

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 20 November 2020	<b>Meeting Name:</b> Cabinet Member for Public Health and Community Safety
<b>Report title:</b>		<b>Gateway 3 – Variation Decision</b> Extension of contract - Adult Integrated Drug & Alcohol Treatment System (AIDATS)	
<b>Ward(s) or groups affected:</b>		All wards; individuals with drug & alcohol dependencies; their families, children, carers and communities	
<b>From:</b>		Strategic Director of Environment and Leisure	

## RECOMMENDATIONS

That the Cabinet Member for Public Health and Community Safety:

1. approves the extension of the AIDATS contract with change, grow, live services limited (cgl) for a maximum period of 12 months commencing on 1 April 2021 at a contract value of £3,420,731, and with a 3 month break clause.
2. notes that the need for this variation has arisen as a direct consequence of the impact of the COVID-19 pandemic on the procurement of a new service contract in 2020-21 and is necessary to ensure service continuity whilst the delayed procurement is planned and delivered in 2021-22.

## BACKGROUND INFORMATION

3. Local authorities are required to provide drug and alcohol treatment services as part of their Public Health grant conditions. As well as preventing deaths from drug and alcohol misuse, treatment services contribute to a number of council priorities, including preventing violence and crime, including that arising from drug markets and youth violence, as well as domestic abuse; tackling unemployment, homelessness and rough sleeping; safeguarding children; and reducing the burden on both adult and children's social care services. Public Health England estimates that drug treatment reflects a return on investment for society of £4 for every £1 invested, and that alcohol treatment reflects a return of investment for society of £3 for every £1 invested.<sup>1</sup>
4. The current service is delivered under the AIDATS service contract, contracted to cgl (a wholly owned, non-charitable, trading subsidiary of change grow live, which is a registered charity delivering health and welfare services), which expires on 31 March 2021.

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<sup>1</sup> <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

5. The service provides a range of community-based Tiers 2<sup>2</sup> and 3<sup>3</sup> 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.
6. In addition, 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.
7. The current service has made some great achievements in supporting a highly chaotic and complex treatment population to tackle their drug and alcohol misuse. It has demonstrated its ability to help new entrants to the treatment system to reduce their drug and alcohol use and reduce harm to themselves and others.
8. On 29 October 2019, cabinet approved a GW3 report recommending a fifteen-month contract extension of the AIDATS contract to cgl's between 4 January 2020 and 31 March 2021, and with a contract value of £4,275,914.
9. In October 2020, the Strategic Director of Environment and Leisure approved a GW3 report recommending a variation of contract, in relation to COVID-19 supplier relief, for contractual Key Performance Indicators (KPIs) impacted by the pandemic for the period between 1 April 2020 and 31 March 2021.
10. The AIDATS service is commissioned in line with the HM Government UK Drug Strategy 2017<sup>4</sup>, which has two overarching aims: to reduce illicit and other harmful drug use and to increase the rates of people recovering from their dependence. The performance of local authority commissioned drug and alcohol treatment systems is captured through a range of National Drug Treatment Monitoring System (NDTMS) data measures used by Public Health England (PHE) to monitor drug and alcohol treatment service provision and how effective it is in supporting people to address their substance use. A locally agreed data set is also used for monitoring effectiveness, but this is not NDTMS reportable.
11. As at September 2020, the current Tier 3 (structured treatment with a recovery plan) caseload breakdown is set out in Table 1. When compared to September 2019, there has been an increase of 130 individuals receiving treatment, of which 79 are in the opiate cohort. This data does not include people who receive a brief intervention or unstructured treatment support, as this is not NDTMS reportable.

