

Written statement of a key decision
Cabinet member health and wellbeing

Title	Review of service model in line with required efficiencies – Public Health – Substance Misuse
Decision maker	Cabinet member health and wellbeing Information about cabinet, including the names and contact details of the cabinet members, can be found here: http://councillors.herefordshire.gov.uk/mgCommitteeDetails.aspx?ID=251
Date of decision	8 March 2018
Report exemption class	Open
Reason for being a key decision	<p>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.</p> <p>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.</p>
A notice was served in accordance with Part 3 (Key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.	
General exception or special urgency (as defined in the constitution)	No
Purpose	<p>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.</p> <p>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.</p> <p>The council has recognised that that service is in the final year of</p>

	<p>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.</p>
Decision	<p>That:</p> <p>(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</p> <p>(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.</p>
Reason for the decision	<p>As set out in the report. Documents relating to this decision are available at</p> <p>http://councillors.herefordshire.gov.uk/mglIssueHistoryHome.aspx?IId=50025201</p>
Options considered	<ol style="list-style-type: none"> 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.
Declarations of interest (see below)	

Call-in expiry date (decisions are not subject to call-in where special urgency provisions apply)	14 March 2018
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Councillor:	Date 8 March 2018
Cabinet member health and wellbeing (Councillor P Rone)	

- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;
- and
- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.