CONTRIBUTION TO OUR AIMS

Good health and wellbeing is an important area of the public’s health, and contributes towards achieving the Council’s priorities of a stronger community and stronger economy. Ensuring there is a free, open service for residents within the borough to access substance misuse (drug and alcohol) treatment and recovery service provision, (including needle exchange and supervised consumption), supports the strategies and plans of the two local statutory partnerships – the Health and Wellbeing Board and Safer and Stronger Communities Partnership.

This service links directly and contributes into the Council’s outcome framework:

- All people in NEL feel safe & are safe
  - Domestic abuse rates
  - Incidences of abuse
  - Crime rates
  - % of residents who feel safe
  - % reduction in harm caused by drugs and alcohol
- All people in NEL enjoy good health & wellbeing
  - Number of opiate users aged 15-64 years

EXECUTIVE SUMMARY

Current substance misuse services commissioned by the Council are due to end on 31st March 2018, therefore this report is to authorise the market engagement, procurement and award through delegated powers of a contract to provide an integrated substance misuse service.
RECOMMENDATIONS

That Cabinet:

1. Approves a Preliminary Market Consultation activity as described in this report to allow the early engagement of the market and to inform the procurement specification.
2. Approves the procurement of an integrated substance misuse service to be undertaken.
3. Receives a further report by way of update once all tenders have been evaluated with a view to making the following recommendations:

   3.1 Delegation of authority to the Director of Health and Wellbeing in consultation with the Portfolio Holder for Health, Wellbeing and Adult Social Care to award the contract for a new consolidated substance misuse service upon completion of the procurement exercise.

   3.2 Authorisation to the Monitoring Officer to complete all requisite legal documentation in relation to the matters outlined above.

REASONS FOR DECISION

North East Lincolnshire Council commissions drug and alcohol service provision within the borough, so that residents are able to access appropriate evidence based services for treatment and recovery of drug and alcohol related health problems. To ensure the borough has a fit for purpose service, a comprehensive substance misuse needs assessment is being completed by the Council, which includes engaging with service users, partners, stakeholders and the community, and will be completed June 2017. The findings of the assessment will inform a new service model and specification, and will also inform a drug and alcohol strategy and improvement plan for the area.

Following this, engagement with the service users, the public, partners and stakeholders will commence to ensure that the proposed service model is fit for purpose and meets service users requirements. The proposed service model will then be presented to the market through a Preliminary Market Consultation, to test the model’s deliverability and prepare the market prior to the procurement being published. Undertaking and completing the procurement process during the current contracts final year will allow a sufficient mobilisation period for these complex services, including any Transfer of Undertakings (Protection of Employment) Regulations (TUPE) staff and data transfer process needed to enable new services to be launched on 1st April 2018.

1. BACKGROUND AND ISSUES

   1.1 The Government has published a national Drug Strategy since 1998, with the latest version being released in 2010, which focusses on three key areas: reducing demand, restricting supply and building recovery. This strategy fundamentally changed the way the government handled substance misuse and changed the emphasis to a more recovery outcome focussed model.
1.2 The most recent Government Alcohol Strategy was published in March 2012. The strategy focuses on preventing alcohol-related harm by reducing the number of people drinking to excess and making “less risky” drinking the norm, both through local and national action. This is expected in turn to reduce the impacts of alcohol on health, crime and other areas.

1.3 The responsibility for commissioning drug and alcohol treatment and recovery services in North East Lincolnshire transferred to North East Lincolnshire Council in April 2013 from the Care Trust Plus as part of the changes outlined in the Health and Social Care Act 2012.

1.4 Following this, in 2013 North East Lincolnshire Council re-commissioned the current drug and alcohol treatment service that redirected resources from intervention towards prevention, and which enabled the design of a fully integrated systems approach to drug and alcohol services.

1.5 The Council currently commission drug and alcohol related services within North East Lincolnshire:

1.5.1 **Drug and alcohol treatment service.** The service commenced delivery (following a mobilisation period) on 1st July 2014 for an initial 3 year period (01.07.2014 – 31.03.2017), this saw 3 providers Care Plus Group, Rotherham Doncaster and South Humber NHS Foundation Trust and The Alcohol and Drug Service join together as a partnership named ‘Foundations’ to deliver the North East Lincolnshire Drug and Alcohol Treatment service. This service is currently delivered from Queen Street, Grimsby.