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<sup>2</sup> Tier 2 - Low threshold substance misuse specialist interventions i.e. harm reduction

<sup>3</sup> Tier 3 – Structured care planned interventions i.e. prescribing and psychosocial interventions

<sup>4</sup> <https://www.gov.uk/government/publications/drug-strategy-2017>

Number of Clients in Structured Treatment (Tier 3)	
Opiate	754
Number of opiate clients prescribed Opiate Substitution Therapy within the community	523
Alcohol	139
Non-opiate	54
Non-opiate & alcohol	103
Total in T3 Treatment	1050

Table 1: Number of service users in structured treatment (Tier 3) – September 2020

## KEY ISSUES FOR CONSIDERATION

### Key aspects of proposed variation

12. The variation recommended in this report relates specifically to a 12-month extension of contract, with a 3-month break clause, with the existing provider cgl. It is proposed that this extension will commence on 1 April 2021, with a revised contract completion date of 31 March 2022, and with a maximum contract value of £3,420,731.
13. With all extension options being exercised, the original contract was due to expire on 3 January 2021. It has previously been varied in a GW3 report dated 29 October 2019 to extend it for a period of fifteen months between 4 January 2021 and 31 March 2022; this includes a 3-month period beyond the 5-year contractual term.
14. 'COVID-19: guidance for commissioners and providers of services for people who use drugs or alcohol'<sup>5</sup> published by PHE and Department of Health and Social Care (DHSC) on 15 April 2020 states that: 're-commissioning and re-tendering of standard services will likely need to be kept on hold for the duration of the COVID-19 pandemic'. In response to this, a work programme has commenced with a key focus on market resilience testing with providers to assess prospective responses to a tender of this level of risk, scale and size and this will support local decisions on an updated procurement timetable.
15. This GW3 report seeks approval for a further contract extension of 12 months that was not envisaged in the original 5-year contractual term. This has arisen as a

<sup>5</sup> <https://www.gov.uk/government/publications/covid-19-guidance-for-commissioners-and-providers-of-services-for-people-who-use-drugs-or-alcohol/covid-19-guidance-for-commissioners-and-providers-of-services-for-people-who-use-drugs-or-alcohol>

direct consequence of the impact of the COVID-19 pandemic. The extension is necessary to ensure critical service continuity for vulnerable residents engaged in drug and / or alcohol treatment whilst officers plan and deliver the delayed procurement.

16. The estimated maximum value of this proposed variation is £3,420,731, combined with the maximum value of the original three year contractual period (4 January 2016 to 3 January 2019) is £14,346,969, plus the previous 27 month contract extensions of up to a maximum value of £7,813,381 (4 January 2019 to 31 March 2021) brings the total maximum aggregate contract value to £22,160,350. The value of this extension as a percentage of the overall contractual period is 15.4%.

### **Reasons for variation**

17. The reasons for this variation are as detailed in paragraphs 13 and 15.
18. The (EU) Public Contracts Regulations (PCR) 2015 permit modifications to existing contracts of this nature without the need for a fresh procurement exercise in certain limited circumstances and this is confirmed within the concurrent report of the Director of Law and Democracy.

### **Performance**

#### What can be expected of drug and alcohol treatment?<sup>6</sup>

19. A broad range of measures are available to local authorities in assessing the effectiveness of commissioned drug and alcohol treatment provision including abstinence and reduced rates of use, injecting, overdose, physical and psychological health and mortality, criminal involvement and social functioning (relationships, housing and employment).
20. There is considerable and consistent evidence that an effective opioid substitution treatment (OST) programme will reduce rates of drug use, injecting and mortality. OST is an important driver of crime reduction, with offending behaviour reduced in line with the period of time spent in treatment. Overall, research literature indicates that treatment is likely to reduce significantly the social costs associated with misuse and dependence and evidences a net benefit-cost ratio.
21. Local factors can strongly influence on treatment effectiveness: for example, areas with high levels of social deprivation have higher prevalence of opiate and crack cocaine use and larger numbers of people in treatment. Additionally, unstable housing, unemployment and family conflict have a negative impact on treatment outcomes and exacerbate the risk of continued substance use or relapse; these factors are often unable to be influenced by commissioned providers and require a partnership working approach with other agencies and services.
22. Around 75% of people in treatment are receiving interventions for opiates (heroin) use; this picture is mirrored locally with around 71% of people engaged with cgl

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<sup>6</sup> <https://www.gov.uk/government/publications/drug-misuse-treatment-in-england-evidence-review-of-outcomes>

citing heroin as their primary drug. PHE estimates that the number of people in treatment with multiple complexities and entrenched use will increase over time and this will result in a reduction in the number of people who successfully complete treatment. Locally and nationally, the number of older heroin users, (aged 40 years +), in treatment is continuing to rise and this ageing cohort, whose use dates back to the 1980s and 1990s, is now evidencing the cumulative physical and mental health impacts of years of entrenched use and are at heightened risk of overdose.

