

**Decision Maker:** Executive

For Pre-Decision Scrutiny by the Care Services PDS Committee on:

**Date:** 13<sup>th</sup> October 2016

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** 2017/18 INTENTIONS FOR PROVISION OF GENITO-URINARY MEDICINE (GUM) SERVICE

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**Chief Officer:** Dr Nada Lemic, Director Public Health

**Ward:** All Wards

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**1. Reason for report**

1.1 This report sets out the Public Health intentions for the provision of Genito-urinary Medicine (GUM) Service for 2017/18.

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**2. RECOMMENDATIONS**

2.1 The Care Services PDS Committee is asked to note and comment on the contents of this report.

2.2 The Council's Executive is asked to:

- i) Note the benefits of the London wide Collaborative arrangement and approve the continuation of this arrangement to provide open access GUM service in London for Bromley residents, estimated at £1,609k per year.
- ii) Approve the phased approach to implement the London Sexual Health Integrated Tariffs starting from 2017/18;
- iii) Approve the South East London (SEL) arrangement to secure the provisions of new GUM services from Kings College Hospital NHS Foundation Trust (KCH) and Guys and St. Thomas NHS Foundation Trust (GSST) for Bromley residents from April 2017 and to authorise the sexual health commissioner to enter into a Memorandum of Understanding (MoU) with the London Borough of Lambeth to enable the London Borough of Bromley to access the arrangement.

### Corporate Policy

1. Policy Status: Existing policy. Existing Policy Context/Statements
  2. BBB Priority: Children and Young People. Excellent Council Supporting Independence
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### Financial

1. Cost of proposal: Estimated cost £1,609k p.a.
  2. Ongoing costs: Recurring cost. £1,609k p.a.
  3. Budget head/performance centre: Director Public Health
  4. Total current budget for this head: £15.5 million (2016/17)
  5. Source of funding: Department of Health, Public Health Grant
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### Staff

1. Number of staff (current and additional): 19 FTE
  2. If from existing staff resources, number of staff hours:
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### Legal

1. Legal Requirement: Statutory requirement.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Borough wide
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

The Council spends broadly £1,609k p.a. on open access GUM service for Bromley residents, based on actual spend. A breakdown of this spend is shown below.

London wide open access GUM service:

- SE London: King's College Hospital NHS Foundation Trust (KCH)	£932k	
- SE London: Guy's and St. Thomas' NHS Foundation Trust (GSST)	£138k	
- Other London Hospital Provider Trusts	<u>£454k</u>	£1,524k
Out of London Open Access GUM Service		<u>£85k</u>
		<u>£1,609k</u>

#### **Context**

#### ***London wide Collaborative Arrangement - £1,524k p.a. on open access London GUM Service***

- 3.1 Under 'The Local Authorities (Public Health Functions and Entry to Premises by Local Healthwatch Representatives) Regulations 2012', the Council has a duty to provide open access sexual health services. The term 'open access' refers to the fact that such services are available to anyone requiring treatment, irrespective of their personal characteristics, place of residence or GP registration, without referral. These services are known as Genito-Urinary Medicine (GUM) Services. This accessibility requirement impacts on the ability of all Councils to predict service demand and manage the budget effectively.
- 3.2 In response to this and following Members' approval on 26 November 2014 (Report CS14101) and October 2015 (Report CS15925), the Sexual Health commissioner continues to pursue a collaborative commissioning approach with other London Boroughs in contract negotiations with all London GUM providers to achieve lower unit prices (first and follow up attendances) and marginal rates.
- 3.3 This arrangement is supported by the Collaboration Agreement between various London authorities to provide GUM services. It sets out clearly the roles and responsibilities of each borough, in particular financial obligations, and is signed by all participant Boroughs. Under the Collaboration Agreement Lead Boroughs are nominated in different regions to enter into contracts with providers to provide services to all participating authorities within the region. Annual contracts are held by the Lead local authority on behalf of all participating boroughs who are named in the contract.
- 3.4 In 2015/16, the opening offer of these terms include tariff at £131 for first attendance and £80.77 for follow up attendance compared with the NHS published GUM tariff of £131 for first and £103 for follow-ups. No inflation (NHS recommended inflation of 1.93%), efficiency of 5%, marginal rates for growth (growth of 0-5% at 60% of full price and growth of 5-10% at 40%), replace Market Forces Factor (an allowance imposed on the published NHS national tariff to reflect geographical differences which for some inner London provider could be as high as 29.39%) with a lower geographical allowance of 20% for inner London and 17% for outer London.
- 3.5 Following negotiations, lower unit prices were achieved with an average (including geographical allowance) of £158 for first and £98 for follow up attendances. These compare with the average of £165 for first and £124 for follow up attendances in 2014/15.

