

Report of: The Office of the Director of Public Health

Report to: Director of Public Health

Date: March 2015

Subject: Request to waive Contracts Procedure Rules 8.1 & 8.2 to enter into a 12 month contract with 15 Community Pharmacies to deliver a Needle Exchange Service from 1st April 2015 to 31st March 2016

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. This report seeks approval to waive Contracts Procedure Rules 8.1 and 8.2 and enter into a contract with community pharmacies to deliver a needle exchange service at a cost of £45,000. The contract will take effect on 1st April 2015 and will expire on 31st March 2016.
2. 15 pharmacies across the city currently participate in the needle exchange service and the current contract period ends 31st March 2015.
3. The needle exchange service has an annual budget of £45,000 for payments to pharmacies.
4. CPWY will act as an agent between the Council and each community pharmacy provider and process service claims on behalf of the Council.

Recommendations

1. The Director of Public Health is recommended to waive Contracts Procedure Rules 8.1 and 8.2 to enter into a contract with 15 pharmacies across Leeds to deliver a needle exchange service for 12 months from 1st April 2015 to 31st March 2016 at a cost of £45,000.

1 Purpose of this report

- 1.1 The purpose of this report is to seek approval to waive Contracts Procedure Rules 8.1 and 8.2 and enter into a contract with community pharmacies to deliver a needle exchange service at a cost of £45,000. This approval will allow time for a review of the Community Pharmacy Needle Exchange Service combined with the Supply of Medical Equipment contract (current contract with Frontier Medical Supplies expires 31st March 2016). The joint

review will inform the future strategic direction of a combined service that will hopefully achieve efficiencies and economies of scale.

2 Background information

2.1 The main functions of the community pharmacy needle exchange service are to:

- assist service users to maintain, and where possible improve, their level of health until they are ready to address their injecting and/or substance misuse
- reduce the rate of sharing and other high risk injecting behaviours by providing sterile injecting equipment, paraphernalia and other support
- reduce the rate of blood borne infections among drug users
- promote safer injecting practices
- provide and reinforce harm reduction advice and initiatives, including advice on overdose prevention (e.g. risks of poly-drug use and alcohol use)
- ensure safe disposal of used injecting equipment
- improve the health of local communities by preventing the spread of blood-borne viruses and by reducing the rate of discarded used injecting equipment
- work in partnership with the Harm Reduction element of the integrated drug and alcohol service in Leeds
- collect routine performance management information

2.2 In addition to the community pharmacy needle exchange service there is a specialist harm reduction service delivered by St Anne's and Barca which also includes needle exchange services from 2 fixed sites plus an outreach van.

2.3 A detailed review of all commissioned drug and alcohol treatment services has been undertaken and resulted in the procurement of a new integrated service which will begin delivery in July 2015.

2.4 A separate review of the community pharmacy needle exchange service was due to take place during 2014, but this work was unfortunately delayed due to pressures of other pieces of work. This has now become a priority piece of work and will take place over the first quarter commencing in April 2015. The review will investigate:

- whether the service is being provided in the most appropriate geographical areas
- whether service users are receiving appropriate advice and support
- whether the service is providing value for money
- whether a new integrated service that includes the supply of medical equipment will widen the market and deliver efficiencies
- how best the service fits into the new integrated drug and alcohol service

3 Main issues

3.1 The service is part of a city wide harm reduction provision for drug users and as such is expected to work closely with other harm reduction service providers and treatment agencies. For the service to operate effectively it is essential that good working relationships are developed and maintained with other complementary service providers in Leeds. The contract manager for this service will promote closer working and monitor this during performance management meetings.

3.2 Significant progress has been made to establish more robust recording mechanisms and procedures. This includes working in partnership with Community Pharmacy West Yorkshire (CPWY) who administer the service, acting as an agent between the Council and each community pharmacy provider and processing service claims on behalf of the Council. This Service Administration Scheme is underpinned by PharmOutcomes – an IT platform which

allows the secure recording of service delivery and the management of pharmacy payments. This arrangement which began in April 2014 has improved the quality of data received and resulted in more meaningful management information which can be used to inform the review. The current (2014/15) Service Administration Scheme agreement is attached for information.

3.3 Community Pharmacy West Yorkshire is the local voice for all community pharmacies in West Yorkshire. They are in a unique position to be able to act as a link between the Council and the contracted pharmacies.

3.4 The pharmacy review is expected to be finished by the end of June 2015 and it is likely that a procurement exercise will then be undertaken with a new contract in place by 1st April 2016.

