

Item No. N/A	Classification: Open	Date: 16 March 2017	Decision taker: Cabinet Member for Adult Care and Financial Inclusion (on behalf of Cabinet Member for Public Health and Social Regeneration)
Report title:		Extension of grant awards to substance misuse treatment providers	
Ward(s) or groups affected:		All	
From:		Interim Director of Commissioning	

RECOMMENDATIONS

1. That the Cabinet Member for Adult Care and Financial Inclusion approves the extension of grant awards to the substance misuse treatment providers named in this report for the amounts and periods stated in paragraph 21.
2. That the Cabinet Member for Adult Care and Financial Inclusion notes the re-commissioning timescales for the services detailed within this report which represents the second and final phase of the overall transformation of Southwark's drug and alcohol treatment system.
3. That the Cabinet Member for Adult Care and Financial Inclusion notes that the proposals within this report, in conjunction with the commissioning activity outlined in paragraph 2, will deliver a programme of continuous substance misuse efficiency savings in the region of £2.8 million against the Public Health grant between 1 April 2016 and 31 March 2018.

BACKGROUND INFORMATION

4. The Health and Social Care Act 2012 set out the introduction of a statutory duty for all upper tier local authorities to take appropriate steps to improve and protect the health of people in their locality including individuals with drug and alcohol misuse.
5. On 1 April 2013, by virtue of two statutory transfer schemes signed by the Secretary of State for Health as outlined in the Health and Social Care Act 2012, a number of public health staff and services including responsibility for the commissioning of drug and / or alcohol treatment transferred from Southwark Primary Care Trust (PCT), which was then abolished, to Southwark Council.
6. Prior to the public health statutory transfer on 1 April 2013, Southwark Council had previously awarded a contract to BCDP to deliver the Young People's Substance Misuse Service (Insight Southwark) for a period of 3 years commencing in April 2010 at an annual estimated contract value of £460,000. A Gateway 2 report recommending the original award of contract was agreed by the Strategic Director of Environment and Housing on 9 March 2010. A contract extension was granted in early 2013 for 11 months, lasting until 31 March 2014 and approved by way of a Gateway 3 report on 12 June 2013.
7. As a number of the transferring service contracts were due to expire on 30 September 2013, a number of IDM reports prepared by Southwark Drug and Alcohol Action Team

(DAAT) have sought and been granted approval to extend provision of a range of substance misuse treatment services, inclusive of the services detailed within this IDM report, by grant agreement as outlined in Table 1:

Decision	Date of extension	Date of Decision	Approver
IDM - Provision of grant awards to drug and alcohol treatment providers	1 October 2013 – 30 September 2014	September 2013	Cabinet Member for Finance, Resources and Community Safety
IDM – Extension of grant awards to drug and alcohol treatment providers	1 October 2014 – 31 March 2015	September 2014	Cabinet Member for Environment, Recycling, Community Safety and Volunteering
IDM – Extension of grant awards to drug and alcohol treatment providers	1 April 2015 – 31 March 2016	March 2015	Cabinet Member for Public Health, Parks and Leisure
IDM – Extension of grant awards to drug and alcohol treatment providers	1 April 2016 – 31 December 2016	March 2016	Cabinet Member for Public Health, Parks and Leisure
IDM – Extension of grant awards to adult substance misuse treatment providers	1 January 2017 – 31 March 2017	December 2016	Cabinet Member for Public Health, Parks and Leisure
IDM – Extension of grant awards to Insight Southwark Young People’s Substance Misuse	IDM – Extension of grant awards to adult substance misuse treatment	December 2016	Cabinet Member for Public Health, Parks and Leisure

Treatment Service	providers		
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Table 1: History of IDM reports for extension of grant award to substance misuse treatment providers 2013 - 2017

8. Approval for extension of the existing grant agreements was agreed in order to ensure no disruption in access to drug and / or alcohol treatment provision for some of the borough's most vulnerable residents by creating a 'steady-state' of delivery following transfer from the PCT enabling the DAAT to undertake a borough-wide review of the local drug and alcohol treatment system in 2014 to inform future commissioning intentions.
9. On the basis of the borough-wide review, the DAAT developed a two phase commissioning strategy for drug and / or alcohol treatment services in Southwark with the aims of transforming the existing treatment system to deliver better outcomes for service users whilst identifying and delivering a range of efficiency savings against substance misuse expenditure over an initial three year period commencing on 1 April 2015.
10. The primary phase, which took place between February 2015 and January 2016, related to adult community specialist drug and / or alcohol treatment services which resulted in the functions of four adult treatment services being combined into a single adult integrated drug and alcohol treatment system contract. The drug and alcohol treatment services detailed in this report were outside the scope of this procurement.
11. The secondary phase, inclusive of services detailed within this IDM report, commenced in 2016 with the intention of new service provision being in place in 2017 as outlined in Table 2 (Paragraph 17).