23. PHE further notes that there are challenges in supporting people with complex needs and a long treatment history to achieve recovery, with many of this cohort being retained in treatment for their life course to reduce harms. It is estimated that there will be an increase in the number of people in long-term treatment for heroin dependence who die from health conditions and overdose.

#### Overview of local performance

24. As noted in paragraph 19, there is an extensive range of measures available to assess the effectiveness of the local treatment system. Formal contract review, undertaken on a quarterly basis, captures a comprehensive and detailed overview of these. Due to the sheer breadth and extent of these measures, it is not possible to report succinctly on these within this GW3 report. Thus, the performance reported below only provides a top-line view and does not fully reflect the breadth of performance.

25. Southwark's local treatment population mirrors the national trend of an ageing cohort of heroin and crack users with entrenched drug use and complex vulnerabilities. A clinical audit undertaken in 2019 identified 63% of the caseload were aged 45 years + with the key themes identified of an older user population with chronic comorbidities, extensive physical and mental health problems linked to substance use and ageing, ongoing illicit Class A drug use and social isolation.

26. The demographics of the treatment system population present particular challenges for achieving the highest levels of performance in relation to the contractual KPIs of successful completion and planned exit from treatment and sustained recovery. Whilst recovery is an aspiration for all of our residents with drug and / or alcohol treatment needs, the complex presentations of a large proportion of people with entrenched drug use and chronic comorbidities means that they are much less likely to leave treatment and will potentially be receiving treatment for their life course.

#### Summary of service performance

27. Restricted service performance is detailed in a closed version of this report. The service has also been proactive during the coronavirus pandemic to accelerate the rollout of naloxone and lockboxes, to reduce potential harm to service users and their families. The service has been successful at reducing illicit drug use "on top" of Medically Assisted Treatment (MAT) (e.g. methadone).

#### KPI: Prison to community engagement rate

28. This measure relies upon local data. Higher levels of performance are indicative of a strong prison to community transitional pathway, which is of significant importance in reducing risk to life through overdose on release.

KPI: Outcomes Star (90% of service users entering treatment have an Outcomes Star)

29. Outcomes Star is an evidence-based visual tool for helping service users to monitor their own change during treatment. High levels of compliance indicate that service users are being supported to develop skills in mapping their own progress in treatment across a number of domains.

Medication Assisted Treatment (MAT) and reducing rates of illicit drug use on top of prescription

30. A 2019 clinical case review identified that 69% of the treatment population receiving MAT (e.g. methadone) were continuing to use Class A drugs “on top”, which is a barrier to recovery. There has been a priority focus on reducing high levels of use “on top” during the current period of extension.

31. As a response to the intense pressures on local pharmacies during lockdown, a significant proportion of MAT service users (90%) were risk assessed and transferred to unsupervised consumption of medicines. There were concerns that some clients might be tempted to abuse their substance misuse medicines during this period. However, there has been instead a reduction in the numbers of service users using illicitly on top.

Naloxone and safe storage

32. Naloxone is a drug that can reverse the effects of opioids and can save lives in an overdose situation. Anyone can use naloxone in an emergency and the service offers it to all MAT service users as well as others who may be present for an overdose. The service also provides training and kits to a range of agencies in contact with drug users, for example hostels.

33. There has been an increase in the naloxone offer and uptake rates during the 5-quarter period, with particular local efforts being made in response to the pandemic and increased overdose risk. There has been a notable increase in naloxone uptake since the start of the pandemic with a positive upward trend from around half of all MAT service users holding the drug on 23 March to nearly three quarters being in possession of naloxone on 14 October 2020. These percentages only reflect the direct provision of naloxone to individual service users, and does not capture the additional extensive dissemination of the drug to local agencies and to the GLA funded Waterloo Travelodge accommodation for rough sleepers.

