with the 5 local providers of GUM services, to enable budget management either through a block contract or a 'cap and collar' contract. Each public health department led on a provider contract on behalf of the other four boroughs. For example LB Islington public health led on the Central and North West London NHS Trust GUM service contract. To manage the financial risk each public health department successfully negotiated keeping the Department of Health's 2012-13 prices rather than the increased 2013-14 prices. The 5 contracts for Haringey had a value of £3.9million.
- 6.2 For 2014-15 contracts, Haringey Council entered into an extended collaborative commissioning arrangement with 11 boroughs¹ across central and west London to secure one year contracts for GUM services, from a range of providers in London. This included the Chelsea and Westminster Hospital NHS Trust and Imperial NHS Trust, whose related GUM activity costs for Haringey residents alone in 2013-14 were approximately £600,000.
- 6.3 Ealing Council led this extended commissioning collaborative with a dedicated resource to which Haringey Council contributed £5,000. Haringey Public Health continued to lead on the Whittington Health contract on behalf of the extended commissioning collaborative. The benefits of the 12 borough collaborative to Haringey Council in 2014-15 would include:
- securing a significant proportion of our GUM activity and expenditure through contracts with 2012/13 prices being maintained thereby providing financial management
 - a reduction in non-contracted 'out of area' activity.

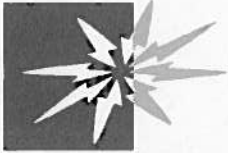
¹ The 12 GUM collaborative partners in 2013-14 included: Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Haringey, Harrow, Hillingdon, Hounslow, Islington, Kensington & Chelsea, and Westminster.



Haringey Council

- 6.4 The 12 councils working together were successful in negotiating acceptable tariff prices for GUM services and in implementing standard service specifications and common key performance indicators (KPIs). By adopting this collaborative approach, the 5 boroughs achieved an avoided cost of £2.6m (9.1%) in 2013-14, and the 12 boroughs projected (minimum) avoided cost for 2014-15, is of £2.5m (6.5%).
- 6.5 In view of the success of the 12 borough commissioning collaborative it is now proposed to extend this to 20 Councils² to commission GUM services across more NHS Trusts for 2015-16 and 2016-17. The current GUM collaborative arrangement covering 12 boroughs will be formally extended to include another eight Councils in late 2014-15 for the purpose of commissioning services for 2015-16 and 2016-17. The GUM clinics operating in the areas covered by the 20 Councils were responsible for delivering approximately 79.1% of all GUM activity for London in 2013-14.
- 6.6 The terms of the collaborative arrangements for commissioning 2014-15 contracts have been essentially worked out in principle between the collaborating authorities but remain to be formally agreed. Once formally agreed, it is proposed that those terms will also form the basis for a formal collaboration agreement that will underpin the wider 20 borough arrangements for commissioning the 2015 – 2017 contracts. It is therefore proposed that the Director of Public Health should finalise the collaboration terms of formal agreements to be concluded for the joint 2014-15 and the 2015-17 commissioning in accordance with the recommendations of paragraphs 3.1(b) and 3.3 of this report. These agreements record the practical arrangements for collaborative commissioning and ensure there are binding arrangements clearly defining the roles and liabilities of the collaborating authorities, for example, in relation to the monitoring and payment of GUM services providers.
- 7. Sexual Health System Transformation 2015-16 to 2017-18**
- 7.1 The continuing rate of increase in GUM service activity levels and the cost pressures to London Councils will not be sustainable. Therefore, if Councils are able to maintain prices below the tariff set by the Department of Health over the next 5 years and continue to experience the average levels of demand seen in recent years, then the spend on GUM services is estimated to increase by 14%, between 2013-14 and 2017-18. However if it proves impossible to maintain the current price levels and Councils adopt the Department of Health's tariffs, the cost of services is estimated to increase by more than 30% by 2017-18:
- 7.2 The twelve borough GUM commissioning collaborative over the last year has demonstrated the benefits, as set out in 7.4 below, that collective commissioning of services can achieve, and moving to a collaborative of twenty Councils for

² **Participating 20 Councils in 2014-15** include: Barnet, Brent, Camden, City of London, Ealing, Enfield, Hackney, Hammersmith and Fulham, Haringey, Harrow, Hounslow, Islington, Kensington and Chelsea, Lambeth, Lewisham, Redbridge, Southwark, Tower Hamlets, Waltham Forest and Westminster



Haringey Council

commissioning services from 2015-16 will allow for greater co-ordination of commissioning on an even more significant scale. However, London Council Chief Executives want to achieve a sustainable solution and have decided to review the commissioning of GUM services as part of the system wide reform of sexual health services in London. This work is led by Mike Cooke, LB Camden Chief Executive.

