

Item No.	Classification: Open	Date: 10 December 2019	Meeting Name: Cabinet Member for Community Safety & Public Health
Report title:		Gateway 0 - Strategic Options Assessment Adult community specialist drugs and alcohol treatment services	
Ward(s) or groups affected:		All; residents with drug and / or alcohol treatment needs, their families and carers, and communities	
From:		Strategic Director of Place and Wellbeing / Director of Public Health	

RECOMMENDATION

1. That the cabinet member for community safety & public health approves this strategic options assessment for the council's adult community specialist drugs and alcohol treatment services, and notes the next steps set out in the report.

BACKGROUND INFORMATION

Legislation

2. The Health and Social Care (HSC) Act 2012 outlines local authority statutory duties for public health services, including a duty to improve and protect the health of the local population through mandated and non-mandated functions.
3. Public health services aimed at reducing drugs and / or alcohol misuse are non-mandated functions, but have been a condition affecting the payment of the Public Health grant to local authorities since 2015/16. Pursuant to section 31(4) of the Local Government Act 2003, the Secretary of State stipulated: "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.'*"
4. In practice, each local authority area should have¹:
 - an accessible drug and alcohol treatment and recovery system that includes a full range of National Institute for Health and Care Excellence (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.
 - recovery rates and successful completions being reviewed regularly, with active measures undertaken when needed, to ensure best possible service and outcomes
 - evidence-based prevention activities to reduce harm and improve resilience among young people and vulnerable groups, such as homeless/hostel dwellers, offenders, men who have sex with men, and new psychoactive substance users

¹ <http://www.adph.org.uk/wp-content/uploads/2016/09/Interpreting-the-ringfenced-grant-conditions-and-mandateGATEWAY.pdf>

- compliance with National Drug Treatment Monitoring System (NDTMS) reporting
 - services working towards the average waiting times for treatment interventions provided to local authority residents
 - improving recovery rates – or stability if performance is already in the upper quartile
 - widely available needle exchange, particularly as an entry point to treatment
 - clarity on clinical governance arrangements including reporting of serious untoward incidents
 - effective pathways between prison and community treatment for alcohol and drugs
 - evidence-based commissioning with service reconfigurations driven by improving cost-effective outcomes
5. It is a legal requirement for community drugs and alcohol treatment services to be registered with the Care Quality Commission (CQC), as outlined in the Health and Social Care Act 2008 (Regulated activities) Regulations 2014 [Regulation 3(1)3].

Current provision

6. Current service provision is delivered under the Adult Integrated Drug and Alcohol Treatment System (AIDATS) contract. This comprises a range of community-based Tiers 2 and 3² drugs and alcohol treatment interventions for adult residents aged 18 years and over. The service is directed by a detailed service specification, which includes the requirement for evidence-based pharmacological and psychosocial drug and alcohol treatment interventions, underpinned by the most recent national guidance, with a strong focus on recovery and building resilience.
7. In addition to specialist pharmacological and psychosocial treatment specific interventions, the service delivers a range of activities that contribute to improving outcomes, and the life chances of the borough's residents with drugs and / or alcohol issues including:
- facilitated access to support with employment and training opportunities,
 - support to establish new substance free social networks and interests,
 - work with service users and stakeholders to build a visible recovery community in Southwark.
8. The key service components detailed within the current service specification are:
- Recovery Navigation (Single Point of Contact, Advice and Information, Assessment, Recovery Planning, Keywork, Case Management and Care Coordination)
 - Structured Psychosocial Interventions (individual / group)
 - Pharmacological Interventions (community prescribing, community detoxification)
 - General Practice Liaison and Support
 - Recovery Community Activities
 - Harm Reduction Interventions (Needle Exchange, Blood Borne Virus and Health Service, Clinical Waste)
 - Needs-Led Drug Testing
 - Hospital Liaison and Support
 - Family and Carer Support
 - Criminal Justice Pathway

² <http://www.dldocs.stir.ac.uk/documents/mocdmupdate2006.pdf>

- Aftercare and Reintegration
9. In order to effectively deliver the full scope of service provision to many of Southwark's most vulnerable residents, a high degree of experience, expertise, knowledge and competent skills base in the field of addiction and dependency is necessary. Due to the high level of risk held by the provider in responding to and managing the needs of those engaged with the service, a robust organisational governance framework, with appropriately robust clinical protocols, is a mandatory requirement of the contract.
 10. As far as possible, provider staffing are directly employed by the contracted organisation, with the exception of vacancy management by agency staff to backfill any deficits. All staff are required to evidence expertise, knowledge and skills in working with the service user group, and to participate in a regular mandatory training programme.
 11. The contract was procured in 2015, via the Public Contracts Regulations 2006 (EU PCR 2006) restricted competitive procurement process, which met the council's requirements. Following the competitive procurement process, the contract was awarded to a voluntary and community sector (VCS) Lifeline Project Limited (Lifeline) in September 2015 for an initial term of three years (with the option to extend for a further period or periods not exceeding two years), and has been delivered in its current integrated drugs and alcohol treatment model format since 4 January 2016.
 12. At the time of commissioning, the council's previous drug and alcohol treatment services had been underperforming on a number of higher level National Drug Treatment Monitoring System (NDTMS) indicators, and it was felt that it would be prudent to include a Payment by Results (PBR) element to the contract. The performance indicators for PBR, in part, were based upon the NDTMS measures of successful completions and planned exits – in retrospect, these indicators were not wholly appropriate for the treatment population in Southwark, due to the high levels of complexity evidenced in the external case mix audit of June 2019.
 13. Following Lifeline's insolvency in May 2017, the contract was novated to another VCS provider change, grow, live (cgl) on 2 June 2017, and is now contracted through its wholly owned trading subsidiary change, grow, live services limited (cgls) (in order for the provider to realise value added tax (VAT) savings to reinvest into frontline delivery). Currently, the contract is in its first year of extension, with a further extension agreed until 31 March 2021. Performance is detailed in paragraphs 18 – 22.