1.5.2 **Needle exchange service and supervised consumption service.** Both services are delivered by Freelance Needle Exchange Limited in partnership with community pharmacists within the borough. The needle exchange service operates from 6 sites locally, whilst the supervised consumption service operates from 25 sites locally.

1.6 All the above services are funded entirely from the Public Health budget allocation, with the exception of the drug and alcohol treatment service, this service also receives additional grant funding from the Police and Crime Commissioner.

1.7 The current services cover access to high quality drug and alcohol treatment, needle exchange and supervised consumption services within North East Lincolnshire that any resident within the borough can access.

1.8 All three contracts have been extended for a further 12 month period (until 31.03.18), to allow sufficient time for:
(a) A substance misuse needs assessment to be completed; and
(b) service re-commissioning and procurement to be undertaken, which will consider potentially combining all three services into one service, with a lead provider working in partnership with community pharmacies, dependent upon the outcome of the consultation and market engagement.

1.9 To achieve the deadline a project team has been formed involving key stakeholders including, the commissioners from both Council and Clinical Commissioning Group, partner agencies, specialists from other services and
colleagues from the Council (The Procurement People, CSSU, HR, Legal, Finance). A project plan has also been developed

1.10 To help inform the development of the specification for the combined new service, a substance misuse needs assessment is being completed within North East Lincolnshire, which includes consultation with previous and current service users, the community, current service providers, key partners and stakeholders.

1.11 The indicative duration of the replacement contract needs to be appropriate in length to attract the health care market, be financially viable and outcome focussed. A period no less than five years in duration is recommended.

1.12 A strategic development group has been formed who meet on a quarterly basis, with the key focus being to provide additional expertise and monitor progress of the re-commissioning/procurement of the service and future performance of the service. The group consists of partner organisations (Public Health England, Police and Crime Commissioners Office, Police, CCG, Department of Works and Pensions), the Portfolio Holder for Health, Wellbeing and Adult Social Care as well as council service areas (CSSU, housing and safer and stronger communities).

1.13 Indicative publication for the tender is 1st September 2017. The indicative closing date for receiving tenders is 3rd October 2017, and the evaluation will take place over an indicative two week period commencing 4th October 2017.

2. RISKS AND OPPORTUNITIES

2.1 Crime & Disorder – The drug and alcohol treatment service provides direct assistance to those people in the community that commit crime and disorder offences. The service works in partnership with the police and probation services to assist people on arrest/via the court system to access the help and support they require. The service places on the provider of the service the legal requirement to comply with the quality standards, policies and procedures of National Institute for Health and Care Excellence (NICE), Public Health England, Department of Health and Health and Social Care Act 2012.

2.2 Human Rights – None as a direct result of this report.

2.3 Equality & Diversity – The recommendation will have a positive impact on equality and diversity within North East Lincolnshire ensuring a new service provision is in place, that includes needle exchange and supervised consumption provision, that remains open and is accessible to all residents within the borough.

2.3.1 The Council is required to comply with the Equality Act 2010 in the provision of Public Health Services and the NHS Constitution when making decisions affecting the delivery of public health in its area.

2.4 Value for Money – The procurement process will award the tender to the provider who submits the most economically advantageous bid (both quality and cost).
2.4.1 All Councils are facing unprecedented challenges in providing improved quality of service provision whilst at the same time dealing with increased demand against a backdrop of reduced funding.

2.5 The impact on the social, economic and environmental well-being of the Borough – The recommendation will have a positive impact on the health and wellbeing of residents within North East Lincolnshire.

2.5.1 Accessible and effective recovery based substance misuse services make an important contribution to the economic, health and social wellbeing of North East Lincolnshire residents – adults and young people alike.

3. OTHER OPTIONS CONSIDERED

3.1 Do not procure the replacement substance misuse service. This is not an option as Drug and alcohol services are provided as part of the Council’s responsibility under the Health and Social Care Act 2012.

3.2 The option of extending the three current contracts for a further 12 month period was considered, however due to changes in priorities in relation to substance misuse demands and outcomes and on-going reductions to funding, the Director of Health and Wellbeing decided not to utilise the available extension period, and to re-commission a new combined service which is in line with the Government’s Drug and Alcohol strategies. Revised versions of both strategies are due imminently.

4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS

4.1 This procurement process may involve TUPE transfer of staff from the current providers of services to another provider and consideration of staff anxieties and the risk of staff leaving is a primary and significant consideration. The current providers will be required, following this cabinet report, to fully engage and brief their staff of the forthcoming procurement and what this means for them.