- 3.6 As a result, Bromley's actual spend in 2015/16 on GUM at tariffs negotiated by the London Collaborative was £1,524k in London with a total spend of £1,578k which includes services outside of London. This reflects a saving of over £60k compared to spend in 2014/15 (£1,639k), despite an overall 4.5% growth in activities between 2014/15 and 2015/16 with a total attendances of 10,916 and 11,424 respectively.
- 3.7 The growth was seen in most inner London Hospital Trust providers, especially in Chelsea and Westminster Hospital NHS Foundation Trust with activity grew by over 8% from previous year with costs increased from £190k to £228k. The final cost was reduced by £20k as a result of the marginal rate negotiated by the Collaborative which continues to achieve reduction in the published GUM Tariff and sustains more advantageous terms than those that could have been negotiated by individual commissioning authorities.
- 3.8 The continued growth of activities has led to further collaboration amongst London commissioners to manage growth and contain escalating costs. The London Sexual Health Transformation Programme (LSHTP) was set up with the specific aim to reduce costs for sexual health care across the capital, specifically GUM services through innovation, service redesign, demand management and pricing strategy.
- 3.9 To this end, LSHTP has been exploring alternative provisions to the traditional service models of GUM, directing patients with no symptoms away from the costly clinical environment to lower cost service options. The business case for developing an on-line sexual health service that supports signposting and self-testing of STIs has been agreed by participating boroughs and a London wide procurement is being undertaken by LSHTP. Members are asked to note that while Bromley is not participating in the London online service procurement at this stage for reasons set out below (3.18), it is a named authority on the tender documents in order to retain the right to purchase the service should Bromley wish to do so in future.
- 3.10 In addition, the LSHTP has been working on a new set of prices for London known as the London Integrated Sexual Health Tariffs (ISHT) that reflects more accurately the interventions provided by GUM and Contraceptive Services than the current attendance based tariffs. A rigorous due diligence process confirmed that significant savings can be achieved across London through implementation of ISHT.
- 3.11 Further audit has been carried out to try and ensure that the financial risk to commissioners is minimal. There is now broad agreement across London that ISHT will be the payment mechanism for sexual health services from 1 April 2017.
- 3.12 Locally, arrangements are in place to shadow ISHT during 16/17 to understand the direct impact of implementation and extent of savings that can realistically be achieved. Further discussions with commissioners are required to determine how implementation can effectively take place due to the different contractual arrangements both within the region and across London. Given this position, it is proposed to implement ISHT on a phased approach starting from 2017/2018. The Executive is asked to approve this approach.

***South East London Sub-Regional Plan – Of the £1,524k p.a., the Council spends £932k p.a. on KCH and £138k p.a. on GSST***

- 3.13 Given the need for continued collaboration cross London and the level of change required, it was agreed by the LSHTP that implementation of transformation will be more effective and responsive at sub-regional level than at London level.
- 3.14 Lambeth is the Lead authority for this region and have negotiated tariffs and entered into contracts with SE London providers of King's College Hospital NHS Foundation Trust (KCH)

and Guy's and St. Thomas' NHS Foundation Trust under the London collaborative arrangement.