14. As at 7 November 2019, the adult structured treatment caseload is as follows:

Number of Clients in Structured Treatment (Tier 3)	
Opiate	664
Number of opiate clients prescribed Opiate Substitution Therapy (OST) within the community	510
Alcohol	109
Non-opiate	50
Non-opiate & alcohol	82
Total in T3 Treatment	905

Local commissioning innovation in substance misuse – overall treatment system

15. Since 2014, the council has evidenced some excellent practice and innovation in its drugs and alcohol commissioning decisions during a challenging period of widespread austerity and financial pressures. The procurement of an independent Recovery Support Service in 2017 to lead on service user involvement and peer mentoring in the borough, at a time when many of these services have been watered down or lost altogether, was referenced in Drink and Drugs News, the national magazine for the sector, as good practice³.
16. Additionally, the innovative Dynamic Purchasing System (DPS) for Tier 4 Drug and Alcohol Placements, which was procured and introduced to the borough in 2018, is a completely bespoke model for Southwark, that has not been commissioned elsewhere, and which represents the very first DPS commissioned by the council. The system has provided enhanced governance, assuring quality and best value in the procurement of high cost, high threshold residential placements, whilst ensuring that service users receive a personalised care package derived entirely from their reported needs.

Demographic information

17. The drugs and alcohol treatment provision detailed in this report provides a universal service offer to the whole adult (18 years +) population in Southwark, regardless of demographics or protected characteristics. The service is commissioned, within the AIDATS contract, to provide services to young people below the age of 18 years, where there is an identified pharmacological need or where there is problematic Class A drug use, in partnership with the council's Healthy Young People (HYP) service.
18. A new Drugs and Alcohol Joint Strategy Needs Assessment (JSNA) is currently in development, and is due to be finalised in early Quarter (Q) 4 period of January to March 2020. This document supersedes the previous formal needs assessment, undertaken in 2014 to inform commissioning, and will set out key data and narrative about the treatment population, its evolution, key demography and needs, as well as reflecting upon unmet treatment need in the borough.

³ <https://drinkanddrugsnews.com/the-right-focus/>

19. An externally commissioned case mix audit, undertaken by Therapeutic Solutions Addictions in Quarter 1 period (April to June) 2019-20, also provides an overview of the current treatment population, as summarised in Appendix 1 of this report.

Performance

20. As detailed in paragraph 12, a decision was taken to include a PBR element in the current contract, but in retrospect, some of the NDTMS indicators (successful completions and planned exits) were not wholly appropriate for the treatment population in Southwark, due to complexity of the service user population resulting in a reduced likelihood of successfully leaving treatment.
21. The ability to successfully complete treatment is dependent upon multiple factors, including service user complexity, and the use of drugs / alcohol on top of their OST script. The external case mix audit found that 46% of the adult treatment population (represented as Cluster 1) have highly complex presentations with chronic comorbidities. Successful completion of treatment and planned exits cannot be considered as the most appropriate measure of treatment effectiveness and performance for this group, and these Key Performance Indicator (KPI) measures make it more challenging for any provider to achieve the highest levels of performance, potentially creating an incentive for providers to cherry-pick service users in order to avoid being financially penalised by more complex cases.
22. Whilst the council's ambition for all residents using drug and alcohol treatment services is to achieve sustainable recovery In line with the HM Government Drug Strategy 2017, it is recognised that the ability to achieve this will vary between service users. There is no expectation for services to pursue recovery and successful completion of treatment, where this would result in increased risk to vulnerable service users.
23. For some residents, the most appropriate intervention may relate to reducing harm and keeping them safe through treatment engagement and retention, as opposed to pursuing an end goal of abstinence and successful completion of treatment. The benefits of this harm reduction approach will not be reflected in performance data, and will have an adverse effect on the borough's successful completion and planned exit rates.
24. It will require a different performance mechanism to truly capture the benefits of harm reduction and to prevent an incentive for providers to cherry-pick (paragraph 21), given the high percentage of service users with severe complexities who are likely to be retained in treatment for long periods of their lifetime.

Finance

25. The service contract has been fully funded by the ring-fenced Public Health grant allocation to the local authority since 4 January 2016. It should be noted that the grant has been subject to annual funding reductions averaging 3.9% (real term) between 2015-16 and 2020-21, which has impacted on investment levels into drugs and alcohol treatment, as well as other public health funded services.
26. From 2020-21, changes have been proposed, although not confirmed, to the funding of public health services, including the withdrawal of the ring-fenced grant and a move towards provision being funded through a retained business rates model. The autumn 2019 local government spending review, which took place on 4

September 2019, was expected to consider the proposals; however, consideration of the same did not take place and further information is awaited.

