

Meeting:	Cabinet member health and wellbeing
Meeting date:	Thursday, 8 March 2018
Title of report:	Review of service model in line with required efficiencies – Public Health – Substance Misuse
Report by:	Better care fund and integration manager

Classification

Open

Decision type

Key

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose and summary

The council is reviewing current spend against services in line with efficiency savings and has identified a need to review the Substance Misuse services for the financial year 2018/2019 and beyond.

The council has discussed reasonable adjustments to the budget with the current service provider to achieve savings of approximately £300,000, reducing the annual budget from £1,767,757 to £1,467,757.

The council has recognised that that service is in the final year of the approved contract period

and that the contract end date is currently 30th November. The council is therefore, proposing to exercise the full two year extension option for this contract moving the end date to 30 November 2020 allowing for a phased implementation of the proposed savings of £250,000 in the first financial year and £50,000 in the second financial year. This will also assist with service continuity and provide planning time to consider the future following the expected ending of the public health grant in 2020.

Recommendation(s)

That:

- (a) the option to extend the substance misuse contract held by Addaction for a period of two years to 30 November 2020 be approved; and**
- (b) the reduction of £300,000 to the overall contract value for the service provided by Addaction is approved to be made over a phased period between April 2018 and November 2020 reducing the overall contract value from £1,767,757 to £1,457,757 in order to make savings in line with the medium term financial strategy and to improve the sustainability of the service in advance of the expected cessation of the ring fenced public health grant;**

Alternative options

1. Take no action to reduce current spend on substance misuse services. This is not recommended as the council is required to address current spending in line with the medium term financial strategy and ahead of the expected cessation of the public health ring fenced grant in 2020, which could make the current spend on these services unsustainable. The council needs to respond to this financial forecast now in order to maintain future service delivery
2. Allow the contract to expire at the end of the initial period and re-procure for an alternative provider. This option is not recommended as it is unlikely that the market would respond favourably. Based on previous tender exercises, there has been poor response from bidders to take on this contract due to the relatively isolated geographical location of Herefordshire in comparison to the location of services provided by organisations. In addition, following a reduction in contract values elsewhere across the country, there have been recent examples of councils being unable to award contracts, including in the city of Bristol.

Key considerations

3. Councils have, since 1 April 2013, been responsible for improving the health of their local population and for commissioning the range of public health services transferred to them from the NHS by the Health and Social Care Act 2012. This includes provision of services to reduce the impact of drug and alcohol misuse.
4. The 2015/16 Public Health Grant included a condition that a local authority must, in using the grant, "...have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services...". In setting their spending priorities it is important that councils are mindful of the overall objectives of the grant, as set out in the grant conditions, and the need to tackle the wider determinants of health, for example,

through addressing the indicators within the Public Health Outcomes Framework, such as violent crime, the successful completion of drug treatment, smoking prevalence and child poverty.

5. In addition, it is a core expectation of the government's drug strategy that rates of recovery are improved.
6. In practice the public health grant conditions set out that an accessible drug and alcohol treatment and recovery system should be in place in each local authority area. This should include a full range of NICE-compliant drug and alcohol interventions to treat both alcohol and drug dependence and to reduce harm, based on local authority prevalence, need and current outcomes.
7. The current service provider, Addaction, is a national charity supporting children, young people and adults to make positive behavioural changes in relation to drug and alcohol use and mental health and wellbeing.
8. In Herefordshire, Addaction support approximately 600 service users, including young people, from across the county. The majority of service users are opiate dependent and have been in treatment services for many years. Their recovery journeys can therefore be challenging to manage and are often hampered by multiple associated health conditions, poor housing and unemployment.
9. The available treatment at Addaction is recovery focused, with an emphasis on evidence based interventions, which include using group work settings and building community networks to support and sustain long term recovery for individuals.
10. The introduction of a recovery oriented service in Herefordshire has been a significant change for both service users and staff and took longer than anticipated to mobilise and embed. This negatively affected performance over the first 18 months of the contract period, however following the introduction of a service improvement plan and working closely with the council, Addaction have made significant improvements in the performance of the service, increasing successful completions of treatment across the 3 main cohorts.
11. The provider was given a target of 8% successful completion for the opiate cohort of service users by the end of Q3 17/18. This was a stretching target given that performance at the time was 3.9%. The provider has exceeded the target set by achieving 8.3% successful completion for this cohort at the end of Q3 17/18, placing them in the top 25% of service providers in Herefordshire's local comparator group (groupings set by Public Health England). This is a significant achievement for the service and is a clear indication of the level of performance that can be expected going forward.
12. Throughout the extension period, the provider will be expected to maintain current performance levels and continue to improve other cohorts' successful completion rates. The key performance indicator (KPI) targets for the service will continue to be revised yearly, performance of the service could potentially be negatively affected by a reduction in funding and this will be managed via regular contract monitoring and monthly data submission.
13. The current contract awarded in 2015 was for an initial period of three years with the option to extend by a further two years. Extending the contract with Addaction, with inbuilt

