

SE London Pathology services – briefing note from Save Lewisham Hospital Campaign

What is at stake?

- Procurement of pathology services in South East London and beyond through a huge **contract worth £2.25 billion over 15 years** from 1/9/2020 until 31/8/2035 (option to renew for 5 years).
- There is no NHS bidder in the frame for this procurement, though pathology services are central to the NHS, with blood and tissue analysis used in 70% of all patient diagnoses.
- This plan risks the outsourcing of a key NHS service to the private sector

How does it impact on Lewisham & Greenwich NHS Trust?

- At present LGT provides its own pathology services for Lewisham and Queen Elizabeth Woolwich Hospitals, for local GPs and community services.
- ***LGT stands to lose the cost-effective and clinically reliable service it provides to a huge new private sector organisation without proven standards, and without local loyalty, relationships or accountability.***
- LGT has recently established a centralised pathology service at QEH, which it describes as state of the art. LGT has made it clear that they want to find a solution which enables the services it provides to continue to be provided within the NHS, not outsourced to an external organisation.
- LGT's arrangement contrasts with the other main hospital trusts in SEL [Kings + GSTT] who since 2009 outsourced their pathology services to the private-public organisation they set up in partnership with Serco – Viapath. Viapath employs the staff involved both inside and outside the hospitals as with subsidiary companies.
- OHSEL and the SEL Pathology Board (with NHSI's strong direction) originally had no provision for an NHS bid for SE London pathology. They assumed that: (a) LGT would fall in line and give up its pathology services; and (b) that the service will be privately provided (or a private-public partnership like Viapath ¹).
- Viapath has had the serious problems so prevalent with outsourced public services – overcharging, inadequate staffing and unsatisfactory performance. ²

Why is this happening?

Carter Review, 2008³, Carter Reports 2015/16⁴, STPs and NHS Improvement: Following an internal review of NHS pathology services, Carter recommended that NHS pathology services merge into a maximum of three consolidated networks per each of the then 10 Strategic Health Authorities. Later Carter Reports claimed £5bn of annual savings were possible from NHS procurement including pathology. NHS Improvement instructed the 44 Footprint bodies (of which OHSEL is the SE London

¹ Viapath is a public-private company partnering Serco with GSTT, Kings and Bedford Hospital. Set up in 2009 after Carter Review 2008. It claims to be 'a unique partnership of clinical, scientific and operational expertise, with a mission to transform pathology services in the UK'. Viapath claims to be a founding member of the Association of Independent Pathology Providers (AIPP). It must have ambition therefore to take pathology services into the private sector. However, their contract is up and the proposal to have one big service means they will either expand or lose their contract and either way there is a serious risk to services at LGT]

² <https://www.independent.co.uk/news/uk/politics/exclusive-overcharging-by-outsourcing-giant-serco-costs-nhs-millions-9695342.html> 'Outsourcing giant Serco is embroiled in a fresh misuse of public funds scandal' August 2014

³ http://webarchive.nationalarchives.gov.uk/20130124044941/http://www.dh.gov.uk/prod_consum_dh/groups/dh_digitalassets/@dh/@en/documents/digitalasset/dh_091984.pdf

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/434202/carter-interim-report.pdf

version) to build into sustainability & transformation plans (STPs) the strategy for 29 merged groupings throughout England. The major motivation behind STPs is to make savings.

Procurement timescale: Since then planning work has clearly been going on in SEL and around England. There has been little or no public information or discussion. The outcome is a formal notice in the *Official Journal of the European Union* [OJEU] in August inviting organisations to express an interest by 28 September in bidding for the contract to provide pathology services in SEL and certain other areas of London and the southeast.

The contract is to run for 15 years to the value of £2.25bn. It is potentially renewable for a further five. Three candidates (maximum 4) will be chosen for the next stage – ‘competitive dialogue’.

The intended start date for the contract is autumn 2020 when the Viapath contract terminates. There is apparently a more detailed briefing pack for potential bidders. ***This is not available for public scrutiny under cover of ‘commercial confidentiality’.***

What will Lewisham & Greenwich Trust do?

LGT has argued that an NHS bid should have equal weight. However, the SEL Pathology Board and NHSI have backed the procurement as advertised in the OJEU. As things stand, the only alternatives for Lewisham would be for LGT itself to bid for the contract (not viable); for LGT to combine with GSTT and KCH for an NHS bid – they refuse; or for LGT to link with another NHS provider and continue to deliver NHS pathology services.

We understand that LGT is therefore pursuing a link with *either* Barts *or* St Georges, both with pros and cons.

We also understand that NHSE and NHSI centrally clearly want LGT to join the SEL proposal and are pressing the trust to come to a decision this month.

The LGT Board 25 September is being asked to decide either to stay out of the SEL procurement and risk being readmitted to the plan only when the procurement path is finished; or to join SEL procurement.

Proposed contract partners from the SE London Pathology Board

‘Core contracting authority’ is led by GSTT and includes Kings, SLAM, Oxleas, Royal Brompton & Harefield, East Sussex Healthcare trusts and the NHS SEL Commissioning Alliance (the six SEL CCGs)⁵.

‘Additional contracting authorities’ are SW London & St George’s Mental Health Trust; Epsom & St Helier’s.

These do not form a geographically coherent area. If one organisation emerges to manage the contract, it is huge.

Other factors

- All the SEL CCGs are cited in the OJEU, including Lewisham CCG. The decision was apparently taken at a meeting of the SE London Commissioning Alliance. This body’s proceedings do not appear to be in the public domain.

⁵ This was set up in April 2018 <http://www.lewishamccg.nhs.uk/about-us/Pages/South-East-London-Commissioning-Alliance.aspx>

What SLHC is asking our elected representatives to press for:

- 1. Full public consultation:** adequate time must be found for proper public discussion of this major outsourcing exercise – this threatens to be another step towards long-term privatisation of a major NHS service. This will have particular impact on LGT, our local hospital Trust.
- 2. A full impact and risk assessment:** this project will commit £2.25bn of public money over 15 years. This must take into account historic experience of many outsourcing deals – risk of failure, the potential problems and inflexibilities etc; impact on clinical delivery at local level.
- 3. LGT should be given more time to find a suitable solution within a wider NHS network** if not allowed to continue to provide pathology services separately.
- 4. The safeguarding of the position of NHS staff** working within LGT and elsewhere.

Tony O' Sullivan on behalf of the Save Lewisham Hospital Campaign 18 September 2018