27. As such, there are uncertainties about the future funding of public health services within local government at the current time, which make financial commitment to future provision more complex.
28. In order to reflect this uncertainty, it could be proposed to offer a short contract with extension options; however, it is perceived that this would significantly reduce market interest in undertaking the extensive amount of work and cost associated with submitting a tender for a service of this size and risk for the potential of only a short confirmed contractual term. Additionally, this sector has seen significant funding reduction and demonstrable impact on frontline delivery, which means there is a strong likelihood that this will have a further detrimental impact on market interest in tendering for a contract, with a possible resulting outcome of the council not receiving any tender submissions (table following paragraph 79).
29. For the fourth year of the contract, the maximum annual expenditure against the service contract was up to £3,537,467, representing 76% of the council's current public health grant expenditure on drugs and alcohol treatment during the period. For the fifth year of the contract, a fixed guaranteed sum of £3,420,731 is committed and for the three months thereafter, a further fixed guaranteed sum of £855,183.
30. There has been a 40% reduction in Public Health grant funding allocated to these services since 2014-15 (c£2.3m), which has directly impacted on service provision and capacity, the ability to meet need, and the ability to deliver successful outcomes and meet performance requirements.
31. The service contract comprises a wide scope of activities and interventions delivered by a range of clinical and non-clinical staff to meet the treatment needs of drugs and / or alcohol users. For example, a single service contact with an individual could involve assessment, harm reduction advice and information, wound dressing, and psychosocial intervention from one or more members of provider staff. As such, it is impossible to define unit costs for the service provision, and there is no national standard cost schedule for the component elements of the services, as these are non-mandated functions of Public Health.
32. Benchmarking spend against other local authorities for these services is fraught with challenges; due to the difficulties in defining unit costs for the vast amount of activities undertaken by services with each individual, comparison is difficult and is usually approached from a consideration of overall budget allocation for the services, which does not take into account the scope of commissioned interventions, numbers of individuals in treatment, and complexity of the treatment population, all of which impact on expenditure.
33. Nationally, since 2018-19, supply chain issues have had a devastating impact on the price of buprenorphine (used in opiate substitute prescribing) with significant increases in costs of medication adversely impacting on provider budgets; additionally, methadone prices also fluctuated, further compounding issues and pressure on the contract value.
34. Primary Care opiate drug misuse services are funded separately through the Section 75 agreement with NHS Southwark Clinical Commissioning Group, up to a total maximum budget allocation of £94,500 in 2019-20; these are under review as

part of the overall review of adult drugs and alcohol treatment, and future commissioning intentions will be detailed in the GW1 report.

KEY ISSUES FOR CONSIDERATION

Future service requirements and outcomes

35. As detailed in paragraph 3, the council is required to provide public health services to reduce drugs and alcohol misuse in compliance with the following condition: *'have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services.'* As the services are non-mandated, there is significant local flexibility in relation to the design of the treatment system model, which will be commissioned in line with current guidance and local and national policy.
36. The future provision should replace the existing AIDATS contract, and would become the council's major vehicle for meeting the Public Health grant condition on the basis that approximately 95% of residents in drugs and / or alcohol treatment in the borough will receive support from it. The service will be open access, and engagement will continue to be voluntary; it will be available to all adults with alcohol and other drugs treatment needs in Southwark. This will include a service for the illicit or problematic misuse of prescription drugs, subject to specific requirements, that will be detailed within the service specification.
37. The future provision for individuals, families and carers will, by necessity, need to replicate the majority of aspects of the current AIDATS contract, and will align with the Department of Health's Drug misuse and dependence: UK guidelines in clinical management (2017) guidance (and other subsequent guidance that replaces this). As such, it is proposed that the future provision will continue to offer both drugs and alcohol treatment and support through an integrated model, which acknowledges the high prevalence of poly alcohol and / or other drugs use in the treatment population, and the opportunity to concurrently address both through an integrated delivery model.
38. The service will provide a 'whole person' treatment offer, which accounts for past trauma, and the resulting coping mechanisms deriving from this. As such, there will be a requirement for the services to be delivered in line with a trauma informed approach. Service users will be provided with a safe environment, and support to understand the complex interaction between their drugs and / or alcohol use and trauma.
39. As is currently the case, future service provision will need to be commissioned in line with the following overarching Public Health Outcomes Framework (PHOF) health improvement indicators, as well as the full range of Public Health England (PHE) indicators detailed in the quarterly Diagnostic and Outcome Measure Executive Summary (DOMES) report and the provider level reports:
 - 2.15: Successful completion of drug and alcohol treatment
 - 2.15iii: Successful completion of alcohol treatment
 - 2.15iv: Deaths from drug misuse
 - 2.16: Adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison
40. Additionally, the recently identified Quarterly Outcome Commentary Report for 6 month review report, which provides a comprehensive overview of a range of 'in

treatment outcomes' measures such as abstinence and reduced use at 6 months, will be used to provide assurance of progress in treatment, and to identify areas for development.