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Current providers, service users and wider stakeholders will be fully engaged in the review of the pharmacies and consulted on their views of the current service and whether they feel any changes need to be made.

4.1.2 Pharmacies will be kept informed of any procurement exercise via YORtender.

4.1.3 CPWY will be kept informed of progress of the review and be able to disseminate the information to the wider pharmacy network.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality Impact Assessment (EIA) Screening Tool has been completed in relation to this recommendation and is attached as a background document for information. The EIA Screening Tool indicates that a full EIA does not need to be completed. The main reason for this is that the new contracts will be for a short period of time and will not involve any major changes to the services which could impact negatively on clients or stakeholders.

4.2.2 A full EIA was completed in relation to the drugs and alcohol sector review and re-commissioning in order to consider the impact of any changes on clients, staff and stakeholders. Identified recommendations were incorporated into the procurement exercise based on the overall findings of the review.

4.2.3 All pharmacies will need to continue to demonstrate that they have robust equality and diversity policies in place.

4.3 Council Policies and City Priorities

4.3.1 The community pharmacy needle exchange service forms part of the wider harm reduction services delivered across the city. These services are strategically relevant, and contribute to a number of strategies and priorities, including the Health & Wellbeing strand of the City Priority Plan by supporting clients to make healthy lifestyle choices and live safely. The service also contribute to the priorities set out in the Leeds Drug and Alcohol Strategy & Action plan, by reducing harm and supporting people to recover from drug misuse.

4.4 Resources and value for money

- 4.4.1 Pharmacies receive a fee of £75 per quarter, which includes payment for the first 50 needle exchange transactions they make that quarter. They then receive £1.50 for each subsequent transaction. A full value for money exercise will take place as part of the review.
- 4.4.2 Pharmacies will only be paid for transactions for which they fully complete a "What Works" form and all appropriate information has been recorded on PharmOutcomes.
- 4.4.3 The cost of the needle exchange scheme in direct payments to the pharmacies is £45,000 per annum and will be met from the Public Health budget.
- 4.4.4 CPWY is a non-profit making organisation and charges a management fee of £4 per pharmacy each month. This totals £720 for the year which represents excellent value for money. This cost will also be met from the Public Health ring-fenced budget.
- 4.4.5 An equipment budget of £150,000 for the Supply of Medical Equipment was subject to a separate report. The possibility of savings on the equipment budget is being explored (e.g. limiting the distribution of sterile water, stock distribution between pharmacies).

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This is a significant operational decision which is not eligible for call in. The report does not contain any exempt or confidential information under the Access to Information Rules.
- 4.5.2 A new contract will be entered into using the Department of Health template, appropriate specification, terms and conditions and performance measures will be included.
- 4.5.3 Awarding contracts directly to the pharmacies identified in this way could leave the Council open to a potential claim from other pharmacy providers, to whom this contract could be of interest, that it has not been wholly transparent. This will be mitigated by working with the Local Pharmaceutical Committee to keep all pharmacies informed of the service review and potential opportunities this may present because the additional period is purely an interim arrangement.
- 4.5.4 The Director of Public Health has considered this and, due to the nature of the services being delivered, the relatively low value of these contracts and the requirement to be physically located in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states.
- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 Although there is no overriding legal obstacle preventing the waiver CPR 8.1 and 8.2, the above comments should be noted. In making their final decision, the Director of Public Health should be satisfied that the course of action chosen represents Best Value for the Council.

5. Risk Management

- 5.1 This contract is required to enable continuation of the service provided by community pharmacies to vulnerable service users. Not providing the service would leave vulnerable people without the support which they require to minimise the risks of their drug misuse.

- 5.2 It is possible that other pharmacies may ask to be added to the list of participating pharmacies. It is important that the scheme has comprehensive coverage, however for budgetary and management reasons there needs to be a limit on the number of pharmacies contracted with. CPWY will be informed of any future tendering opportunities and will be able to share this information with all local pharmacies.

6. Recommendations

- 6.1 The Director of Public Health is recommended to waive Contracts Procedure Rules 8.1 and 8.2 to enter into a contract with 15 pharmacies across Leeds to deliver a needle exchange service for 12 months from 1st April 2015 to 31st March 2016 at a cost of £45,000.

7 Background documents¹

- 7.1 LPC Service Administration Scheme Agreement (2014/15)
- 7.2 Equality, Diversity, Cohesion and Integration Screening report

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.