KEY ISSUES FOR CONSIDERATION

12. As referred to in paragraph 11, the DAAT is now focused upon the secondary phase of commissioning strategy for a number of priority areas. This includes intentions to seek to change the basis upon which all services listed in paragraph 18 are procured and awarded. By adopting this approach, it will enable Southwark's drug and alcohol treatment system to deliver greater benefits for individuals, families and communities across the borough supporting the successful delivery of the Council Plan and Fairer Future promises whilst offering better value for money and increased efficiencies.
13. Consultation with service users, stakeholders and other teams within the council has and continues to provide support to the DAAT's proposal for transformational change of the drug and alcohol treatment system in Southwark with the identification of a need to re-configure service provision to deliver improved outcomes for service users through successful completion of treatment and sustained recovery.
14. The Childrens and Adult's Board of 11 January 2017 supported the future commissioning intentions for all services referred to in this report with Gateway 1 reports to be presented through the appropriate Contract Standing Order (CSO) decision-making process in line with timescales.
15. Discussions with legal and procurement colleagues indicate that it is necessary to seek approval for a further extension of the grant awards detailed in this report for the amounts and periods stated in the table in paragraph 21 in order to allow the

procurement of any new service contracts to comply with EU procurement regulation timescales and to ensure no disruption in continuity for vulnerable residents.

16. Whilst it is desirable to change the basis upon how these grant funded services are commissioned at the earliest opportunity, there is also a need to appropriately scope options and undertake procurement to ensure that future arrangements deliver cost efficiencies, best value for money and improve outcomes for service users.
17. Although formal procurement timescales are yet to be finalised, officers are working towards the indicative commencement dates of new service provision as detailed in table 2 below:

Service Provision	Indicative date of new service commencement
Recovery Support Service for Substance Misuse (subsuming functions of Southwark Service User Council for Substance Misuse and Peer Mentors Service)	1 July 2017
New Tier 4 contracting arrangements (to include Crisis and Planned Admissions - Inpatient Detoxification Services)	1 October 2017
Young People's Substance Misuse Service Provision (integrated with sexual health)	1 December 2017

Table 2: Proposed commencement dates for new service provision in 2017

18. The scope of the relevant drug and alcohol treatment services is outlined in Table 3 with detail on scope and impact referenced at appendix 1.

Provider	Service Provision
Foundation 66	Southwark Service User Council for Substance Misuse and Peer Mentors Service
Cranstoun City Roads	Crisis and Planned Admissions - Inpatient Detoxification Service
Equinox Brook Drive	Planned Admissions Inpatient Detoxification Service (Complex Care)
Blenheim CDP	Insight Southwark Young People's Substance Misuse Service

Table 3: Scope of relevant services

19. It should be noted that the drug and alcohol treatment services detailed in this report do not represent the totality of substance misuse treatment service provision in Southwark. A number of other services are delivered by a range of providers including NHS, voluntary sector organisations, Primary Care and Community Pharmacy providers as well as spot purchase arrangements for high intensity interventions such as inpatient detoxification and residential rehabilitation placements across Tiers 2, 3 and 4 of treatment.
20. Whilst the services outlined in paragraph 19 are not commissioned to deliver the service provision detailed within this report, all of Southwark's commissioned drug and alcohol treatment service provision is considered essential component parts of a balanced and effective treatment system as outlined in the National Treatment Agency's (now Public Health England) Models of Care for the treatment of adult drug misusers Update 2006 (NTA, 2006)¹ document.
21. The proposed grant awards are detailed in Table 4 below:

Service / Provider	Proposed grant award	Duration
Southwark Service User Council for Substance Misuse and Peer Mentor Service / Foundation 66	18,750	1 Apr 2017 – 30 Jun 2017
Crisis and Planned Admissions Inpatient Detox Service / Cranstoun City Roads	99,000	1 Apr 2017 – 30 Sept 2017
Planned Admissions Inpatient Detox Service (Complex Care) / Equinox Brook Drive	90,000	1 Apr 2017 – 30 Sept 2017
Insight Southwark Young People's Substance Misuse Service / Blenheim CDP	177,333	1 Apr 2017 - 30 Nov 2017

Table 4: Proposed grant awards for services in 2017

22. A reduction in grant award funding will be applied to some services for the extension period when compared with prior equivalent period of grant award funding for service delivery.