41. With acknowledgement to the high proportion of the treatment population who, by the nature of their complex and multiple needs, are unlikely to be represented in the national successful completion and planned exits indicators, it is intended to consult upon and develop a set of local measures that will be used to demonstrate treatment effectiveness. Officers are particularly interested to explore co-production of these measures with service users.
42. The activity in the previous paragraph will dovetail with an overall performance review, including decision-making on the future performance management framework.
43. Currently, primary care providers deliver prescribing services for opiate users that are suitable for management in general practice in partnership with cgl; this provision is commissioned by NHS Southwark Clinical Commissioning Group (CCG) on behalf of the council through the Section 75 agreement. There are a range of options available to the council in this regard, which range from continuation or expansion of the current model and commissioning arrangements, to the future provider(s) sub-contracting the services or decommissioning the services and completely aligning them within the future provision; these options will be explored with a final proposal detailed in the GW1 report.
44. Officers propose that, despite financial uncertainty about the future funding of public health services, the council takes this timely opportunity to demonstrate its forward thinking and responsiveness to the current climate, to build upon its demonstrable commissioning innovation for substance misuse, as detailed in paragraphs 15 and 16, and the known commissioning impact of re-procurement on treatment delivery, and to lead the way nationally by setting out an intention to offer a maximum contractual term of up to 12 years (3 years + option to extend for up to a further 9 years). Appropriate break clauses would be built into the new contract to ensure that the council has the flexibility to end the contract early if necessary.
45. Taking a decision to offer a longer contractual term at this time offers a unique opportunity to reduce churn in the system arising from re-procurement, and the associated adverse impacts of instability, and disrupted performance, and treatment outcomes during the transitional periods. This will create the conditions for a period of long term stability in Southwark, and a focus on enhancing partnerships and pathways, assuring quality and aligning treatment provision with partnership services where there are areas of interface, thus improving the service user experience and social value that can be gained from the future contract. Additionally, this will maximise the attractiveness of the tender opportunity. .
46. Consideration of price will be built into the procurement strategy with a view for the market, through its tender submissions, to generate a sustainable and viable contract value for the delivery of the services. It is considered that this will highly likely represent less than the financial envelope, thus generating a market-driven saving, and presents less reputational risk to the council proposing a financial envelope that results in reduced or nil market interest. This will be outlined in the GW1 report.
47. Future provision will be flexibly designed to align with the HM Government Drug Strategy 2017 (and any future drug strategies). The council recognises the cross –

cutting interface of drugs and / or alcohol use with a wide range of service provision, and the importance of partnership working to better meet these needs. The long term stability that will arise from an extended maximum contract length will serve this agenda well, and enable a renewed focus by both commissioners and the provider(s) on the development and enhancement of pathways to improve service user experience.

48. Enhanced assertive outreach provision will be a key requirement for the future delivery of services. This will be aimed at the high prevalence of unmet need, and will build upon the success of the ring-fenced outreach provision in place since 2018. In order to protect investment, the outreach element is likely to be ring-fenced within the financial envelope, with minimum time commitment implications.
49. Recommissioning of the services will give consideration to current and emerging needs for users of drugs and / or alcohol. Of particular significance in Southwark is an intention to work closely with NHS Southwark CCG commissioners to drive improvement in the dual diagnosis pathway, and to best consider models and pathways for improving access to and supporting engagement with treatment for older adults with complex needs, as evidenced in the local case mix audit. There will be a focus on appropriate treatment and support offers for the cluster groups identified in the case mix audit, with clearly defined pathways and partnerships necessary to meet their needs.
50. Consideration will be given to a digital offer as a mechanism to improve engagement with people who do not present to treatment service hubs; opportunities to engage with digitally excluded people will also be identified and progressed.
51. Coherent and effective partnerships between the service and a range of partner agencies and services (health, wider council, criminal justice, employment and housing) will be a high priority, as they are vitally important to increase opportunities for access and treatment engagement. This will include consideration in the context of the wider ongoing Partnership Southwark work programme, aligned with the provision of an appropriate drug and alcohol treatment offer for people in complex care placements.
52. A senior officer pre-procurement workshop on 8 August 2019, hosted by the Strategic Director of Place and Wellbeing / Director of Public Health, produced some excellent proposals from senior council and NHS Southwark CCG officers that will be further explored over the coming months. These included opportunities for integration of existing services to improve outcomes for service users, as well as facilitating access to non-substance misuse specific interventions for wider issues, such as health, for individuals with drug and / or alcohol concerns.
53. Additionally, a prospective partnership that is currently being explored is the collaboration of treatment provision with the council's hostel services, held by the resident services' division of the council, so as to increase treatment access for people living in hostels and to work together to improve outcomes.

Policy Implications

54. As detailed in paragraph 3, there is a specific condition within the Public Health grant to local authorities which directly relates to drug and alcohol treatment and the provision detailed within this GW0 report represents the council's major vehicle for adhering to this condition. It has been proposed that services currently funded by

the Public Health grant will be funded in the future through a retained business rates model; however, at the time of writing, the future intentions in this regard are not clear, nor are the timescales should it be implemented.

