

Briefing Paper: Clinical Waste

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1. Purpose

The purpose of this report is to provide information on the new national framework agreement for the collection and disposal of clinical waste from GP practices and unwanted medicines from pharmacies, identifying the implications and next steps required for NHS England Cumbria and the North East and Clinical Commissioning Groups.

2. Background

- 2.1 NHS England is responsible for the collection and disposal of clinical waste from GP practices and for the collection and disposal of unwanted medicines from pharmacies.
- 2.2 Nationally, around £20m is spent per year by the NHS on the collection and disposal of clinical waste. There are currently wide variations in quality, pricing structure, commercial terms and how contracts are managed.
- 2.3 There are four contractors currently providing clinical waste services for the Cumbria and the North East region; FCC, SRCL, Initial and PHS (Pharmacy). All current providers are delivering services from a Single Tender Action Agreement that were developed to maintain services whilst a National Framework Agreement of pre-approved suppliers was developed.
- 2.4 A National Framework Agreement has been developed in order to create a consistent approach to clinical waste, developing quality standards and more robust and consistent contract management arrangements for the collection and disposal of clinical waste from GP surgeries and unwanted medicines from pharmacies.
- 2.5 After successfully meeting a range of quality and value-for-money criteria to deliver the best clinical waste services for GPs and pharmacies, four suppliers have been selected for the National Framework in the North following a

procurement process. Table 1 below provides a breakdown of the suppliers that have been added to the Framework:

Table 1

Region	Suppliers
North	Cannon Hygiene UK; Healthcare Environmental Services; Sharpsmart UK; SRCL Limited

- 2.6** From this National Framework of approved suppliers, local teams will run mini-competitions to develop call-off agreements. This will take place when existing agreements come to an end or following decommissioning of existing agreements.
- 2.7** A Clinical Waste Handbook (**Appendix 1**) has been developed by national team to support local teams with the implementation of call-off agreements. Local work is required with support from national team in order to develop and arrange call-off agreements.

3. Key Considerations

3.1 Current Clinical Waste Agreements

- 3.1.1** Four contractors currently provide clinical waste services for the Cumbria and the North East region: FCC, SRCL, Initial and PHS. The table below shows a breakdown of the CCG area and the current provider.

Table 2

CCG	Current Provider GP	Current Provider Pharmacy
Cumbria	SRCL FCC (27 practices in Furness and South Lakes area)	PHS
Darlington	SRCL	SRCL
North Durham	SRCL	SRCL
DDES	SRCL	SRCL
Newcastle and Gateshead	SRCL	SRCL
North Tyneside	SRCL	SRCL
South Tyneside	SRCL	SRCL
HAST	SRCL	PHS
South Tees	SRCL	PHS
Sunderland	SRCL	SRCL
Northumberland	SRCL* FCC* Initial*	PHS

**Please see key consideration 3.5 below*

- 3.1.2** All current providers are delivering services through a Single Tender Action Agreement that was developed to maintain services whilst a National Framework Agreement of pre-approved suppliers was developed.
- 3.1.3** Single Tender Action Agreements were in place until 31 March 2016. The commercial team have requested that these agreements can be extended until 31 March 2017 if required, however this has still to be signed off nationally.
- 3.1.4** In order to develop call-off agreements from the National Framework Agreement, 3 month notice will need to be provided to existing suppliers by the local regional team. It is aimed that notice will be provided to ensure that existing contracts come to an end at the same time as new call off agreements commence. Whilst the STA will be in place until 31 March 2017, the wave 2 procurement timeline, as can be seen in **Appendix 3**, indicates that the new contract should commence on 16th January 2017, therefore notice would need to be provided by 16th October 2016.
- 3.2 Mini-Competition and Call-off Process**
- 3.2.1** The Clinical Waste Handbook details 7 steps that take place during the mini-competition and call-off process, this can be seen as an infographic in **Appendix 2**.
- 3.2.2** The Commercial team are running the mini-competitions over three waves with Cumbria and the North East included in wave 2. A copy of the procurement timeline can be seen in **Appendix 3**.
- 3.2.3 Step 1 – State of Readiness**
In order to facilitate mini competitions and secure call-off agreements from the National Framework, local regional teams have been asked to support the development of the call-off model by identifying the sites and areas to be included in a particular call off and what their current service looks like in terms of frequency of collections and normal waste volumes.
- 3.2.4** NHS England, Cumbria and the North East has provided detailed information to the national team in order to support the mini-competition process. Locally, gathering the information required to support the process has been challenging due to a lack of information regarding clinical waste services currently in place. National team are reviewing the information we have provided to date.
- 3.2.5 Step 2 – Scope the Requirements**
The local regional team will need to determine the call-off model before proceeding to the mini-competition. The call-off model can be a variety of options including:
- One call-off per CCG
 - One call-off per local regional team
 - One call-off per Sustainability and Transformational Plan (STP) area
 - One call-off per predefined area, i.e. DDT, CNTW