Service User Involvement and Peer Mentoring

23. Southwark Service User Council for Substance Misuse and Peer Mentors Service hosted by Foundation 66 provides an excellent peer led support service based on mutual aid principles. The service operates as a conduit between the council and service users ensuring that the adult integrated drug and alcohol treatment system

¹ http://www.nta.nhs.uk/uploads/nta_modelsofcare_update_2006_moc3.pdf

service is held to account and involvement of service users in delivery, design and development.

24. A reduction in grant award value is proposed against the Southwark Service User Council and Peer Mentors Service between 1 April and 30 June 2017. A Gateway 1 report requesting procurement strategy approval to commission a new Recovery Support Service for Substance Misuse, which will subsume the functions of the existing grant funded service, was approved by the Strategic Director of Children's and Adult's Services on 11 January 2017. The three month period of grant extension will represent the last three months of delivery of the current service with a primary focus on transitional arrangements and impact assessment indicates that the proposed reduction in funding could be managed for this brief period until the new service is in place.

Tier 4 Inpatient Services

25. A reduction in funding will be applied to the Tier 4 inpatient budget in 2017/18. All funding decisions for inpatient detoxification or stabilisation admissions are approved through the fortnightly Tier 4 Panel. In order to ensure that service user needs are met with a lower budget allocation, appropriate length and suitability of placement will be closely monitored by the DAAT through the panel. Future commissioning arrangements that will change the basis upon which these services are contracted in the future are being finalised with a Gateway 1 report to be presented to the Childrens and Adult's Board at the earliest opportunity although these proposals will not impact on the intention to reduce the overall budget allocation by 10%.

Young People's Substance Misuse Service

26. Procurement strategy approval for a new Integrated Health Service for Young People (inclusive of sexual health and substance misuse) is on the council's Forward Plan for March decision. It is anticipated that the new service (subject to formal approval) will commence delivery on 1 December 2017. There was a requirement to raise the Public Health grant allocation for the service by £36k in 2016/17 on a non-recurrent basis due to an in year reduction in Children's Social Care funding to ensure service viability in Quarter 4 2016/17 with the intention for the service to revert to the 2015/16 Public Health grant allocation of £221k as of 1 April 2017.
27. £30,000 from the new Mayor's Office for Police and Crime (MOPAC) London Crime Prevention Fund (LCPF) grant to the council has been allocated to partially fund the service for the eight month period of extension until the new service commences delivery, but is not available to fund the new service provision.

Policy implications

28. Whilst there is no statute under primary or secondary legislation for the council to provide the types of drug and alcohol treatment services detailed in this report, a new condition is attached to the Public Health grant for 2015/16 which states 'local authorities should seek to improve the take up of and outcomes from drug and alcohol treatment services'.²
29. Local authorities are guided by their local joint strategic needs assessment and joint health and wellbeing strategy, and the objectives within the national Public Health

² Grant conditions (Page 9, Paragraph 7)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388172/final_PH_grant_determination_and_conditions_2015_16.pdf

Outcomes Framework (PHOF). The extension of grant awards requested in this report is in accordance with the council's public health commissioning responsibilities and Southwark Council's Joint Health and Wellbeing Strategy.

30. Proposals within this report are aligned with key national policy drivers and legislation for drug and alcohol treatment in England including the National Drug Strategy 2010³ and the HM Government 'Every Child Matters' framework for England and Wales⁴ which was launched in 2003 and which underpins the Children's Act 2004.