55. Both the existing and the new contract offer a range of benefits and impacts on cross council priorities as well as playing a key role in the successful delivery of the Council Plan 2018/19 – 2021/22 in relation to the following Fairer Future promises:
- *The 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
 - *A healthy borough where your background doesn’t determine your life chances* – tackling dependency and associated ill-health helps to reduce health inequalities and support people to improve their lives with contribution to a wide range of Public Health Outcomes Framework (PHOF) indicators.
 - *A great place to live with clean, green and safe communities* – 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
 - *Full employment, where everyone has the skills to play a full part in our 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
56. The services are also of paramount importance to delivering the overarching vision and all six strategic ambitions of the Southwark Health and Wellbeing Strategy 2015 – 2020:

“Every child, family and adult has improved health and wellbeing and has access to high quality local services that meet their needs. Together we will invest to make a difference earlier in the lives of local residents, promoting resilience and self-management of health and giving everyone the best and fairest start. Working together to build a healthier future, we will tackle the root causes of ill health and inequality”

- *“Giving every child and young person the best start in life*
- *Addressing the wider socio economic determinants of health which we know determine our life chances: we will maximise opportunities for economic wellbeing, development, jobs and apprenticeships, and make homes warm, dry and safe.*
- *Preventing ill health by promoting and supporting positive lifestyle changes and responsibility for own health and improving people’s wellbeing, resilience and connectedness.*
- *Helping people with existing long term health conditions to remain healthier and live longer lives by improving detection and management of health conditions including self-management and support.*

- *Tackling neglect and vulnerabilities by supporting vulnerable children and young people and ensuring positive transition, ensuring choice and control for people with disabilities and supporting independent living for older people in an age friendly borough.*
 - *Supporting integration for better health and wellbeing outcomes by integrating health and social care that is personalised and coordinated in collaboration with individuals, carers and families and by shifting away from over reliance on acute care towards primary care and self care.”*
57. The Southwark Joint Mental Health and Wellbeing Strategy 2018 – 2021 is focused upon improving the mental health and wellbeing outcomes of Southwark’s residents which is of paramount importance to the alcohol and other drugs treatment population due to the high prevalence of these needs. The strategy details five strategic priorities, the following of which are relevant to residents using the services detailed in this report:
- *Prevention of mental ill health and promotion of wellbeing*
 - *Increasing community-based care and supporting communities*
 - *Improving clinical and care services*
 - *Supporting recovery*
 - *Improving quality and outcomes*
58. The HM Government Drug Strategy 2017 detailed two overarching aims: *“to reduce all illicit and other harmful drug use, and increase the rate of individuals recovering from their dependence.”* These two aims will be the underpinning premise upon which the new service contract is based with a focus on both *reducing demand* and *building recovery* in Southwark’s communities as follows:
- Reducing demand – the services will seek to prevent the escalation of drug use in all adults including a targeted intervention and support offer for the most vulnerable individuals.
 - Building recovery – commissioners and provider(s) will work closely throughout the duration of the contract to improve the quality of treatment and outcomes for a range of user cohorts; there will also be a focus on working collaboratively with partners and other commissioning bodies to ensure integrated care pathways and access to a range of services are in place to support all adults in Southwark to live a life free from drugs.
59. The HM Government Serious Violence Strategy 2018 identifies four key themes, one of which is *‘tackling county lines and misuse of drugs’* operating from a premise of strong evidence that illicit drug markets are a driver of serious violence. There is an identifiable overlap between this strategy and the Drug Strategy 2017 in relation to the need for an enhanced understanding of the cohorts that are using drugs and the need for access to high quality treatment provision to support individuals with addressing their misuse which will be delivered through the proposed service contract.
60. Additionally, in 2019, the council has committed to implementing the recommendations from an Extended Learning Peer Review undertaken by the Home Office’s Violence and Vulnerability Unit which identified key linkages between the violence, vulnerability and exploitation of children and vulnerable adults in drug market activity; the future planning for the service provision represents an excellent and timely opportunity to try to configure services in such a way as to reduce demand for drugs, thus reducing the criminal exploitation of vulnerable people in drug supply chains, through the provision of high quality services.

61. In 2017, the Southwark Safeguarding Adults' Board (now Southwark Safeguarding Adults' Partnership) published the statutory Community Safety Partnership Plan 2017 – 2020 of which there are eight priorities, one of which relates to '*reducing substance misuse* which is supported by the delivery of the service contract':
- *To protect individuals, families and communities from the negative impact of drugs and alcohol misuse by:*
 - *Reducing the number of individuals misusing alcohol, illegal and other harmful drugs and increasing the number of individuals who successfully recover from alcohol and / or drug dependence*
 - *Identifying children and young people affected by parental or sibling substance misuse and taking action to reduce harms and improve life chances*
 - *Increasing the number of individuals who successfully engage with Southwark treatment system following release from custody*
 - *Working collaboratively with partner agencies to prevent or reduce drug related deaths and to reduce the transmission of blood borne viruses*
 - *Restricting the supply of drugs and identifying and prosecuting those involved in the drug trade*

Market considerations

62. The drugs and alcohol treatment market is well developed, with a range of different providers of varying size (including NHS and third sector organisations) currently delivering comparable services across London and England. However, it should be noted that the market has contracted in recent years, with major providers becoming insolvent in the face of reduced treatment budgets.
63. Officers monitor the treatment market on an ongoing basis as part of commissioning oversight for the services. Market analysis has identified a number of providers who would be able to fulfil the requirements of the contract as a single contractor or through a consortia arrangement with a lead contractor.
64. Procurement of alcohol and other drugs treatment services has increased nationally since 2013, with a wide market of organisations of both current and potential providers evidencing established consortia arrangements when bidding for and delivering similar contracts. On the basis of this, it is not perceived that smaller providers would be at a disadvantage.

Strategic service delivery options and assessment

65. The following options have been considered for the future delivery of the service; subject to approval of a preferred option, provision will be commissioned in alignment with the council's Fairer Future Procurement Strategy.

