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| <b>Meeting:</b>         | <b>Cabinet member health and adult wellbeing</b> |
| <b>Meeting date:</b>    | <b>Friday, 20 March 2020</b>                     |
| <b>Title of report:</b> | <b>Substance Misuse Service Recommissioning</b>  |
| <b>Report by:</b>       | <b>Senior Commissioner – Public Health</b>       |

## **Classification**

Open

## **Decision type**

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

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**

This report is seeking approval for the re-commissioning of an integrated substance use service for adults and young people resident within the county of Herefordshire. The report sets out the key information relating to the current service provision and the ambitions for the re-commissioned service to commence on 1<sup>st</sup> December 2020.

The overall aim of the service continues to be to reduce the harm to people, their families and their communities caused by the misuse of drugs and alcohol.

## **Recommendation(s)**

**That:**

- (a) authority is delegated to the director for adults and wellbeing to initiate a competitive procurement exercise for the recommissioning of Substance Use services to maintain current service continuity and allow for further development of the young person's element;**
- (b) the service is recommissioned using the current evidence based model and with additional funding of £93,000 per annum to support identified gaps in provision for young people and in order to mitigate some of the recruitment and retention challenges which the service has faced over the last 5 years;**
- (c) subject to the completion of a tendering process, authority to award a contract for an integrated substance use service for 5 years with a total value of £7,481,658, is delegated to the director of adult services, in consultation with the s151 officer and Cabinet Member for Health and Wellbeing.**

## **Alternative options**

1. Allow the contract to expire at the end of the contract period. This option is not recommended due to the detrimental impact this would have on current and future service users, and the wider impact on primary and secondary care providers who would become responsible for supporting in the region of 600 service users requiring physiological, pharmacological support or both.
2. Continue to commission a substance use service using the current model and financial envelope. Whilst the current treatment model is fit for purpose and does produce tangible outcomes for service users there is a lack of capacity in resourcing to address unmet need for young people in the county (see appendix 2) or to effectively manage recruitment and retention issues therefore this option is not recommended.

## **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. In Herefordshire, the substance use service supports 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.
8. The service falls within the implementation of the council's adults and communities' blueprint for developing self-care and building community resilience within healthier communities under a strategic preventative approach.
9. A tender process will be completed in line with the Council's contract Procedure rules. The tender is anticipated to be advertised in April 2020 with commencement of the new service due on 1 December 2020. The tender will be advertised as a 5 year contract, in accordance with recommendations made by the Advisory Council for the Misuse of Drugs (ACMD).
10. The recommissioned service will continue to utilise the current treatment model of recovery oriented interventions accessible for all Herefordshire residents throughout the county, the specification will be developed to ensure a more robust outreach based service delivery for Young People and for interventions to be accessible at more community venues with increased capacity. In addition the specification will be adapted to define young people as those aged up to 25yrs rather than 18yrs. This enables better alignment to social care services and also takes into account the significant differences in substance using behaviour between this cohort and the main adult cohort within the current service user group.
11. Most young people in Herefordshire accessing treatment services do so most commonly due to difficulties in managing use of cannabis, alcohol or novel psychoactive substances (NPS). Cannabis continues to be the most common drug of choice among young people in the county and the increased potency of this drug over the last 10-15 years can cause significant psychological symptoms and dependence.
12. In recent years data and local intelligence have suggested that young people are now presenting to services later than previously resulting in more complex needs and a requirement of multi-agency structured interventions. In addition rural counties such as Herefordshire are a target for the practice commonly known as 'County Lines,' whereby criminal drug dealing gangs recruit and coerce vulnerable

local people. It is imperative that vulnerable young people and adults are safeguarded. The service does and will be expected to continue to work with key agencies to prevent further harm.

13. The new service design includes increased funding to enable this more robust service delivery for young people. A full specification for young people's services will be developed, seeking to empower the provider to use the best evidence of what works, to innovate and develop staff and services to deliver outcomes that are meaningful for Young People and their families and communities. In addition, patterns of substance misuse change over time and it is expected that the Service will be sensitive to the evolving nature of substance misuse and develop effective, timely responses based on evidenced need.
14. Of significant concern within substance use services nationally is the aging profile of service users. Over 70% of primary drug users are over 35yrs in Herefordshire. Whilst this is the age profile as documented in data reports we know that locally the age profile of our service users is significantly older than this. Most of these service users particularly those who primarily use opiate and/or alcohol have been in treatment for decades. Supporting these individuals, now with complex physical and mental health comorbidities, into recovery is an ongoing and significant challenge. Services will be required to adapt and develop interventions that serve this cohort best accounting for their now multiple and complex physical and mental health needs.
15. Many service users with complexities and lengthy treatment episodes mentioned above are in unsuitable, unstable housing or are homeless creating additional challenges to effective treatment. The service will continue to be required to work alongside statutory and voluntary sector organisations to address the specific needs of the Herefordshire's homeless, the new specification will detail more clearly how this should be achieved using outreach and health intervention based approaches.
16. The current service has for the last 5 years had ongoing recruitment and retention issues for recovery workers employed on the current provider's entrance salary. In the last 12 months, December 2018 to December 2019, nine members of staff have left the current service, of which six were Recovery Workers. Feedback from those leaving the service has indicated that salary has been a major factor in employee's decision making. In Herefordshire, the salary at entry level is £19,125 per annum (PA) for recovery workers. This is 15% lower than the £22,500 PA average across the West Midlands at entry level. £19,000 is commensurate with an AfC Band 3 role within the NHS system, this incorporates roles such as Health Care Assistants or administrative/clerk/receptionist. Furthermore, many recovery workers in Herefordshire have larger commuting expenses than neighbouring counties as most recruits are from outside of Herefordshire. Recovery workers typically carry a caseload of 50-60 service users with complex needs, making the role highly demanding and requiring a significant level of responsibility.
17. In order to attract experienced recovery workers and establish consistency in staffing, as well as a reduction in time and expense spent on recruitment, a more competitive salary offering is required. Most national providers in this sector have wide salary bandings for the role of recovery worker and determine the entry point offered according to the service budget for the area.
18. Investing in the service in order to align recovery workers' salaries has potential benefits of attracting more candidates, including candidates with relevant