Community impact statement

31. The joint strategic needs assessment identified the current and projected needs for substance misuse treatment in Southwark. Due to referral processes and the specialist nature of service provision there is currently no detrimental impact to any of the protected characteristics identified within the Equality Act 2010 as considered within the Public Sector Equality Duty.
32. Based on the most recent unrestricted PHE Joint Strategic Needs Assessments data for substance misuse (2014/15) and other available data sources, it is evident that there is a significant need to provide services to adults resident in Southwark that address drug and alcohol misuse issues. The proposals within this report will ensure that individuals, families and communities affected by substance misuse in the borough have access to and receive the appropriate level of support at the time that it is needed. Changing the basis upon which services are commissioned during the period of grant extension will ensure that the overall treatment system is able to successfully deliver in this regard.
33. Commissioners consider it essential that existing services continue to be provided without a detrimental impact on vulnerable service users; their families and communities for whom there could be serious negative consequences if existing services were to cease delivery before new service provision is in place.
34. The majority of individuals accessing drug and alcohol treatment services have complex needs and multiple vulnerabilities including physical and mental health issues, involvement with the Criminal Justice system, safeguarding, social exclusion and impaired social functioning. Continued engagement with drug and alcohol treatment service provision is essential to help reduce escalating costs being incurred by other council departments, health and social care and Criminal Justice services. Engagement with effective drug and alcohol treatment services helps prevent premature death, the transmission of blood borne viruses and overall deterioration of health and wellbeing. The emotional and financial costs associated with anti-social and criminal behaviour can be prevented by effective substance misuse treatment. Positive outcomes do not arise from the successful completion of treatment alone, but are evidenced from the improved health, stability, social functioning and reduction in crime that is observed on treatment commencement.
35. The benefits of investment in the provision of effective drug and alcohol treatment has been researched and demonstrated through clinical trials, government and private funded research. The publication 'Making the case for public health interventions' produced by the King's Fund and Local Government Association and Public Health England⁵ have identified the following level of return on investment although it should

³ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/98026/drug-strategy-2010.pdf

⁴ <https://www.education.gov.uk/consultations/downloadableDocs/EveryChildMatters.pdf>

⁵ <https://www.kingsfund.org.uk/audio-video/public-health-spending-roi>

be noted that there are complexities in tracking savings due to the influence of multiple factors on individuals' behaviours:

- every £1 invested in drug treatment in Southwark saves society £2.50 in reduced health and social care costs and reduced crime
- every £1 invested in motivational interviewing and developing supportive networks for people with drug and alcohol issues returns £5 to the public sector in reduced health, social care and criminal justice costs.

36. Effective substance misuse treatment also impacts on cross council priorities and the successful delivery of the Southwark Council Plan 2014 – 2018 in relation to the following Fairer Future promises:

- Best start in life – offering intensive specialist support for parental drug and alcohol users to address dependency improves the life chances of their children and reduces the likelihood of harm with decreased impact on Children's Social Care services
- Healthy active lives – tackling dependency and associated ill-health helps to reduce health inequalities and support people to improve their lives with contribution on a wide range of Public Health Outcomes Framework (PHOF) indicators
- Cleaner, greener, safer – engagement of drug and alcohol users in effective treatment reduces substance related crime and antisocial behaviour as well as reducing the discarding of drug related paraphernalia in public places
- Strong local economy – achieving stability in treatment and sustained recovery enables drug and alcohol users to find work, access training and achieve their goals as well as contributing to the local economy.

37. Annual joint strategic needs assessment support packs are provided by Public Health England (PHE) which demonstrate current and projected drug and alcohol treatment needs in Southwark focusing on adult drug and alcohol and young people's treatment profiles.

38. An Equality Impact Assessment was undertaken in December 2016 which detailed a number of key areas of impact in relation to the reduction of financial envelope for adult drug and alcohol treatment services over the past 20 months. The Service User Council for Substance Misuse and Peer Mentors Service has played a key mitigation role against some of the impact through the provision of additional capacity to the treatment system.

Resource implications

39. Contract monitoring arrangements will remain the same through the duration of extension with a comprehensive performance management framework in place for all of the services detailed in this report resourced by DAAT officers.

40. All providers are registered with the National Drug Treatment Monitoring System (NDTMS) where appropriate and required to provide accurate treatment data. All NDTMS data is collated and analysed with regular performance reports that are reviewed by the DAAT and presented to relevant boards.

Financial implications

41. The extension of grant awards for the named substance misuse treatment providers will be funded from the Public Health grant and the MOPAC grant. Funding contributions are anticipated for 2017/18 as outlined in the tables below:

Tier 4 Inpatient Detoxification Services – Cranstoun City Roads & Equinox Brook Drive

Funding Stream	Grant award 2016/17 (£)	Proposed Grant award 1 Apr 2017 – 30 Sept 2017 (£)	Full year equivalent 2017/18 (£)
Public Health grant	411,000	189,000	378,000

Service User Council & Peer Mentors Service – Foundation 66

Funding Stream	Grant award 2016/17 (£)	Proposed Grant award 1 Apr 2017 – 30 Jun 2017 (£)	Full year equivalent 2017/18 (£)
Public Health grant	130,355	18,750	75,000