External Procurement, including voluntary / not for profit

66. The service contract is currently delivered by an external third sector provider, initially through contracting with the registered charity, and subsequently (since April 2019) through its limited company non-charitable trading subsidiary. External provision of this type of service is common in England, and is nationally achieved through an EU competitive procurement process. Since the transfer of commissioning responsibilities to local authorities, there has been an increase in contracts for similar services principally awarded to registered charities, whilst the number of NHS providers of the services has declined.

67. The EU Legislation (Public Contracts Regulations 2015; PCR 2015) made provision for a specific set of rules governing the procurement of service contracts that tend to be of lower interest to cross border competition, including social, health and education services (formerly Part B services; PCR 2006), which is referred to as the light-touch regime (LTR). The services detailed in this report are considered to fall within the LTR.
68. LTR services provide authorities with significant flexibility to use any process or procedure they choose to run a competitive procurement process subject to compliance with Contract Standing Orders (CSO's); with reference to the services detailed in this report, this will assist the council with designing a procurement process that provides assurance of high quality and best value, both of which are of high importance in the contracting of services for vulnerable people with complex needs.

Existing frameworks

69. There are no existing framework arrangements in place, which the council could purchase the services from.

In-Source

70. The council has the option of ceasing to commission the services externally and bring these in house. However, this is not considered to be a viable option as the service is highly specialist in nature and the necessary expertise, governance, knowledge and skills are not available within the council. This position is supported through the outcome of a review undertaken by the DAAT in June 2019, which was unable to identify any local authority that was delivering these types of services on an in-sourced basis.

Shared Service Delivery with other boroughs

71. The council could choose to co-commission the services with other boroughs; this would likely be most appropriate with geographical neighbouring boroughs. The review referenced in paragraph 70 did not identify any council in London that currently co-commissions or intends to co-commission comparable services of size and complexity with other boroughs.
72. At the time of writing, officers are not aware of any neighbouring boroughs that are planning to commission their treatment system provision that aligns with the Southwark indicative timescales. Even in the event of timescale alignment, cross-borough commissioning is likely to take longer to explore and to procure than working independently due to a number of complexities to be addressed; these include the need to fully assess need in other boroughs and ensuring that services are commissioned that sufficiently meet the needs of Southwark's complex treatment population as well as any partners.
73. Additionally, the external case mix audit indicated specific needs and requirements of a new provider that officers believe are most appropriately achieved through commissioning an independent contract that is completely aligned with the borough's requirements. This will best serve residents that require the services, and maximise the council's influence over the delivery of the provision.

Decommissioning Services

74. Taking a decision to decommission the services without commissioning a new contract is not viable, and would result in the council being unable to comply with improving and protecting the health of the local population through the provision of services to reduce drugs and / or alcohol misuse. It would create risk to health, wellbeing and potentially life for many of the borough's most vulnerable residents, and would also result in the council being unable to comply with the drugs and alcohol specific Public Health grant condition that affects payment of the grant.
75. However, the proposals within this report should result in the current AIDATS contract, delivered by cgl's, being decommissioned and replaced with the new service provision. The current provider cgl's will be able to submit a tender to bid to provide the future service contract, should the organisation wish to do so.
76. Dependent upon the outcome of the Primary Care drug misuse service review, this may result in the revisions to the service provision, but this is yet to be finalised and proposals will be confirmed in the GW1 report.

Recommended Strategic Delivery Option

77. Based upon the information and details outlined in this report, the recommended strategic delivery option is for:
- A LTR EU competitive procurement exercise to be undertaken aligned with legislation seeking a single provider or consortium with lead provider to deliver all of the requirements of the service provision. This will ensure best value is achieved, with local services delivered by a provider or provider(s) with the appropriate governance arrangements in place to ensure high quality and safe drug and alcohol treatment delivery to vulnerable service users, families and carers.
 - The option to allocate some aspects of the future provision into separate Lots is being considered, in order to ensure that funding is ring-fenced to specific provision, as part of the planning processes and will be detailed in the GW1 report should this option be exercised.
78. As previously referenced, it is timely to explore a future strategic delivery option for Primary Care drug misuse services given the interface between the provisions; this will be reviewed over the coming weeks with decision-making aligned with the procurement timetable for the adult service and outlined in more detail in the GW1 report.
79. Detailed work will continue over the coming weeks to consider the most appropriate procurement strategy methodology for a service of this size, complexity and risk and will be presented in the GW1 report; this will comprise careful consideration of tender evaluation methodology, and the development of robust tender documentation. There will also be a focus on continued review of existing provision, a review of current commissioning guidance pertaining to the services, and social value requirements.

Identified risks for the service and recommended strategic option

No.	Description of risk	Mitigating action	Risk rating (mitigated score)
1	Poor procurement response	Significant and ongoing soft	Low

	could result in no providers submitting a tender for the services	market testing and market engagement opportunities planned prior to GW1 stage; long contractual term and holding financial envelope at current level will make the opportunity more attractive	
2	Service specification that is not robust enough in detail would result in poor or unsuitable delivery	Significant and ongoing soft market testing, provider, stakeholder and service user engagement is planned prior to GW1 stage. Specification will be informed by learning from the current contractual term, best practice, commissioning guidance and benchmarking.	Low
3	Delays to procurement would result in the need to extend the existing contract with a possible risk of legal challenge	A 15 month project timeline is planned providing sufficient time for all activities; this is aligned with the GW3 contract extension period of 15 months that was approved at Cabinet on 29 October 2019. A formal project board will be established to oversee the procurement timetable. A short period of extension at the end of the contract is considered unlikely to attract a legal challenge.	Low
4	Market failure – an appropriately qualified and sized provider may be unable to tender for the services.	Extensive market engagement opportunities are planned prior to GW1 stage. There are a minimum of six identified providers that are likely to be interested in the opportunity.	Low
5	Current service quality may decrease during the transitional period including staff resources	A plan will be put into place between the commissioners and provider for the 15 months prior to the end of the current contract which will consider realistic KPIs and milestones. Ongoing support involves weekly telephone briefings, monthly and quarterly meetings	Medium
6	Potential impact of Brexit on service delivery, namely	It has been confirmed with the current provider that	Low

	medication supply chains	medications are produced in the UK, so Brexit would have no impact in this regard. No other Brexit related impacts are identified.	
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Key/Non Key decisions