34. A positive doubling in the provision of safe storage boxes to support MAT service users (46%) to keep their medicines safe in the home has also been observed. This only captures new provision; many service users already had safe storage options and did not require a new box.

## Service Impact Study

35. The service also undertakes a local assessment of service impact. Positively, the rates of reported improvement for people using alcohol or drugs in all categories far outweighs the rates of reported deterioration. High rates of improvement are also reported in relation to crime, housing problems, unsuitable housing or eviction risk compared with relatively low rates of deterioration.
36. The challenges that service users experience in accessing education, training or employment due to their substance use is identified in the data, and this highlights the importance of an effective partnership approach working with DWP and other agencies to improve opportunities.
37. A number of other service highlights in 2019-20 are set out below.

<b>CGL Southwark Highlight</b>	<b>Service</b>	<b>Details</b>
Conversion rates		92% of all new presentations to the service in 2019-20 commenced structured treatment. Conversion rates were particularly high for the opiate cohort which had a 97% commencement rate.
Outreach		In 2019-20, 120 outreach contacts were made by the outreach worker (not including inreach engagement) with 60% of contacts entering treatment. This is considered successful due to the complexity and difficulty in engaging 'hard to reach groups' into treatment.
Psychosocial interventions		In 2019-20, 667 groups were delivered with 2198 service user group attendances recorded and 10,991 1:1 appointments were delivered.
Alcohol Community Detox (ACD)		27 ACDs were undertaken in 2019-20 with 100% completion rate.
Carers and family support		In 2019-20, 20 families received support from the service with 100% receiving overdose prevention training. 29 children and young people were held on the Hidden Harm caseload during the period.

38. Service user feedback is reported in the consultation section of this report.

### **Future proposals for this service**

39. A GW1 procurement strategy report was approved at the cabinet meeting of 7 April 2020; this set out an intention to re-procure a new adult drug and alcohol treatment system service contract (for up to 12 years) with timeline to be confirmed. It is the council's intention to progress the approved procurement as soon as possible with consideration given to national guidance, and work is underway to facilitate this.

## Alternative options considered

40. The following options have been considered and discounted.
41. **Cease to commission the services on 31 March 2021 when the current extension ends:** The services are funded from the Public Health grant allocation with a condition attached to the payment of the grant with the AIDATS contract representing the major vehicle for meeting this condition.
42. The contract represents the only adult community specialist drug and alcohol treatment service provision in the borough and is the primary vehicle for reducing demand for drugs and / or alcohol, and preventing drug related death, in residents over 18 years. The service supports 90% + of all service users engaged with specialist drug and alcohol treatment in Southwark. Loss of access to treatment would result in significant risks to health and wellbeing and in some cases to life, for some of the borough's most vulnerable residents.
43. **Deliver the approved procurement strategy with a new contract to be in place by 1 April 2021:** there is not sufficient time to undertake a procurement of the scale and size to deliver a new service contract for commencement on 1 April 2021. Additionally, revised timescales for the procurement of a new service contract are yet to be finalised, and are subject to market resilience testing (to be completed in Q3 2020-21) and national guidance.
44. **Extend the current contract for a period of 12 months:** This is the preferred option.

## Identified risks for the variation

45. The identified risks for the variation are detailed in the table below.

Risk	Risk level	Mitigation
Southwark's 2021-22 Public Health grant funding is not yet formally confirmed, nor is the funding allocation for drug and alcohol treatment services.	Low	The HM Government autumn 2020 spending review is yet to take place. Due to financial pressures, there will be no additional funding available for the services in 2021-22. Conversely, the 42% reduction in contract value since 2014-15 has resulted in no savings being currently proposed against the budget line in 2021-22. As previously, steps will be taken to mitigate financial risk with a 3-month break clause stated in the terms and conditions. The