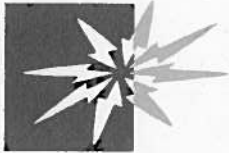
7.3 The pan London Sexual Health Transformation project was initiated in June 2014 a 'case for change' and forward plan has been produced in order to ensure that future spending on GUM sexual health services achieves the following outcomes:

- that services meet current and future demand
- that services are of high quality and deliver excellent value for money
- that commissioned services make a difference for London residents and people who work in and visit London, especially the most vulnerable.

7.4 Developing a new service model for the commissioning and delivery of GUM sexual health services will require ongoing engagement with clinicians, patients and the public. By so doing, it is anticipated that the new model will deliver improvements in the following outcomes:

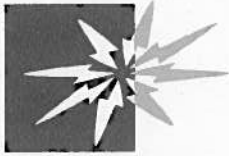
- Reducing the transmission of HIV, STIs and blood borne viruses
- Increasing the Chlamydia diagnosis in 15-24 age groups
- Reducing late diagnosis of HIV, including among gay, bisexual and other men who have sex with men and men and women from African communities
- Ensuring prompt access for earlier diagnosis and treatment
- Providing better access for high risk communities
- Improving the sexual health among gay, bisexual and other men who have sex with men
- Reducing the number of people repeatedly treated for STIs
- Increasing the use of effective good quality contraception
- Reducing the number of repeat abortions
- Improving patient experience through integrated, well-signposted and linked services
- Contributing to reductions in under 18 conceptions
- Improving support for people vulnerable to, and victims of, sexual coercion, sexual violence and exploitation

7.5 The next phase for the project is to develop a new service model with key stakeholders such as clinicians, patients and the third sector. The changes required are likely to be on a level that will require full public consultation. In addition, work is needed to establish the most appropriate overall approach, the procurement strategy, and the partnerships required for each procurement exercise. While this is ongoing, it is proposed that the twenty London Councils continue to work together to leverage best value out of existing contracts and continue to develop a richer, shared understanding of what is happening in GUM sexual health services.



Haringey Council

- 7.6 It is anticipated that the twenty London Councils will need to move to re-procure the services on a large scale with a view to new contracts starting to come into place in April 2017. In terms of cash savings, the London Sexual Health Transformation Project has undertaken some early work to consider the potential for this. It is anticipated that 15% - 20% cash releasing savings could be achieved with further savings generated from reduction in transaction and back office costs.
- 7.7 In order to facilitate the negotiation towards the award of contracts for 2015-16 the twenty London Councils have jointly engaged the North East London Commissioning Support Unit for 6 months to provide co-ordination and support to the process. The Sexual Health Transformation Project team is developing a specification which will be subject to a procurement exercise in February 2015. The likely costs of securing a Commissioning Support Unit to support the management of contracts over the next 2-3 years will be approximately £20-30,000 per Council per annum. The project costs for the development of the model, public engagement and procurement process have yet to be identified.
- 7.8 The benefits of Haringey Council's participation in the GUM sexual health services commissioning collaborative (including both the current 12 boroughs and future 20 London Councils) is justified due to the savings that will accrue from containing cost pressures at a time of increasing demand. See Appendix 1
- 8. Comments of the Section 151 Officer and financial implications**
- 8.1 This report sets out the case for collaborating with other local authorities to commission services jointly in order to drive down provider charges and make savings in a statutory service area experiencing increasing costs mainly due to continuing growth in demand.
- 8.2 Although the principle of making savings (or mitigating increasing costs) through joint commissioning is understood and accepted there are currently no comparison figures presented between national NHS tariffs and collaboratively negotiated rates for 2015-16 onwards as the latter have not yet been agreed/negotiated.
- 9. Assistant Director for Governance and legal implications**
- 9.1 The Assistant Director for Governance notes the contents and recommendations of this report.
- 9.2 The report relates to the procurement of health services which are categorised as residual services under the Public Contracts Regulations 2006 (PCR 2006). This means there is no requirement to tender the services under current national law. However, there is a requirement to tender them under Contract Standing Order (CSO) 9.01.
- 9.3 The report is seeking a waiver of the CSO requirement for tendering in relation to 2 sets of GUM services contracts, namely 4 specific contracts for 2014-15 identified



Haringey Council

in paragraph 3.2(b) and unspecified contracts for 2015-17 which are still being negotiated. The waiver request is made on the grounds provided for under CSO 10.01.2(d), that the waiver is in the Council's overall interest.