80. This is a key decision.

Next Steps

81. The Drugs and Alcohol JSNA is underway and will be finalised in a formal document ahead of a competitive procurement process; information being gleaned from this process is informing service specification development. This will include information from stakeholder engagement events, which have taken place with senior officers and partnership staff, to ensure that the future service specification is fit for purpose and informed by the view and voices of those with an interest.
82. The externally commissioned case mix audit and recovery outcomes review report will be used to inform both engagement and consultation and the development of the service specification.
83. Engagement processes will also continue with service users and individuals with lived experience building upon the feedback that has been received throughout the current contractual term.
84. The Drug and Alcohol Action Team (DAAT), as the council's lead commissioners, continues to collate data, intelligence and narrative from a wide range of sources which is being used to inform future service design and procurement requirements.

Service Delivery Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 0 decision on the Forward Plan	01/09/2019
DCRB Review Gateway 0	13/11/2019
CCRB Review Gateway 0	21/11/2019
Notification of forthcoming decision - IDM	10/12/2019
Approval of Gateway 0: Strategic Options Assessment	20/12/2019
Scrutiny Call-in period and notification of implementation of Gateway 0 decision	08/01/2020
Enter Gateway 1 decision on the Forward Plan	09/01/2020
DCRB Review Gateway 1	15/01/2020
CCRB Review Gateway 1	23/01/2020
Brief relevant Cabinet Member (over £100k)	29/01/2020

Activity	Complete by:
Notification of forthcoming decision - Cabinet	02/03/2020
Approval of Gateway 1: Procurement strategy report	10/03/2020
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	31/03/2020
Tender advert and bidder's event	April 2020
Tender deadline for submissions	July 2020
Tender evaluation and due diligence	September 2020
Enter Gateway 2 decision on the Forward Plan	September 2020
DCRB Review Gateway 2	October 2020
CCRB Review Gateway 2	October 2020
Brief relevant Cabinet Member (over £100k)	October 2020
Agenda planning – Cabinet	November 2020
Notification of forthcoming decision – Cabinet	30/11/2020
Approval of Gateway 2: Contract award report	08/12/2020
End of scrutiny Call-in period and standstill and notification of implementation of Gateway 2 decision	16/12/2020
Contract award / mobilisation	January – March 2021
Current contract end date	31/03/2021

Community impact statement

85. The use, misuse and dependency of alcohol and / or other drugs are complex issues and are rarely just about use alcohol and / or other drugs. Simply providing alcohol and other drugs treatment services is not enough to address the treatment needs of some service users as for many, this will not be enough to prevent crisis or address wider factors and inequalities. Many individuals will have a long history of use of substances and periods of treatment engagement before they are able to break this cycle with some individuals requiring prolonged treatment engagement, in some cases throughout the life span, for the purposes of reducing harm.
86. There is significant evidence that effective drug and alcohol treatment reduces the harm arising from use, misuse and dependency and is effective in improving a range of outcomes for individuals, families, carers and communities. Positive outcomes do not arise from the successful completion of treatment alone, but are evidenced treatment commencement and engagement in improved health, stability, social functioning and reduction in crime.
87. Absence from treatment engagement, of which there are high levels in Southwark evidenced by the high prevalence estimates of unmet need (Appendix 1) imposes significant economic and social costs on the borough. These costs are primarily reflected in costs to the NHS associated with the treatment of acute and chronic drug and alcohol related conditions, in the costs of crime committed by individuals

using substances. Those with substance misuse issues are less likely to be in education, employment or training and leave school without qualifications, which has a cost to the local authority in relation to welfare and to the individual in terms of lower wages and poorer employment prospects.

88. A joint experimental statistical impact report from the Ministry of Justice and Public Health England, dated 26 October 2017, considered the impact of community-based drug and alcohol treatment on re-offending⁴. In summary, the research considered offending levels 2 years prior to treatment entry and 2 years post treatment engagement. At a local authority level, there was a 28% reduction in the number of offences committed in Southwark prior to treatment engagement when compared to post treatment engagement (788 to 567). This demonstrates that not only do drug and alcohol treatment services provide immediate, short term and long term health benefits; effective treatment also delivers wider benefits and impact for community safety through reduced offending levels.
89. Additionally, the services detailed in this report have a key role to play as a demand reduction mechanism within a community resilience and partnership approach to reducing the violence and vulnerability perpetrated towards children, young people and adults through drug markets and supply; commissioning effective and high quality drug treatment which is targeted towards key groups and meeting unmet need will support the borough's efforts to reduce demand for drugs, thus potentially impacting on drug supply and associated harms.
90. The absence of the provision detailed in this report would adversely impact Southwark's communities through an increase in unmet treatment need, increase in ill health for over one thousand vulnerable residents, increased crime due to drug and alcohol use, an increase in hospital admissions and public use of substances including injecting in public places, a rise in drug and alcohol related mortality, and a lack of perceived community safety and satisfaction for the residents of the borough.
91. The new contract will require that the successful provider(s) has premises located in the borough, and a strong understanding of the specific demography, needs and challenges facing residents. The future provision will be required to demonstrate a commitment to Southwark's communities, as will be detailed in the social considerations section of the GW1 report.