Young People’s Substance Misuse Service – Blenheim CDP

Funding Stream	Grant award 2016/17 (£)	Proposed Grant award 1 Apr 2017 – 30 Nov 2017 (£)	Full year equivalent 2017/18 (£)
Public Health grant	256,933	147,333	221,000
MOPAC grant	95,000	30,000	30,000 (8 months only)
Total	351,933	177,333	251,000

42. The saving over the various extension periods has been calculated as follows:

Savings to the Public Health grant 2017/18

Service	2016/17 annual cost	2016/17 equated extension periods in	2017/18 extension period actual cost	Extension period savings across all 4
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		2017/18		grant awards
Tier 4	£411,000	£205,500	£189,000	£16,500
Service User / Peer Mentors	£130,355	£32,589	£18,750	£13,839
Young People	£256,933	£171,289	£147,333	£23,956
Total	£798,288	£409,378	£355,083	£54,295

43. Confirmed funding allocations are anticipated in February 2017 following Cabinet approval of budgets for 2017/18. Should there be any changes to the financial allocation for substance misuse which impacts on the grant award values of these services, this will be reviewed by the DAAT in partnership with Finance colleagues and final award values revised accordingly underpinned by impact assessment.

Legal implications

44. Please refer to supplementary advice from the Director of Law and Democracy.

Consultation

45. The involvement of communities is a key part of service development of all parts of the health system including drug and alcohol treatment. The value of considering the wider views of individuals and communities is critical to facilitating understanding and tackling health and wellbeing issues in the borough. Engagement with the community and with individuals accessing commissioned services is a core principle of the DAAT's commissioning strategy. The impact of services on the community, and the views of the local community about these services, continues to be a core element of the review work of the services described within this report and will continue to be an integral element of service development and monitoring arrangements.
46. The Service User Council for Substance Misuse is integral to the consultation process and has supported the DAAT to identify appropriate channels for eliciting information from service users, families, partners and stakeholders in relation to the treatment system and to have their voices heard as part of the service design and development process. An example in practice includes service user council representatives taking ownership of consultation processes as part of the borough wide treatment system review which took place in 2014 and facilitating workshop sessions with a variety of individuals with a vested interest in Southwark's drug and alcohol treatment system to ensure that their views were captured and reflected in the design of the new treatment system model.
47. Where there is a proposal to reduce grant award value in 2017/18, DAAT officers have worked closely with existing providers to undertake impact assessment to ensure that funding decisions are underpinned by a rationale of limiting impact on frontline service delivery and service users.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Director of Law and Democracy

48. This report seeks approval of the award of further grant funding to the providers of specialist substance misuse treatment services summarised within paragraph 17, for a period of three months from 1 January 2017. Paragraph 41 confirms the sources of funding.

49. The decision to approve the recommendation for grant funding is one which is expressly reserved to the Cabinet Member under Part 3D of the council Constitution. The proposed grant awards are consistent with the council's statutory duties and powers (notably the Public Sector Equality Duty imposed by the Equality Act 2010) and with corporate policy, in particular, the Fairer Future Promises.
50. Officers consider that these services should be regulated by way of conditions of grant funding rather than by more formal commercial contractual conditions. The terms of the funding agreements with the existing service providers will continue to apply for the period of extension and allow the council to withhold or "claw back" funding if necessary in the event that the required services and service delivery outcomes are not achieved.
51. The report notes that future service provision is likely to be subject to formal procurement processes underpinned by the requirements of EU and domestic legislation and the council's Contract Standing Orders and officers should seek advice from the Director of Law and Democracy at the appropriate time.

Strategic Director of Finance and Governance (25DK201617)

52. The Strategic Director of Finance and Governance notes the extension of grants as requested in this report, and the part year saving achieved against the 2017/18 Public Health grant.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Approval and Award of Grants to Substance Misuse Treatment Service Providers http://moderngov.southwark.gov.uk/mgIssueHistory/Home.aspx?Id=22349&Opt=0 http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Id=22349&Opt=1 .	160 Tooley Street London SE1 2TZ	Donna Timms 0207 525 7497
Extension of grant awards to substance misuse treatment providers: http://moderngov.southwark.gov.uk/mgDecisionDetails.aspx?Id=50004713&Opt=1		
Equality Impact Assessment: Adult Community Specialist Treatment Services (held by DAAT)		

APPENDICES

No.	Title
Appendix 1	Scope of service provision and impact

AUDIT TRAIL

Lead Officer	Dick Frak, Interim Director of Commissioning	
Report Author	Donna Timms, DAAT Unit Manager	
Version	Final	
Dated	14 March 2017	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments sought	Comments included
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		16 March 2017