- 9.4 Cabinet has the power under CSO 10.01.1(a) to grant the waiver provided it is satisfied that the grounds relied on for the waiver referred to in para. 9.3 justifies a departure from the usual CSO requirement for tendering.
- 9.5 Once Cabinet grants the request for a waiver, it has the power, under the CSO 9.07.1(d), to award the 2014-15 contracts as recommended in para. 3.2(b) of this report. Approval for the award of contracts in 2015-17 will have to be sought, once the contracts are ready to be awarded.
- 9.6 Further considerations on the exercise of the discretion to approve a waiver and award in respect of the proposed contracts are set out in paragraph 3 of the Exempt Information.
- 9.7 The report is also recommending approval for the Council to enter into 2 formal collaboration agreements, respectively with 11 other London Boroughs and with 19 other London Boroughs to facilitate the joint commissioning of both the 2014-15 contracts recommended for award (see paragraph 3.2) and the 2015-17 contracts still to be negotiated (see paragraph 3.3). There is no legal reason preventing the grant of this approval. Legal Services should be consulted in the finalisation of the terms of the collaboration agreement.
- 9.8 The recommendation in paragraph 3.4 of the report is for Cabinet to delegate authority to finalise the contract terms to the Director of Public Health acting in consultation with the lead Cabinet Member. Cabinet has the power under section 15(5)(b) of the Local Government Act 2000 to make this delegation.
- 9.9 Subject to the further considerations referred to in paragraph 9.6, there are no legal reasons preventing Members from approving the recommendations in paragraph 3 of this report.

10. Equalities and Community Cohesion Comments

- 10.1 Corporate Policy and Strategy Team have been consulted in the preparation of this report and have commented that:
- 10.2 The contracts referred to in this report will continue to provide improved and effective sexual health services to the target communities and groups identified in this report, most of whom possess some of the characteristics protected by sections 4 – 12 of the Equality Act 2010 and to whom the Council owes the section 149 duty of that Act, to among other things, have due regards to advance equality of opportunity to them by having due regard to their needs.
- 10.3 The Council is committed to using procurement as a strategic tool for advancing



Haringey Council

equality of opportunity including opportunity to access to Council contracts by opening up the Council's supply chains.

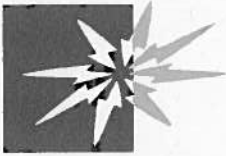
- 10.4 An Equality Impact Assessment was completed for the services outlined and showed a clear case for change that will improve the outcomes for those possessing protective characteristics.

11 Head of Procurement Comments

- 11.1 There is clearly a need for a pan - London view on the current and future demand for services made on GUM clinics, and it is therefore in the interests of Haringey Council to be able to manage the demand for services not only from its residents, but for those from other boroughs that wish to access GUM services in Haringey.
- 11.2 Appendix 2 shows that Haringey residents access GUM facilities across London and that the capacity provided from other London boroughs is needed. We can assume, and this should be looked into further, since residents from other London boroughs also access Haringey GUM facilities.
- 11.3 Collaboration across London should be continued so that the cost of GUM provision is known across London and in each borough. The collaboration agreement should address data sharing and cost cross-charging in its content.
- 11.4 The commissioning strategy requires development and should address the demands for GUM services on a medium term basis in order to realise budget savings needed in Haringey. The commissioning strategy needs to be undertaken in the financial year 2015-16 with targeted contract outcomes: that consider options for service provision; that will provide value for money; and which may include an open competitive process in order to secure new GUM provider(s) across London.
- 11.5 The recommendations within the report are in line with the Council's Standing Orders, specifically to seek a waiver of the CSO requirement for tendering in relation to four GUM contracts for 2014-15, set out in Appendix 1 and para 3.2(b) above.
- 11.6 Public Health will be required to inform Cabinet of the conclusion of contracts negotiated for financial years 2015-16 and 2016-17, see paragraph 3.3.

12. Policy Implication

- 12.1 This service is linked to the current Corporate Plan and to the future Corporate Plan that is in development, in particular Priority 1: 'Enable every child and young person to have the best start in life and Priority 2: 'Empower Adults to Lead Healthy, Long & Fulfilling Lives'. Plus the cross-cutting themes: tackling inequalities; prevention and early help; and working with communities.