- 3.15 Bromley is a part of the South East London (SEL) region and shares the same GUM providers in the region with London Boroughs of Lewisham, Southwark and Lambeth (LSL).
- 3.16 Bromley is therefore participating in the sub-regional arrangements working with LSL, Greenwich and Bexley redesigning GUM services. Bromley's participation will ensure local commissioning arrangement aligns with those in SEL and is consistent with the goals of the London-wide transformation project.
- 3.17 An effective way to prevent sexually transmitted infections (STIs) and their onward transmission as recommended by the National Institute for Health and Care Excellence (NICE) is early detection through regular testing.
- 3.18 Significant innovation has already taken place in SEL over recent years with a major drive of clinical and cost effective interventions that promote self-management including on-line provision of sexual health services, much more so than in any other London regions. The plan for the region is to upscale online self-sampling (testing) service for STIs which continue to rise and disproportionately affect young people, black minority ethnic (BME) groups and men having sex with men (MSM).
- 3.19 Using on-line testing as a key enabler to achieve efficiencies and better value for money, the new model in GUM clinics is to divert testing of STIs for those patients showing no symptoms of infections away from the more expensive GUM clinics to lower cost access points in the community.
- 3.20 The SEL regional plan not only dovetails the pan-London work streams but also Bromley's local plan of developing an online home sampling service outside GUM setting (Executive approval on 13 July 2016 CS17018).
- 3.21 This new model is being piloted in KCH and GSST with an online service triaging patients and providing asymptomatic testing as part of the clinic offer at the door of the clinic. The aim is to have the new model in place by April 2017 with the current pilot informing the detail of the final model which will form the basis for securing local GUM services from these two providers for the boroughs of Lambeth, Lewisham, Southwark (LSL) and Bromley.
- 3.22 A unified approach for LSL and Bromley is necessary to establish the new service model in order to deliver the required transformation and to address growing demand. Given the market considerations below (6), the best options available is for commissioners of LSL and Bromley to enter into a SEL arrangement for securing new GUM provisions from the current providers of KCH and GSST from April 2017.
- 3.23 In this arrangement, Lambeth as the Lead authority for SE London sub-region, will negotiate with direct involvement of all four boroughs and enter into contracts with KCH and GSST. A Memorandum of Understanding (MoU) to support the collaborative management of these contracts will be established between Lambeth and Bromley. As Southwark and Lewisham have long standing agreement for joint commissioning arrangement with Lambeth, they will not be party to this MoU.
- 3.24 Members are asked to approve the SEL arrangement for securing the provisions of new GUM services from KCH and GSST for Bromley residents from April 2017 and to authorise sexual health commissioner to enter into a MoU with the London Borough of Lambeth that supports the arrangement.

## ***Out of London Open Access GUM Service - £85k p.a.***

- 3.25 It would not be feasible or cost effective to procure an out of London open access GUM service with the small amount of spends on each provider outside London. It is therefore proposed that for any out of London GUM service provision, payable by the Council as Non-Contractual Activity, the Council continues to take the position of paying rates no higher than those already negotiated by the provider's Lead Local Authority commissioner in that area.

## **4. CONTRACTUAL PROPOSAL**

- 4.1 At this stage, it is proposed that Lambeth will issue a three year contract to KCH and GSTT as host commissioners, through a waiver to their standing orders that require competitive tendering. These contracts will cover the delivery of new GUM provisions that include triaging asymptomatic Bromley patients to an online testing service at the front of the GUM clinics.
- 4.2 The contracts with KCH and GSST will be held by Lambeth and the precise terms of the contract will be negotiated with direct Bromley involvement. This arrangement will require a Memorandum of Understanding (MoU) between Bromley and Lambeth to be drawn up. The MoU will describe the arrangement including the re-charge mechanism, setting out clear roles and responsibilities of each party along with their obligations.