Community Pharmacy
West Yorkshire

Working to represent, support and promote community pharmacy

LPC Service Administration Scheme

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Definitions

The Commissioner is the organisation who commissions the services (Leeds City Council)

The Provider means the community pharmacies (listed in appendix 1) which the Commissioner has an agreement with to provide the services within the Service Level Agreement.

Service Specification will be used throughout this agreement and will be taken to mean the contract between the Commissioner and the Provider to provide the service specified. This contract can take several forms including a Service Specification, Service Level Agreement or Locally Enhanced Service agreement.

The services mean the services and goods that The Provider is required to supply, as stated within the relevant Service Specification.

Community Pharmacy West Yorkshire (CPWY) is the Local Pharmaceutical Committee (LPC) for West Yorkshire.

Service Funds mean the money transferred from the Commissioner to CPWY for payment to the Provider for service activity as within the Service Specification.

1 Key Principles

- 1.1 The Commissioner commissions the Service from each individual community pharmacy.
- 1.2 CPWY will act as an agent between the Commissioner and each community pharmacy Provider for processing claims.
- 1.3 For avoidance of doubt, CPWY is not responsible for any financial liabilities associated with the Service Funds.

2 Financial

- 2.1 CPWY will hold the Service Funds and make payments for service delivery directly to the Providers on behalf of the Commissioner on demonstration of activity as per the Service Specification agreed between the Commissioner and the Provider.
- 2.2 All Service Funding transferred to CPWY will be for used by CPWY exclusively as stated in this Agreement.
- 2.3 All Service Funds transferred to CPWY will only be paid to pharmacies with which the Commissioner has a service agreement to provide the service and cannot be used for any other purpose.
- 2.4 The Service Funds remain the asset of the Commissioner.
- 2.5 CPWY will put reasonable safeguards in place to protect the Service Funds of the Commissioner.

- 2.6 CPWY will monitor the Service Fund and routinely inform the Commissioner of the predicted fund that will remain at end of this agreement.
- 2.7 The Commissioner retains the risks associated with the Service Fund (such as overspend due to increased service activity) and would be liable for any such costs.
- 2.8 Any underspend will be returned within 60 days to the Commissioner at the end of this agreement.
- 2.9 The option of the underspend being rolled forward into a successive years budget can be discussed if both parties agree.

3 Service Specification and Contractual Matters

- 3.1 The Commissioner remains responsible for the Service Specification and any associated specification, agreement and Patient Group Direction (PGD).
- 3.2 The Commissioner is responsible for retaining an up-to-date signed Service Specification with the Provider.
- 3.3 The Commissioner is responsible for amending the Service Specification and any associated documentation in response to change in evidence, guidance or product license.
- 3.4 The Commissioner is responsible for proposing and agreeing any changes to the Service Specification or associated documents with the Providers in liaison with CPWY.
- 3.5 The Commissioner remains responsible for the management of the Service including the performance management of the Providers.
- 3.6 The Commissioner must ensure the Service Specification for the Service includes:
- Service payments to be made for each element of the Service
 - An obligation that Providers must submit claims within 2 months of the service activity.
 - An obligation that Providers must retain records of service activity and ensure that client records are retained in line with NHS code of practice for records management and associated guidance.
- 3.7 A data sharing agreement between the Commissioner, Provider and CPWY will be required to allow CPWY to process the service claims and hold the service activity data.
- 3.8 The Commissioner will provide any required PGD and ensure that it meets the appropriate legal requirements, covers the term of this agreement and is updated in the event of any clinical changes.
- 3.9 Conducting any Post Payment verification remains the responsibility of the Commissioner.

4 Service Administration Function

- 4.1 CPWY will assist the Commissioner in the arrangement of the data sharing agreement between the Commissioner, Provider and CPWY. This agreement will take the form of

an on-line agreement by each Provider to use a specific IT platform which includes the sharing of data.