experience and retaining those recruits once in post. It would also reduce the expense accrued from persistent advertising and recruitment costs. The service has carried on average 2 vacancies for recovery workers at any one time over the last 5 years, at the end of Q1 19/20 this rose to 4 and remained at 2 at the end of Q2 19/20. The existing provider has been successfully innovative in recruitment strategies, but this has not been sufficient in itself to address the recruitment and retention challenge.

19. The existing contract is due to expire 30/11/2020. The recommendations being made take account of the evidence base, lessons learnt over the current contract period and feedback from service users, staff and partner agencies.

## **Community impact**

20. The service will be equitable and accessible from at least 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.
21. 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%.
22. 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%.
23. The service falls within the implementation of the council's county 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 county 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**

24. 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.
25. This service works with vulnerable individuals, many of whom will share a protected characteristic. This report supports the council in delivering its equality duty by ensuring that the service improves so it can fulfil the three aims of the equality duty as stated above. A continually improving service will have a significant positive impact on the outcomes for the individuals accessing the service.
26. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes.

## Resource implications

27. The current budget for the service is £1,467,757
28. The proposed uplifts are; £50,000 per year uplift for young people's services and £43,000 per year uplift for increased recovery workers salary
29. Taking into account the proposed uplifts to the budget a 5 year contract for Substance Use Services would total £7,481,658 (financial year breakdown below)
30. The proposed budget supports the medium term financial strategy (MTFS) and assists in creating a service which is financial sustainable over the longer term. The associated funding has been included within the council's public health budget forecast.

| Revenue or Capital cost of project (indicate R or C) | 2020/21    | 2021/22    | 2022/23    | 2023/24    | 2024/25    | Total      |
|--|------------|------------|------------|------------|------------|------------|
| R  | £1,498,757 | £1,560,757 | £1,560,757 | £1,560,757 | £1,300,630 | £7,481,658 |

31. A business case for the service was approved at the Core DLT on Wednesday 12 February 2020. A copy of the report can be found in Appendix 1.

## Legal implications

32. The estimated costs of the services over the 5 year life of the contract is £7,481,658 which is above the threshold for services set out in the Public Contracts Regulations 2015 and therefore a OJEU compliant procurement process will be followed in accordance with the Contract Procedure Rules.
33. The council intends to comply fully with the legal obligations of the Public Contracts Regulations 2015 and the EU treaty principle of equal treatment, transparency, non-discrimination and proportionality and as long as the council complies with those legal obligations, the risk of any challenge is unlikely to be successful.
34. In the event of a change in service provider the Transfer of Undertakings (Protection of Employment) Regulations (TUPE) will apply as a matter of law to transfer the previous providers' existing staff who are "wholly or mainly" engaged in the provision of the current service, to any new provider. The existing contract does contain obligations on the current service provider to provide information relating to any of its transferring employees to the new provider and indemnify the council in the event of any claims may receive from transferring employees.

## Risk management

35. The key risk of not re-commissioning the substance use service is an ending to service provision resulting in a heavily increased demand on primary and secondary care services. The ending of the service would remove vital harm reduction facilities such as needle exchange and leave a significant number of individuals at risk of premature mortality or overdose if the continuation of prescribed medicines was mishandled.
36. There is a significant risk of challenge should the council choose not to invest further resource in young person's services following feedback from partner agencies and members of the public. If there is no increased resource for young people's service, provision will continue to be included within the service specification and the provider will be required to work with partner agencies across the county to ensure that need is met where possible as they do currently. The integrated service will work alongside the Echo targeted service for those young people on the edge of care services attempting to reduce the number of looked after children in the county through prevention and repatriation.
37. There are low financial risks associated with increasing the financial envelope, the revised total budget remains lower than the contract value 5 years ago representing a continued saving of £157,000 per year. The additional funding sought for this new contract will be met through the ring fenced public health grant utilising underspend from other services. The public health grant may not continue to be ring fenced throughout the lifetime of this contract and as a result this may directly affect

available funding for services. Should central government funding be reduced significantly this service provision may be subject to review.

38. There is a risk that despite raising the budget to allow for more competitive salaries for the lowest paid recovery workers that recruitment and retention remains problematic. Intelligence from surrounding areas suggests that higher salaries enable swifter recruitment, although long term retention is often affected by other factors such as career progression. Recruitment and retention for the new service will be formally monitored throughout the duration of the contract including regular monitoring meetings, continued poor performance or lack of improvement in this area will be reported through the Commissioning programme Board. The new provider will be expected to provide innovative and realistic ways for staff to continue to develop and progress their careers and this will be detailed within the service specification.
39. A full competitive procurement exercise will be carried out with completion expected in June 2020 allowing approximately 6 months for service mobilisation following award. The market for substance use service provision is competitive with several national organisations with significant experience of service delivery.

## **Consultees**

40. Public consultation was carried out in October 2019, results showed that most respondents (50% were social care professionals) felt the service provided for young people was of good quality but under resourced and needed to be offered on an outreach basis. Coupled with data that shows the low numbers of young people accessing services this demonstrates a significant unmet need within the county.
41. 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.
42. Political groups have been consulted, feedback is due by 2 March 2020.

## **Appendices**

- i) Substance Use Service Re-commissioning Business Case

## **Background papers**

None Identified