## **5. PROCUREMENT IMPLICATIONS**

- 5.1 As GUM services are 'open access' and available to anyone requiring treatment, irrespective of their personal characteristics, place of residence or GP registration, without referral, and based totally on patient choice, they cannot be 'procured'. Instead, they are provided and subsequently paid for by the relevant borough based on the residency of the patient by a system of recharging.
- 5.2 This arrangement is supported by the Collaboration Agreement between various London boroughs to provide GUM services. It sets out the roles and responsibilities of each borough, in particular financial obligations, and is signed by all participant boroughs. Under the Collaboration Agreement, Lead Boroughs are nominated in different regions to enter into contracts with providers to provide services to all participating authorities within the region. Annual contracts are held by the Lead Borough on behalf of all participating boroughs who are named in the contract.
- 5.3 In Bromley's case, the Lead Borough for the sub-region is the London Borough of Lambeth, who will hold the contracts with KCH and GSST (as host borough) and the precise terms of the contract will be negotiated with direct Bromley involvement. This arrangement will require a Memorandum of Understanding (MoU) between Bromley and Lambeth to be drawn up, which will describe the arrangement including the re-charge mechanism, setting out clear roles and responsibilities of each party along with their obligations.
- 5.4 In accordance with CPR 3.6.1 consultation has taken place with Director of Finance and Director of Corporate Services.
- 5.5 CPR 5.3 requires that where the estimated value of the intended arrangement is £500k or more the relevant Portfolio Holder will be *Formally Consulted* on the intended action and contracting arrangements.
- 5.6 CPR 5.4 requires that "Where the value of the intended arrangement is £1,000,000 or more the Executive will be *Formally Consulted* on the intended action and contracting arrangements."

- 5.7 CPR 5.5 requires “Where the estimated value of the intended arrangement is £500k and above the Council’s Commissioning Board shall receive a copy of the draft Gate Report, prior to its submission to the relevant Portfolio Holder or Executive as required by CPR 5.3

## **6. MARKET CONSIDERATIONS**

- 6.1 Since GUM is a statutory service with provision to be open access, there is not really a market in the commercial sense.
- 6.2 The market is limited by the fact that there are no other accredited providers. This is a clinical service for communicable diseases and as such is subjected to numerous regulations and requirements of both clinical and professional standards. Acute hospital providers are the only bidders that participate in the GUM procurements that are going on in London at the moment.
- 6.3 Any providers wishing to enter will not have immediate access to estates and resources (eg clinical facilities/equipment). When approached to discuss their involvement in any future procurement, possible private sector providers have signalled that they would expect Local Authorities to guarantee provision of estates as part of the tender. There are limited estates available suitable for delivering complex sexual health services in south east London. Sites would best be secured in Bromley but the costs of securing such sites, and the timeframe for doing so, are unclear.
- 6.4 Where attempts have been made to test the market, Boroughs are working on a sub-regional level and are limiting to local GUM provisions. Those boroughs who had been through their tender process have experienced issues that range from bidders challenging tender requirements and pricing to no bidders except the incumbent provider.
- 6.5 In line with arrangements of the London SH Transformation Programme, the six boroughs in south east London have collaborated as a sub-region on redesigning service model at pace with significant clinical commitment to shift demand in GUM clinic to online services.
- 6.6 Bromley does not have a local GUM provider. The clinic at Beckenham is part of KCH and is covered by the current overall KCH contract held by Lambeth as the Lead Commissioner on behalf of the London Collaborative. Lambeth, Southwark and Lewisham, who shares the same south east London providers of KCH and GSTT with Bromley, have decided not to tender GUM services in the foreseeable future.
- 6.7 Beckenham Clinic shares staff and support with the Camberwell Clinic at Denmark Hill. It makes no sense to seek to have that clinic separated off and re-tendered separately as all economies of scale will be lost and it may not be viable or competitive as a standalone service.

## **7. LOCAL POPULATION PROFILE**

- 7.1 The nature of open access means this is a universal service that is available to all Bromley resident patients with or without symptoms who seek care from GUM clinics. However, commissioning intention is to target those groups of resident populations who are at risk of being affected by STIs, specifically young people, MSM and BME groups.
- 7.2 Of particular concern is the continuing and rapid rise in syphilis and gonorrhoea (a marker of high levels of risky behaviour) especially among MSM. In 2015, Bromley is ranked 53 out 326 local authorities for the rate of Gonorrhoea and 43 for Syphilis (first in the rank have highest rates). Reversing this trend is a priority given the spread of resistance to frontline antimicrobials used for treating gonorrhoea and the depletion of effective treatment options.

## 8. STAKEHOLDER CONSULTATION

8.1 As part of the London Sexual Health Transformation Programme a number of consultation and engagement exercises have been undertaken. These include:

- A clinic user survey across 12 London GUM clinics including the central London clinics most frequently used by Bromley residents (Feb 2015).
- Sexual Health clinician engagement events to inform the model of service provision
- A Clinical steering group to inform the development of the service specification, which includes expert clinical input from sexual health professional bodies.