- 4.2 CPWY will directly receive service claims from the Providers.
- 4.3 CPWY will process the claims and calculate payments to be made to the Provider in line with the Service Specification.
- 4.4 CPWY is responsible for collating service activity information from the Providers.
- 4.5 CPWY will submit a monthly report to the Commissioner of service activity data in line with the information collated on the claim submission as stated within the Service Specification.
- 4.6 CPWY may produce reports that will be shared with the Commissioner and the Provider to enable Providers to benchmark themselves against others. These reports will contain aggregated performance data but will not include any information which can identify any individual patients or individual Providers to other Providers. Identifiable individual provider data will not be shared between Providers.
- 4.7 CPWY may produce reports to share summary data with other parties. These reports may include summary activity data, demographics of those using the service and summary costs of the service. These reports will be used to demonstrate the success of Community Pharmacy in delivering Locally Commissioned Services.
- 4.8 CPWY will manage information in compliance with Information Governance requirements including the Data Protection Act, Caldicott Principles and other legislation covering client information.
- 4.9 No client identifiable information will be submitted or made available to the Commissioner as part of this service agreement.
- 4.10 CPWY retains the option of using an IT platform to support the recording, reporting and payment of the Service. CPWY will ensure that all relevant governance issues have been addressed in the use of web-based platform.
- 4.11 CPWY will make payments directly to the Providers for any service activity undertaken. Payments will be made at the interval stated within the Service Specification. Payments to the Provider will be made by BACs with remittance advice.
- 4.12 CPWY will maintain comprehensive accounting records of Service Funds which will be provided to the Commissioner. These will allow the Commissioner to audit the use of Service Funds.

5 Pharmacy Providers

- 5.1 The Commissioner will provide CPWY with a list of the community pharmacies commissioned to provide the Service.
- 5.2 Payments will only be made to these Providers for service delivery as outlined in the Service Specification provided by the Commissioner.
- 5.3 Any new pharmacy Provider will only be added to the list of Providers with prior agreement with the service commissioner.

6 Management Fee

- 6.1 A Management Fee has been agreed between CPWY and Commissioner.
- 6.2 The Management Fee is for CPWY acting as an agent as outlined in this agreement. Any other agreements between CPWY and the Commissioner are outside of this agreement and this Management Fee.
- 6.3 The Management Fee is calculated at £4 per commissioned pharmacy per month.
- 6.4 The Management Fee is paid in addition to the Service Funds for service payments.
- 6.5 The Management Fee covers the additional costs incurred by CPWY in carrying out this agreement and includes administration costs, staff costs and incidentals.

7 Term of Agreement

- 7.1 Notwithstanding the duration as specified in the Agreement, either party may terminate the agreement subject to providing three months' notice in writing.
- 7.2 At the end of the term of this Agreement any Service Funds remaining will be transferred back to the Commissioner. Upon transfer of the Service Funds the liability for payment to Providers for service activity transfers back to the Commissioner.

Matters outside of this Agreement

CPWY can work alongside Commissioners to develop Service Specification's including Service Level Agreements, Locally Enhanced Service (LES) agreements and Patient Group Directions (PGDs). This may include amendments of current services or development of new services.

CPWY will work with the providers to support them with meeting the performance management requirements and service targets as agreed with the Commissioner or specified in the Service Specification.

CPWY may audit/ evaluate the Service. Any such evaluation will be shared with the Commissioner on completion.

8 Service Administration Scheme Model

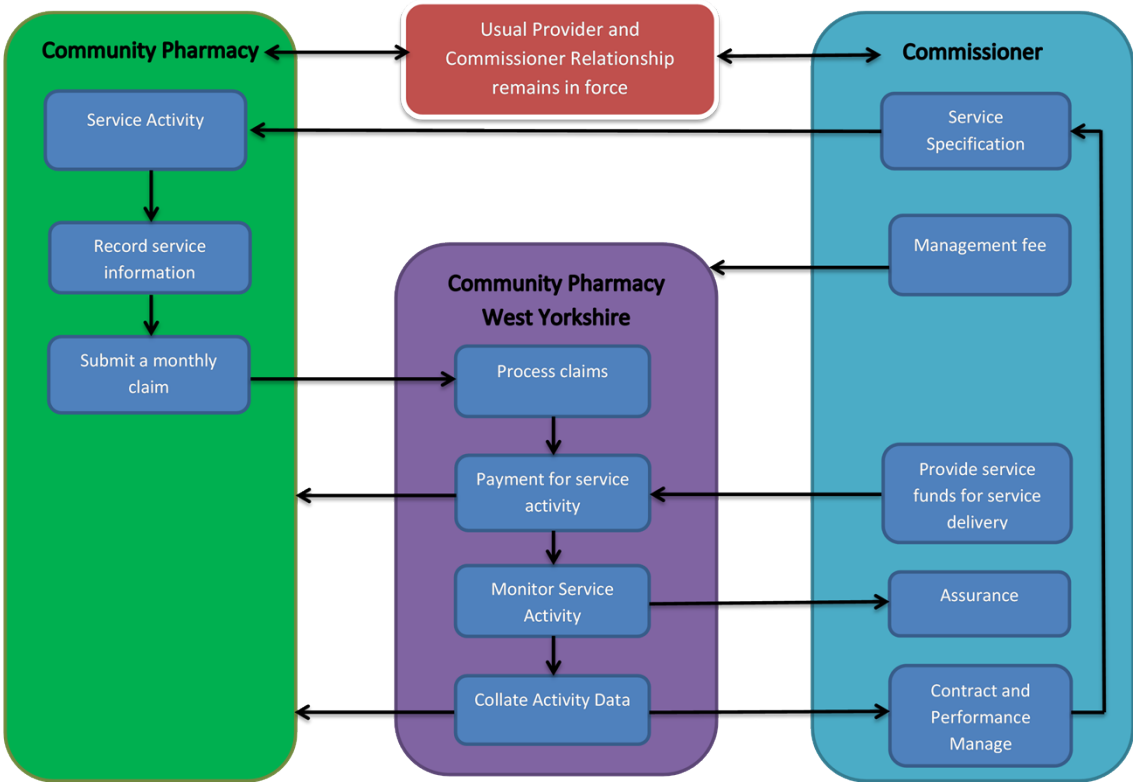
The Service Fund is transferred to CPWY.