4.2 All three services (drug and alcohol treatment service, needle exchange service and supervised consumption service) are customer facing and provide direct access to service users. Disruption to the services may impact on the community if changes to service provision are not well publicised. A communication plan will be developed as part of the commissioning and procurement process.

4.3 Consultation is being carried out with previous and current service users, key partners and stakeholders, the community and current providers of services.

5. FINANCIAL CONSIDERATIONS

5.1 The proposal outlined within the report supports the Council’s key financial objective to allocate financial resource to support delivery of the Council’s priorities. Drug and alcohol treatment services are funded from the ring fenced Public Health Grant as part of the responsibilities that transferred to Councils from PCTs under the Health and Social Care Act 2012. As the proposal will be financed through existing assigned revenue budgets this contract is not expected to require any additional funding resources either
revenue or capital. Any additional revenue funding would need to be met from the Public Health grant and re-allocation, with a potential impact on other services (however see Para 5.2 below). The proposal will contribute to improved value for money within the service.

5.2 Requirements within the tender documentation will include the approved maximum budget for the service, tenders will be rejected if they exceed the approved budget.

5.3 The service budget includes additional annual funding of £290,000 from the Police and Crime Commissioner (PCC). Discussions are underway to determine if this grant funding will continue. In order to remove contractual uncertainty the service funded through the PCC contribution will be dealt with as a separate element then if funding is not secured either in full or for part duration of the contract this will not cause contractual difficulties. If the funding is not secured for any part of the time period in question then this will result in the criminal justice element of service delivery ceasing.

5.4 The whole life value of the contract is £9,892,896.03. This includes the annual additional funding from the PCC (as detailed in 5.3 above).

(The above figure in Para 5.4 takes into account the contract values of all three services, and includes a 2.6% reduction year on year of public health funding from Government to North East Lincolnshire Council).

5.5 In 2019-20 the Public Health grant will become unringfenced and Local authority’s will be allowed to retain 100% of their Business Rates. At this point the funding of the contract will become part of ordinary Council funding.

6. CONSULTATION WITH SCRUTINY

6.1 There is no consultation planned.

7. FINANCIAL IMPLICATIONS

7.1 These are largely covered by the comments made in the Financial Considerations section of the report. There is a fixed financial envelope for the delivery of this service. The source of the funding will change from 2019-20 when the Public Health grant ring fence is removed. Prior to the letting of the contract the certainty of the PCC funding must be clarified although the proposed approach reduces the chances of contract funding issues later in the contract period. The financial affordability envelope excluding this contribution will need to be very clear as part of the contract letting process.

8. LEGAL IMPLICATIONS

8.1 The Preliminary Market Consultation and the procurement exercise are governed by the Public Contracts Regulations 2015. The Preliminary Market Consultation activity will enable the specification to be developed, in line with the appropriate contractual documentation. Such activity enables the seeking or accepting of advice from independent experts, authorities or from market participants providing it does not distort competition nor breach the requirements for non-discrimination and transparency. The contract is the key
governing document through which the resulting relationship will be governed and Legal Services will complete the contractual documentation on award.

8.2 The procurement of an integrated substance misuse service provision within North East Lincolnshire is consistent with the stated aims and objectives of the Council underpinning its strategic objectives of Stronger Economy, Stronger Communities.

8.3 The procurement exercise will be conducted so as to comply with the Council's policy and legal obligations, specifically in compliance with the Council’s Contract Procedure Rules and the Public Contracts Regulations 2015, and supported by relevant officers.

8.4 The delegations sought are consistent with an exercise of this nature.

9. **HUMAN RESOURCES IMPLICATIONS**

9.1 The re-commissioning of these services outlined in this report may have potentially significant human resource implications such as TUPE for staff delivering these services. Employment matters will be dealt with in accordance with the current provider’s established HR procedures. Staff will need to be informed of the re-commissioning of services and proposals being considered prior to any public announcements or public decisions. Staff will need to be kept engaged throughout the respective processes with consultation as appropriate in accordance with the procedural and legal requirements.

10. **WARD IMPLICATIONS**

10.1 Impacts on all wards across the Borough

11. **BACKGROUND PAPERS**

   Understanding and preventing drug-related deaths, PHE 2016

   Drug Strategy 2010, Home Office


   Alcohol Strategy 2012, Home Office

12. **CONTACT OFFICER(S)**

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