		contract will reflect the degree of uncertainty of funding. Where funding allocation is reduced during the extension period, cgl's will be informed at the earliest opportunity and officers will liaise closely with the provider in order to limit the impact on frontline service delivery.
Further delays to the new procurement process resulting in the requirement for a further extension period	Medium	Current national guidance that 're-commissioning and re-tendering of standard services will likely need to be kept on hold for the duration of the COVID-19 pandemic' is noted. A programme of testing market resilience to respond to a tender of the scale, size and risk will be delivered in Q3 20-21 with results feeding into the development of a new procurement timetable and this will be taken forwards as soon as possible. Pandemic restrictions will be monitored, but future uncertainty cannot be mitigated. Any further delay and the need for another extension due to the pandemic would be aligned with the relevant contract regulation.
Risk of legal challenge due to an additional 12 month extension beyond the original contractual term	Low	The council proposes to commence a procurement exercise for a new service contract at the earliest appropriate opportunity and with assurance that the market will be able to respond. The need for this further extension has arisen as a direct consequence of the pandemic. Regulation 72 (1)(c) will be relied upon.
Non-compliance with	Low	Proposed performance

performance measures due to continued impact of COVID-19 pandemic and HM Government restrictions during the period.		measures include a range of NDTMS and locally recorded indicators allowing for different gauges of treatment system effectiveness to be considered in accordance with the phase of the pandemic and HM Government restrictions during the period.
Issues arising from Brexit impacting on service delivery or procurement process	Low	The provider has confirmed that Brexit impact is unlikely with medicine supply chains all based in the UK. Procurement related changes (EU Public Contracts Regulations 2015) will be monitored by the council and officers will take any advice and requirements into account when planning and delivering the procurement.

## Policy implications

46. Public health services aimed at reducing alcohol and / or other drug 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.’*”
47. The drug and alcohol treatment provision detailed within this GW3 report represents the council’s major vehicle for adhering to the Public Health grant condition. It should be noted that 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.
48. The contract offers a range of benefits and impacts on cross council priorities as well as playing a key role in the successful delivery of the Southwark Council Plan Refresh 2020-22 in relation to the following Fairer Future themes:
- *A place to call home* – addressing problematic or dependent drug and / or alcohol use supports people to sustain accommodation tenancies and improves housing resilience within a holistic approach to care planning. Additionally, engagement with effective drug and / or alcohol treatment for people sleeping

rough plays a key role in supporting the council's ambition to end rough sleeping in the borough.

- *Climate emergency* – the location of the service hubs in the heart of the borough are easily accessible through public transport, cycling and walking. The majority of outreach provision is delivered through non-vehicular means. An enhanced virtual treatment offer, developed through our COVID-19 pandemic delivery model learning, enables service users to engage from home, thus reducing carbon emissions. Engagement with treatment also supports the reduction of the discarding of drug related paraphernalia in public places.
- *A green and fair economic renewal* – the service supports service users to identify education, training and employment needs and to engage with appropriate services to improve opportunities for sustainable employment. Achieving stability in treatment and sustained recovery enables service users to find work, access training and achieve their goals as well as contributing to the local economy.
- *Tackling health inequalities* – 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 outcomes. Addressing substance use helps to tackle health inequalities arising from the same, including supporting people to improve mental health through a reduction in substance use as well as to act as an entry point to facilitating access to blood borne virus testing and treatment.
- *A great start in life* - The service has a key role to play in improving the life chances of children of parental substance users and reducing harm.
- *Southwark Together* – Effective drug and alcohol treatment provides a platform for facilitating opportunities to improve life chances and outcomes for many of the borough's most vulnerable residents. Where people are supported to address their substance use, to reintegrate with their community, and are able to access opportunities to improve their life chances, a more fair and just borough is created.

49. 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.”*

50. 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 drugs and / or alcohol 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*

51. 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.”* The service contract supports the delivery of both of these aims with a focus on both *reducing demand* and *building recovery* in Southwark’s communities as follows:

- *Reducing demand* – the services prevent the escalation of drug use in all adults including targeted intervention and support offers for the most vulnerable individuals.
- *Building recovery* – commissioners and provider(s) work closely together throughout the duration of the contractual term to improve the quality of treatment and outcomes for a range of user cohorts; there is 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.