8.2 There has been some local engagement on current and future service models including survey of South East London and Beckenham sexual health clinic users (Aug 2014 and Feb 2016).

## 9. SUSTAINABILITY / IMPACT ASSESSMENTS

9.1 It is expected to conduct impact assessments as an integral part of the procurement process at a later stage.

## 10. POLICY IMPLICATIONS

10.1 The proposals set out in this report are consistent with current policy and is in line with the proposal for the Council's Public Health Budget 2016/17 and 2017/18.

## 11. FINANCIAL IMPLICATIONS

11.1 Public Health commissioners continue to work within the budget allocated for public health services. The Public Health Grant has been set by the Department of Health using estimates of public health baseline spending in 2011, along with a fair shares formula based on the recommendations of the Advisory Committee for Resource Allocation.

11.2 The Public Health Grant is a central government grant which is ring-fenced. The Department of Health grant allocation for Bromley was £15,478k in 2016/17. However, there will be a reduction in the Grant in 2017/18 to £15,096k. Work has been conducted by the Public Health team on identifying the savings towards these reductions.

11.3 The table below outlines the indicative budgets for the 2017/18 financial year for these services.

<b>Gum Providers</b>	<b><u>17/18</u></b> <b><u>Budget</u></b> <b><u>£000</u></b>
Kings Healthcare Partnership	932
Guys and St Thomas NHS Foundation Trust	138
Other London providers	454
Other (out of area) providers	85
	<hr/>
	<b>1,609</b>

11.4 There are potential savings arising from the proposed new arrangements of this service, however at this stage these are unquantifiable.



- 11.5 The grant conditions require quarterly financial reporting to the Department of Health against a set of standardised budget reporting lines and the expenditure must be explicitly linked to the Health and Wellbeing Strategy, Public Health Outcomes Framework and the Joint Strategic Needs Assessment. The Council will need to show that it spends the Grant on Public Health related expenditure. The reporting categories are sufficiently flexible to allow local decisions about what services are commissioned to be reflected sensibly. The Grant can be used for both revenue and capital purposes.
- 11.6 The expectation is that funds will be utilised in-year, but if at the end of the financial year there is any under spend this can be carried over, as part of a Public Health Reserve, into the next financial year. In utilising those funds the next year, the grant conditions will still need to be complied with.
- 11.7 There is also a statement of assurance that needs to be completed and signed off by the Chief Finance Officer and Director for Public Health at year end. The expenditure for Public Health services will be included within the overall audit of the council's statement of accounts and the Council needs to evidence that it spends the Grant on public health activities across the Council.
- 11.8 2017/18 spending decisions are subject to Member approval as part of the Medium Term Financial Strategy/budget setting process. Therefore the 2017/18 budgets for these contracts are indicative until that time.

## 12. LEGAL IMPLICATIONS

- 12.1 Under Regulation 38 of the Public Contracts Regulations 2015, joint procurements may be carried out by contracting authorities on behalf of other contracting authorities. Participation in the Collaborative procurement arrangement as set out in this report would be a joint procurement arrangement and this authority would be compliant with the Regulations to the extent that the Lead Authority has complied with the Regulations.”

<b>Non-Applicable Sections:</b>	Personnel Implications
Background Documents: (Access via Contact Officer)	Report CS14101 – Public Health Commissioning 2015/16, Nov 2014 CS15925 Public Health Commissioning Intentions 2016/17, Oct 2015 CS16008 Gateway Review of Sexual Health Services, Mar 2016 CS17018 Gateway Review – Procurement for a Sexual Health Early Intervention Service, July 2016 Bromley Local Authority HIV, sexual and reproductive health epidemiology report (LASER): 2014 Sexual and Reproductive Health and HIV: Strategic action plan, PH England, December 2015 A Framework for Sexual Health Improvement in England, Department of Health, March 2013 NICE Guidance – HIV Testing: increasing uptake in Black Africans (PH Guideline PH33), March 2011 NICE Guidance – HIV Testing: increasing uptake in men who have sex with men (PH Guideline PH34), March 2011