The agreed call-off model will include both GP and Pharmacy as one procurement to ensure the best value from suppliers, however the service will then be split into two contracts and managed separately for GP and Pharmacy.

3.2.6 The procurement timeline in **Appendix 3** shows that the deadlines for finalisation of procurement call-off documents as 16th October 2016.

3.2.7 Step 3 and 4 – Start of Mini-Competition Process and Contract Award

Once the call off model has been agreed, the Commercial Team will facilitate the mini-competition process and should be completed within two to three weeks of commencement.

3.2.8 Step 5 and 6 – Mobilisation and Start of New Contract

Following contract award a 4 week mobilisation will commence in advance of the contract start date. NHS England's Commercial Team will support Local Contract Managers to ensure suppliers work with local teams effectively during the mobilisation period.

3.2.9 Step 7 – Ongoing Monitoring Contracts and Delivery

There will continue to be a requirement for local teams to monitor the clinical waste contract and process payments going forward. The Commercial Team will support local regional teams to monitor the contracts, this will include:

Local management information will include the following:

- Monthly reporting on provider performance against key performance indicators (KPIs)
- Monthly reporting on any disputes/number of disputes
- Monthly reporting on any identified risks and issues.

Central management information will include a quarterly trend analysis between Providers for the following:

- Performance against KPIs
- Identified risks and issues
- Financial performance

3.3 Co-Commissioning

3.3.1 NHS England is responsible for the collection and disposal of clinical waste from GP practices and for the collection and disposal of unwanted medicines from pharmacies.

3.3.2 CCGs that are Level 3 Co-Commissioners have full-delegated authority and therefore have control of budgets including clinical waste budgets and will need to be included in discussions around developing call-off agreements from the National Framework. Level 1 and 2 CCGs, have indicative budgets which sit with NHS England, however in the spirit of co-commissioning CCGs

will need to be included in the discussions around the call-off process and model.

- 3.3.3** NHS England has sole responsibility for pharmacy budgets; therefore the development of call-off agreements for pharmacies is not impacted by Co-Commissioning levels. However, finance has confirmed that the budget allocated to CCG level 3 for clinical waste has not been separated out in relation to Sunderland or Northumberland CCG, see 3.4 for cost and budget breakdown.
- 3.3.4** A factsheet has been developed that can be shared with the CCGs which provides an overview of the new national framework and the benefits during discussions to determine the call-off model, this can be seen in **Appendix 4**.
- 3.3.5** Those CCGs that are level 3 may decide that they do not wish to take part in the national clinical waste framework. If this is the case, the CCG will need to complete its own procurement exercise and there will be no support from NHS England Commercial team. In addition the CCG would lose out on the potential value for money from larger economies of scale procurement, the inclusion of a standardised contract which includes quality KPI and the process for monitoring of the contract will then sit with the CCG. It is therefore more beneficial for the CCG to continue with the national call-off process.
- 3.3.6** The benefits of remaining with the national framework include:
- For the first time all suppliers are expected to meet the same standards no matter where they are providing a service.
 - Suppliers have been assessed against a range of quality standards as part of the procurement process to be selected onto the framework.
 - Suppliers will be monitored against a range of key performance indicators as part of their four year agreement.
 - Training will be provided by suppliers for those working in pharmacies and GP surgeries. This will help ensure a smooth transition when new contracts start and that staff are aware of how to dispose of clinical waste appropriately and cost effectively.
 - Suppliers have been assessed on how they will support environmental sustainability and safer disposal of clinical waste.
 - NHS England's Commercial Team will be supporting NHS England's local teams to monitor performance of clinical waste suppliers and will handle all invoices on behalf of GPs and pharmacies.
- 3.3.7** Discussions are at an early stage in relation to the redrawing of CCG boundaries between Cumbria CCG and Lancashire North CCG. It is proposed that Furness and South Lakes will join the Lancashire North CCG to become Morcombe Bay CCG and the Cumbria CCG will retain the localities of Carlisle, Eden, Allerdale and Copeland. Consideration will therefore need to be given with regards to the call-off model and discussions will also need to be held with the regional lead in that area. The call-off model may include:
- One call-off for Cumbria

