

# **North Somerset Council**

**REPORT TO THE: COUNCIL**

**DATE OF MEETING: 14 MAY 2019**

**SUBJECT OF REPORT: RECOMMISSIONING OF THE ADULT COMMUNITY BASED DRUG AND ALCOHOL TREATMENT SERVICE.**

**TOWN OR PARISH: ALL**

**OFFICER/MEMBER PRESENTING: EXECUTIVE MEMBER FOR ADULT SOCIAL CARE**

**KEY DECISION: N/A**

## **RECOMMENDATIONS**

It is requested that this commissioning plan be approved. Approval will enable the recommissioning (including the re-procurement) of the specialist, adult community based drug and alcohol treatment and support service to commence.

### **1. SUMMARY OF REPORT**

This commissioning plan relates to the recommissioning and re-procurement of the adult community based specialist drug and alcohol support and treatment services, including arrangements for the sub-contracting of inpatient detoxification, (a service currently provided by Addaction).

The Service will provide both pharmacological and psychosocial programmes for the addiction and dependence to illicit substances and alcohol. These programmes will also be available to individuals who have developed a problem with prescribed medication.

The Service will continue to have the overarching aim of reducing the harms caused by drug and alcohol use. More specifically it will; prevent early mortality caused by drug and alcohol use; reduce levels of dependence; reduce levels of drug and alcohol crime; reduce demand on social care; improve the lives of children of parents with drug or alcohol problems; reduce the spread of infections associated with drug use; reduce hospital admissions, and increase the number of people entering employment and positively contributing to the community. The Service will be key in supporting the attainment of the Government's goals of eradicating homelessness and Hepatitis C.

The Service will target the full spectrum of substance use problems, from 'recreational' drug use and lower risk alcohol consumption to severe poly-substance dependence. This broad focus will be reflected in the Service adopting and combining both the harm reduction and recovery approaches to service delivery. It is expected that the new Service will increase the level of attention given early interventions (i.e. primary and secondary prevention).

The Service will continue to provide, within the scope of available funds, a holistic programme of treatment and support, this will include such things as support for families and carers, physical health care, mental health treatment, housing support, and, training and employment programmes.

This Service (the adult specialist drug and alcohol service) will operate between April 2020 and March 2028 (a maximum of 7 years).

This report sets out the overarching commissioning principles – approval of this plan will allow for the commissioning process to commence – for consultations to begin, for the service specification to be produced, and for a full EIA to be completed.

## **2. POLICY**

A condition of the Public Health Grant is that Local Authorities must “have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services.” This Service will support the Council in meeting this condition of the grant.

## **3. DETAILS**

The current contract for the adult, community based drug and alcohol treatment services (called the Substance Misuse Service and provided by Addaction) has run from April 2015 and will end in March 2020. The current service is a combined drug and alcohol treatment and support service. The programmes currently available range from information and advice to medically assisted detoxification; from one-to-one sessions to structured day-programmes; from needle exchange services to prescribing programmes; and from volunteering opportunities to formal education sessions. The new service will encompass much of what is currently provided but it is likely to enhance the provision of early interventions.

The current contract is a single provider contract with residential detoxification services sub-contracted on a spot-purchase basis. It is expected that the new service will be contracted in the same way.

The new contract will be for a period up to 7 years. The value will be between £1,400,000 and £1,500,000 p.a.

The proposed commissioning timeline is set out below:

- Notice placed on the portal inviting interested providers to express an initial interest and to attend a discussion with commissioners – February 2019
- Provider meetings to be held in early April.
- Commissioning Plan presented at Full Council – 14 May 2019.
- Procurement Plan end of May with Executive Member sign off.
- March to end of early June:
  - Develop service specification
  - Produce tender requirements – e.g. price/quality split and questions.
  - Formalise the project board and tender appraisal panel.
  - Complete the EIA
  - Produce and maintain a risk register.
- Tender opportunity in early June – likely to be a restricted tender process.

- Award of contract – early December 2019
- Contract sign off – January 2020
- Contract commencement – April 2020.

The procurement plan will be signed off by the Executive Member, advised by the Director for Public Health and the Head of Strategic Procurement.

The contract award will be signed off by the Executive.