Social Value considerations

92. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing any procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured.
93. Social value considerations and how the delivery of these services can benefit the local area will be detailed in the GW1 report.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/674858/PHE-MoJ-experimental-MoJ-publication-version.pdf

Plans for the monitoring and management of project

94. The project will be managed by the DAAT, with delegated responsibility for the commissioning of Public Health drug and alcohol treatment provision, working collaboratively with Public Health and other interested parties. It will report into and receive governance oversight from the Safer Communities sub-group of the Southwark Safeguarding Adults' Partnership.
95. Current plans include:
- The completion of a JSNA document to support evidence based commissioning decisions;
 - Detailed review of an externally commissioned case mix and recovery outcomes audit to enhance understanding of the demography of individuals accessing treatment and what factors are the best indicators of treatment success
 - Considering good practice and different treatment system models from other localities
 - Working with key stakeholders to improve existing pathways such as mental health and improve service user experience
 - Engaging with stakeholders, including service users and people with lived experience, to ensure that their voices and views are central to the development of the service specification and future provision
 - Ensuring that all commissioned treatment is aligned with the most current evidence base

Resource implications

96. Resource implications will be detailed in the GW1 report.

TUPE/Pensions implications

97. There are no immediate implications arising from the recommendation of this report to continue to a Gateway 1 report that would have a direct bearing on the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Implications relating to TUPE and pensions will be considered in the GW1 and GW2 reports.

Financial implications

98. There are no financial implications arising directly from this report at this stage. All financial implications will be identified in the GW1 and GW2 reports and assessed against the Public Health budget allocations following the council's annual budget setting process

Legal implications

99. Please see concurrent from the Director of Law and Democracy.

Consultation

100. This report has taken into account comments and feedback provided to the council (DAAT) arising from service users, provider staff, partner agencies, stakeholders and other commissioning bodies during the course of the current contractual term.

101. The council is currently undertaking consultation with a wide range of interested parties as part of future planning, the details of which will be included in the subsequent GW1 report.

Other implications or issues

102. There are no other implications or issues arising directly from this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

103. The strategic director of finance and governance notes the recommendation to the Cabinet Member for Community Safety and Public Health to approve the strategic options assessment for the council's adult community specialist drugs and alcohol treatment services, and note the next steps set out in the report.

104. The strategic director of finance and governance notes that there are no additional financial implications arising from this report at this stage.

105. All staffing and other related costs to be contained within existing departmental revenue budgets.

Head of Procurement

106. This report seeks the approval of Cabinet for this Adult community specialist drugs and alcohol treatment services strategic options assessment as a consequence of potential funding cuts to this service that will be determined in coming weeks.

107. Paragraph 75 recommends that the best approach for future service delivery would be to undertake a EU compliant procurement exercise in line with the council's contract standing orders.

108. Risks and mitigation related to this service are outlined in the table below paragraph 77.

109. An assessment of the potential external procurement options, as well as an estimated budget for the procurement will be outlined in a future gateway 1 report following completion of market testing, and stakeholder / user engagement.

Director of Law and Democracy

110. This report seeks the approval of the cabinet member for community safety and public health to the strategic options assessment for the delivery of adult community specialist drugs and alcohol treatment services for the council and to note the next steps as further detailed in the body of the report.

111. Under contract standing orders, a pre-procurement/gateway 0 is required for any service contract with an estimated contract value of £10m or more. At this stage, the value of the possible procurement options is unknown, but it is felt appropriate to seek approval of the strategic options regardless of this value.

112. The cabinet member will note the intention to undertake a review to consider the size, complexity and risk of the services to be delivered which will inform the

procurement strategy, which will be brought for decision in a gateway 1 report in due course.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Title of document	Housing and Modernisation Communities	Donna Timms 0207 525 7497
GW1: Adult Integrated Drug and Alcohol Treatment System (10 February 2015)	Community Safety & Partnerships Drug and Alcohol Action Team	
GW2: Adult Integrated Drug and Alcohol Treatment System (15 September 2015)	160 Tooley Street London SE1 2QH	
GW3: Adult Integrated Drug and Alcohol Treatment System (6 September 2018)		
GW3: Adult Integrated Drug and Alcohol Treatment System (10 March 2019)		
GW3: Adult Integrated Drug and Alcohol Treatment System (29 October 2019)		

APPENDICES

No	Title
Appendix 1	Demographic information

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Cabinet Member for Community Safety and Public Health	
Lead Officer	Professor Kevin Fenton, Strategic Director of Place and Wellbeing / Director of Public Health	
Report Author	Donna Timms, Unit Manager – Drug and Alcohol Action Team	
Version	Final	
Dated	9 December 2019	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Director of Exchequer (For Housing contracts only)	N/A	N/A
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	Yes
Date final report sent to Constitutional Team		9 December 2019