- One call-off for Furness and South Lakes and a separate call-off for the areas remaining with Cumbria CCG
- One call-off for Furness and South Lakes and Lancashire North and a separate call-off for the areas remaining with Cumbria CCG

3.4 Finance

3.4.1 The table below shows the indicative cost for 2015/16 compared to the budget set for 2016/17.

CCG	Annual Cost 2015/16*		Budget			
	GP	Pharmacy	GP and Pharmacy (Sits with NHS England)	GP and Pharmacy (Sits with CCG)	GP only (Sits with CCG)	Pharmacy only (Sits with NHS England)
Total	£1,145,304	£325,020	£542,605	£414,161	£270,904	£175,665
Total	£1,470,324		£1,403,335			

**Due to the transfer in management of the clinical waste from PCSE to NHS England the full year cost has been calculated based on the average monthly cost over a 6 month period.*

3.4.2 The table shows that the overall cost of the clinical waste service is £1,470,324 with a budget of £1,403,335, this is an overall pressure of £66,989.

3.4.3 In relation to CCGs in the DDT region, the budget for pharmacy and GP clinical waste has been separated out, with those CCGs that are level 3 the budget for GPs has been fully delegated, whilst the Pharmacy budget is retained by NHS England. In respect of Northumberland and Sunderland CCG who are also level 3, the whole budget including GP and Pharmacy clinical waste has been delegated to the CCG. In respect of those CCGs that are level 1 or 2, the budget has not been separated out, however remains with NHS England.

3.5 Northumberland GP practices

3.5.1 In respect of all CCGs with the exception of Northumberland, NHS England is invoiced directly by the clinical waste provider. In respect of Northumberland, the contract for clinical waste currently sits with the GP practice; therefore any invoices are paid by the practices and reimbursed. Northumberland can still be included within the call-off process however discussion may also need to include the GP practices as well as the CCG.

3.6 Clinical waste collections from local households

3.6.1 It is not the responsibility of NHS England to collect waste from local households. Local Authorities are responsible for this. NHS England Cumbria and the North East has supported national team to confirm which local authorities in our area carry out household collections, as detailed in **Appendix 5**. The National Team are working with the Local Government Association and others to resolve the issue of clinical waste collection from local households. However, communication at a local level with Local

Authorities may be required. Timescales for this have not been provided and further guidance on this has been requested.

4. Next Steps and Recommendations

4.1 Clinical Commissioning Groups are requested to note the contents of this report and:

- Recommend the preferred NHS England call-off model as discussed in 3.2.5. The call-off model can include
 - One call-off for each CCG
 - One call-off per local regional team
 - One call-off per STP footprint
 - One call-off per predefined area, i.e. DDT, NTW and Cumbria

Please note that there may also be a mixture of any of the decisions above dependant on discussions and preference of CCGs. However, should a CCG not wish to take part in the national call-off model then the CCG will need to complete its own procurement exercise and there will be no support from NHS England Commercial team.

- Recommend preferred call-off model for Furness and South Lakes region as discussed in 3.3.7. The call-off model may include:
 - One call-off for Cumbria
 - One call-off for Furness and South Lakes and a separate call-off for the areas remaining with Cumbria CCG
 - One call-off for Furness and South Lakes and Lancashire North and a separate call-off for the areas remaining with Cumbria CCG

Appendices

Appendix 1



Clinical Waste
Handbook

Appendix 2



Call off process

Appendix 3



Procurement Timeline

Appendix 4



Factsheet

Appendix 5



Local Authority
Household Collection