Haringey Council

13. Reasons for Decision

13.1 The recommendations as outlined in 3.2(a) and (b) are in accordance with Contract Standing Orders (CSO) 10.01.2 (d) (that it is in the Council's overall interest), of the requirement under CSO 9.01 for tendering in respect of the 4 contracts identified (in paragraph 3.2(b)); and CSO 9.01.6(d), for the award of the 4 contracts (in 3.2(b)) for GUM sexual health services provided to Haringey residents in 2014-15 to the 3 NHS Trusts indicated above.

13.2 Haringey Council is a key member of the pan London Sexual Health Transformation project and of the GUM commissioning collaborative, (currently being extended to 20 boroughs), which will enable the Council's participation in future procurements, where appropriate, and in the negotiations towards the award of GUM sexual health services contracts for 2015-16 and 2016-17.

14. Use of Appendices

Appendix 1 - 4 GUM services provided by 3 NHS Trusts

Appendix 2 - GUM service providers accessed by Haringey residents in 2013-14

15. Local Government (Access to Information) Act 1985

15.1 This report contains exempt and non exempt information. Exempt information is contained in the exempt report and is not for publication. The exempt information is under the following categories: (identified in the amended schedule 12 A of the Local Government Act 1972 (3)):

(3) Information in relation to financial or the business affairs of any particular person (including the authority holding that information);

(5) Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.



Details of the NHS Trusts to be awarded 4 Public Health Contracts for 2014-15, including estimated GUM activity costs, are as follows:

NHS Trusts	2014-15 costs with contracts
Barnet, Enfield & Haringey Mental Health NHS Trust	£ 82,000
Central & North West London NHS Foundation Trust	£ 654,000
Royal Free London NHS Foundation Trust (Barnet & Chase Farm Hospitals)	£ 33,000
Royal Free London NHS Foundation Trust (Royal Free Hospital)	£ 156,000
Total cost	£ 925,000

Increasing numbers of Haringey residents, (currently 60%), choose to access GUM services 'out of area', mainly across London. The GUM 12 borough and next year's 20 London Councils GUM commissioning collaborative will continue to contain and manage the variable cost of NHS provided activity, across the GUM service landscape. These managed changes to the cost, provision (including procurement), and location of GUM sexual health services will form the basis of the Pan London Sexual health Transformation Project in 2015-16.



Haringey Council

Appendix 2 - GUM service providers accessed by Haringey residents in 2013-14

GUM service providers accessed by Haringey residents	Host borough	Lead borough for collaboration	Number 1st OP appts 2013-14	Number FU OP appts 2013-14	Total 2013-14
Chelsea and Westminster Hospital NHS Foundation Trust	K&C	K&C	2128	564	2692
Imperial College Healthcare NHS Trust	Westminster	Westminster	1156	192	1348
North West London Hospitals NHS Trust	Brent	Brent	52	24	78
Central & North West London NHS Foundation Trust	Camden	Camden	8992	3392	12384
West Middlesex University Hospital NHS Trust	Hounslow	Hounslow	12	4	16
Ealing Hospital NHS Trust	Ealing	Ealing	12	1	13
Barnet and Chase Farm Hospitals NHS Trust	Barnet	Barnet	**284	**62	346
The Hillingdon Hospital NHS Trust	Hillingdon	Ealing	8	8	16
Royal Free Hampstead NHS Trust	Camden	Camden	724	184	908
Guy's and St Thomas' NHS Foundation Trust	Lambeth	Westminster	384	120	504
Barts Health NHS Trust - including Barts Hospital	Tower Hamlets	Camden	484	84	568
Newham University Hospital NHS Trust	Newham	Camden	64	36	100
The Royal London Hospital	Tower Hamlets	Camden	572	204	776
Whipps Cross University Hospital	Waltham Fst	Camden	88	40	128
St George's Healthcare NHS Trust	TBC	No Lead	28	44	72
Kingston Hospital NHS Trust	Kingston	No Lead	40	4	44
The Whittington Hospital NHS Trust	Haringey	Haringey	12874	3438	16312
Homerton University Hospital NHS Foundation Trust	TBC	No Lead	1556	328	1884
King's College Hospital NHS Foundation Trust	Lambeth	No Lead	72	40	112
Barnet, Enfield and Haringey Mental Health NHS Trust	Enfield	Enfield	408	476	884
Barking, Havering & Redbridge University HospNHS Trust	Havering	No Lead	16	12	28
West Hertfordshire Hospitals NHS Trust	Hertfordshire	Harrow	20	4	24

** No data 2013/14