A Management Fee is paid for the services of CPWY.

At every claim cycle:

- CPWY processes claims and calculates payments due to each Provider
- CPWY makes payment to Providers for service activity as within the Service Specification.
- CPWY collates the service activity data and sends this to the Commissioner.
- CPWY monitors service fund and informs the Commissioner of predicted funds remaining at end of term of agreement.

Model 1
Service Funds held by CPWY on behalf of the commissioner



Service Administration Scheme Agreement

Between Leeds City Council, 5th Floor West, Merrion House, 110 Merrion Centre, Leeds, LS2 8BB

And Community Pharmacy West Yorkshire (the Agent)

For Needle Exchange Scheme from the pharmacies specified in Appendix 1.

Funds to be transferred

Service Funds	£45,000
Service Administration Management Fee	£720
Total Funds Transferred	£45,720

Purpose The Service Funds will be used by CPWY for payment of the pharmacy providers as stated in the Service Specification for both service activity and drug costs.

Service	Number of Pharmacy providers
Needle Exchange Scheme	15

The Management Fee is for CPWY to cover the additional burden of meeting its duties as stated within the Agreement of this Service Administration Scheme.

The Service Funds will be transferred to CPWY quarterly, two month in advance of the service provision (e.g. funds for Qtr 3 Oct - Dec would be invoiced in August and paid in September).

The Commissioner will provide the necessary materials to support service delivery as within the Service Specification (eg What Works Forms).

Duration The funding supplied applies to service delivery between 1st April 14 and 31st March 2015.

Both parties agree to abide by the attached principles and understand the responsibilities within.

Authorisation (Commissioner)			
Signed		Date	
Name		Position	
Authorisation (Community Pharmacy West Yorkshire)			
Signed		Date	
Name		Position	

List of Pharmacies Commissioned to Provide the Service

Pharmacy trading as	Address		Town	Postcode
Andrew Tylee Ltd	25 Hyde Park Road		Leeds	LS6 1PY
Boots UK Ltd	Kirkgate Market Centre	12-14 Vicar Lane	Leeds	LS1 7JH
Boots UK Ltd	28-32 Kirkgate	Otley	Leeds	LS21 3HJ
Boots UK Ltd	69-71 Commercial Street	Rothwell	Leeds	LS26 0AP
Brudenell Road Pharmacy	58 Brudenell Road		Leeds	LS6 1EG
Cohen's Chemist	26 Otley Road	Guiselley	Leeds	LS20 8AH
Living Care Pharmacy	227 Dewsbury Road		Leeds	LS11 5HZ
Lloyds Pharmacy	14-16 Tong Road	Lower Wortley	Leeds	LS12 1HX
Lloyds Pharmacy	Windmill Health Centre Pharmacy	Mill Green View	Leeds	LS14 5JS
Lloyds Pharmacy	569-571 Meanwood Road		Leeds	LS6 4AY
Medichem Pharmacy	4-5 Newton Parade	Chapelton Road	Leeds	LS7 4JA
Oakwood Lane Pharmacy	368 Oakwood Lane	Oakwood	Leeds	LS8 3LF
Swillington Pharmacy	Church Lane	Swillington	Leeds	LS26 8DY
W A Hawkin & Sons Ltd	78 Otley Old Road		Leeds	LS16 6LQ
Your Local Boots Pharmacy	132 Beeston Road		Leeds	LS11 8BB