#### 4. CONSULTATION

Four individual meetings with potential bidders took place in April 2019; each meeting was attended by representatives from one of the potential bidders, and Council officers (2 meetings were attended by the Substance Misuse Manager, Substance Misuse Project officer and Procurement Officers, and 2 were attended by only the Substance Misuse Manager and Project Officer). These meetings were used to share the Council’s proposed commission plans and to collect ideas on how the delivery of primary prevention/early interventions could be improved and how service users in long term treatment could be worked with differently. Consultations with stakeholders and service users have commenced. The results from these will be fed into the service specification and EIA.

#### 5. FINANCIAL IMPLICATIONS

Current and future estimated budget and expenditure is shown in the table below, and forms part of the Council’s expenditure that is funded by the public health grant.

	2018/19 Budget £000s	2018/19 Est. spend £000s	2019/20 Budget £000s	2019/20 Est Spend £000s	2020/21 Est. Budget £000s	2020/21 Est. Spend £000s	Difference from 2019/20 Spend £000s
<b>Scenario 1</b>	1,687	1,639	1,642	1,594	1,642	1,400	-194
<b>Scenario 2</b>	1,687	1,639	1,642	1,594	1,642	1,500	-94

The 2019/20 budget for these services is £1.642m, having been reduced from £1.867m in 2015/16. The current (2019/20) contract value is expected to be £1.594m.

The recommissioning of the contract needs to be seen within the wider context of the overall Public Health budget and Medium Term Financial Plan. The Public Health Grant has seen sustained reductions over the past few years, with the £9.3m grant having been reduced by 2.5% in 2019/20.

2019/20 budget reductions amounted to £300,000 (including £45k for this contract), with a further £250,000 of spend planned to be funded from the public health reserve, which is expected to reduce to just £200,000 by the end of 2019/20.

In setting the 2019/20 budget, it was recognised that there were a number of risks associated with the medium-term position, including uncertainty in relation to the future value and conditions associated with the public health grant, the sustainability of pharmacotherapy

income, and the need to find additional sustainable savings of at least £250,000 to offset the temporary use of reserves.

At the time of budget setting, it was acknowledged that one of the opportunities that would exist in 2020/21 to address these risks and reduce costs, would be the recommissioning of the substance misuse contract.

At this initial stage, indications are that the Service will have a fixed annual cost of between £1,400,000 and £1,500,000 and that the contract will contain a clause which will permit contract value negotiations to occur at any point during the life of the contract.

This would produce a saving, when compared with the 2019/20 estimated cost, of between £94k and £194k and this will be able to contribute to any savings targets for 2020/21.

Costs in excess of these estimates would likely mean that alternative savings would have to be found either by rescoping this service or by making reductions in other areas within the public health service, in order that overall spend could be contained within the public health grant.

## 6. LEGAL POWERS AND IMPLICATIONS

The service is a public health service; the responsibility to provide public health services was conferred to Local Authorities by the Health and Social Care Act 2012

## 7. RISK MANAGEMENT

RISK	IMPACT	MITIGATION
Market failure (e.g. no bidders)	Delay or full cessation of recommissioning process, potential for increased costs if emergency service provision is required.	Ensure the service specification accords with the level of available funds, this can be done through market engagement session.
Slippage of commissioning timescale.	Failure to hit key dates within the commissioning plan	Build tolerance into the commissioning plan and complete tasks as early as possible.

## 8. EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? No (see below)

An EIA will be completed during the initial service design and spec' production. This will be revisited as the spec is developed.

## 9. CORPORATE IMPLICATIONS

This Service will support the following North Somerset Council Corporate Plan outcomes:

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence

- Support families to give their children the best start in life
- Commission or provide quality health and care services, which deliver dignity, safety and choice.

## **10. OPTIONS CONSIDERED**

- **Continue with current contract** – This is not a viable option as all the contract extensions have been utilised and the contract will terminate on 31 March 2020. There are no circumstances which would justify a procurement exception being sought.
- **Do not re-commission this service** – This would result in an increase in the level of drug and alcohol related problems, it would also result in the Council failing to comply with the conditions of the Public Health Grant, as such this is not a viable option.
- **Commission a shorter term contract** – It is felt that due to the complexity and size of this service it would be prudent to delay the next round of re-commissioning for as long as possible, there will, however, be mechanisms within the contract to allow for variations to both the content and price of the service to be made through its life.
- **Commission the service as set out in this plan** – this is the preferred option.

## **AUTHOR**

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## **BACKGROUND PAPERS**

North Somerset Substance Misuse Service contract award – Full Council 13<sup>th</sup> January 2015.