savings of £300,000, will support the council's savings agenda. The proposed revisions to service delivery have been mapped out collaboratively with the current provider. The new service delivery model aims to form a more targeted service delivery. This may include some reduction in outreach services and some changes to service user experience, but will not change the numbers of service users currently supported. The core service delivery will be unaffected and the three delivery sites based in Hereford, Leominster and Ross-on-Wye will be unchanged. Key savings will be made by not backfilling some current staffing vacancies and instead re-organising the current workload amongst existing members of staff. Savings in running costs have been identified, including utilities and IT spend, and significant savings will come from the discontinuation of non-formulary prescribing. Non-formulary prescribing is the prescribing of medicines by the service that do not directly relate to substance misuse treatment. Addaction inherited from the previous provider a significant amount of this type of prescribing and has already been working to reduce this, either by reducing the medicine to nil or transferring the prescribing activity to primary care/ GPs where appropriate, where it can be more effectively connected with individuals' wider healthcare treatment.

Community impact

14. The service will be equitable and accessible at three locations across the county for individuals requiring support. Outreach services are available for some individuals who cannot attend a service location. The service has the potential to reduce demand on acute and intensive services within the health and social care system, in particular with regard to presentation at A&E and primary care/GP practices. The services will help meet the council's corporate objectives of enabling residents to live safe, healthy, independent lives and securing better services, quality of life and value for money.
15. In 2016-17, Herefordshire ranked 85 out of 151 councils (1st being best) for meeting the needs of its local population estimated to have an opiate treatment need. This is a penetration rate of 55%. The local comparator grouping rate is currently 59% and the national rate is 57%.
In 2016-17, Herefordshire ranked 108 out of 151 local authorities for meeting the needs of its local population estimated to have an alcohol treatment need. This is a penetration rate of 16% with the national rate at 18%.
16. The service falls within the implementation of the council's adult wellbeing plan and associated blueprint for developing self-care and building community resilience within healthier communities under a strategic preventative approach. The proposal is not anticipated to negatively affect the achievement of the corporate plan or health and wellbeing priorities. The proposal has no negative impact on looked after children or the council's parenting role. If these services are not provided, there would be a considerable impact on the health and wellbeing of those currently supported and their families. The impact on A&E departments, primary care/GP practices and mental health services without this provision, would be significant, resulting in higher system costs.

Equality duty

17. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
18. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. If the recommendations are not approved there would be a significant impact on a vulnerable cohort of people, many of whom share protected characteristics. Approving the recommendation to extend the current contract period would demonstrate the council's commitment to our equality duty.
19. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
20. An equality impact assessment has been completed and is attached (appendix 1), this has identified that the impact of the budget changes to the substance misuse service is assessed as neutral.

Resource implications

21. The proposed funding reduction:
- i. Supports the medium term financial strategy (MTFS) and assists in preparing for the ending of the public health ring fenced grant, which is expected to be discontinued from April 2020, thus creating a service which is more financial sustainable over the longer term. The associated funding has been included within the council's budget forecast.
 - ii. Will be introduced over an 18 month period from April 2018 to November 2020 with the majority of the saving anticipated in the first financial year. The contract value by financial year will be as follows:

	April 2018 – March 2019	April 2019 – March 2020	April 2020 – November 2020 (Part Year)	Total
	£	£	£	£
Substance Misuse Budget	1,517,757	1,467,757	978,504	3,964,018

Legal implications

22. The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12 and Regulation 2013/351 made under the National Health Service Act 2006, section 6C).
23. The council has a statutory duty to have regard to the NHS Constitution when exercising public health functions.
24. Given the contract allows for an extension there are no significant legal issues. A waiver from the Contract Procedure Rules is therefore not required.
25. The council is under a duty to obtain best value in the provision of all services and the extension represents best value for the reasons outlined in the report.

Risk management

26. There is a potential risk relating to overall service performance with a decreased financial budget causing possible increases to overall workload for the service and individual staff. This will be managed by continuing with a robust contract and performance management framework, including monthly submission of data to Public Health England and the council and a quarterly performance review meeting.
27. If the contract extension is not approved, there is a risk to the continuation of the service. Changing service provision at this time would be de-stabilising for service users and would negatively affect performance, as shown in the majority of re-tendering exercises nationally. Following a review of the current provider's performance at Health and Social Care Overview and Scrutiny Committee, it was recommended that the minimum contract term for substance misuse provision be five years. Approval of the contract extension would therefore fulfil this recommendation.

Consultees

28. Consultation with partner agencies and stakeholders is ongoing and includes; Herefordshire Clinical Commissioning Group, West Mercia Police and West Mercia Police and Crime Commissioner, Herefordshire Community Safety Partnership, Adult and Children Safeguarding Boards, Herefordshire Family Drug Support, Herefordshire Service User Group and Public Health England with no objections.

Political groups have been consulted and made no comments or objections.

Appendices

- i. Equality Impact Assessment

Background papers

None Identified