52. 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 is delivered through the AIDATS contract.

53. In 2019, the council 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 AIDATS contract's key premise is to reduce demand for drugs, thus helping to reduce the criminal exploitation of vulnerable people in drug supply chains, through the provision of high quality treatment services.

54. 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*

### **Contract management and monitoring**

55. The Drug and Alcohol Action Team (DAAT) in the Communities Division of the council will maintain lead commissioner responsibility for the management and monitoring of the contract. This is primarily achieved through formal quarterly contract review meetings, aligned with the NDTMS data schedule, with the provider in addition to day-to-day contact to fulfil the purpose of monitoring oversight and a proactive approach to service development. Performance reporting will comply with Contract Standing Orders. No changes to these processes are proposed.

56. Formal quarterly contract review meetings take the format of contract monitoring reports and meetings with provider representatives. The provider is required to submit comprehensive technical and financial information to the DAAT ahead of the formal meeting, which is scrutinised prior to the formal meeting with clarifications dealt with prior to the review. Collaborative working is promoted, although the risk lies with the provider.

57. In response to the pandemic, a weekly review meeting takes place between the council and provider for the purpose of information sharing, support and resolution. The contract contains appropriate remedies in the event of default.

58. By way of further mitigation for any non-compliant performance observed which could suggest service user needs are not being met, service user feedback will continue to be sought from the Recovery Support Service (RSS) on a regular basis

to enable the council to assess service user views of the provision and to identify any changes required to meet needs.

59. Governance for the contract is provided through the Safer Communities sub-group on a quarterly basis, which directly reports to the Southwark Safeguarding Adults Board (SSAB).
60. The existing contract has a robust equalities and diversity monitoring framework which is aligned with the council plan priorities. The baseline data collected allows identification of need of any particular cohort engaged with the service that needs to be addressed as well as providing a picture of which groups are not accessing the service.
61. The services provided within the contract are available to all adult residents aged 18 years or over regardless of gender, sexual orientation and faith and protected characteristics. As such, the services could be considered to be universal.

### **Community impact statement<sup>7</sup>**

62. Drug and alcohol misuse and dependence can result in significant economic, health and social harms to users, their families and the community. These include poor physical and mental health, homelessness and rough sleeping, family conflict, involvement in crime and unemployment. The health and wellbeing of family members and friends is often impacted by an individual's substance use and a United Kingdom Drug Policy Commission study identified an estimated annual cost of £2bn for these groups aligned with financial support, lost employment opportunities, health service use and being a victim of crime.
63. The use of heroin and crack is strongly aligned with the majority of societal costs of untreated dependence; this is because addiction to these substances is expensive and provides a motivation to commit crime to fund use. Adult drug users not in treatment typically spent £231 per week on drugs in 2009. The cost of illicit drug use to society is substantial with the Home Office estimating £11.4bn in 2015-16 aligned with enforcement, crime, use of health services and deaths.
64. There is significant evidence that investment in effective drug and alcohol treatment significantly reduces the harms of misuse and dependence, and is effective in improving a range of outcomes for all in society. Positive outcomes do not arise from the successful completion of treatment alone, but are evidenced from treatment commencement and engagement in improved health, stability, social functioning and reduction in crime.
65. The most recent value for money evidence is detailed in paragraph 3.
66. The service also has 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

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<sup>7</sup> <https://www.gov.uk/government/publications/drug-misuse-treatment-in-england-evidence-review-of-outcomes>

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.

67. The absence of this contract would adversely affect Southwark's communities through an increase in unmet treatment need, ill health, crime, 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.
68. Pursuant to section 149 of the Equality Act 2010, due regard has been given to the Council's decision making processes to the need to:
- a) Eliminate discrimination, harassment, victimisation or other prohibited conduct.
  - b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
  - c) Foster good relations between those who share a relevant characteristic and those that do not share it
69. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The Public Sector Equality Duty also applies to marriage and civil partnership, but only in relation to (a) above.
70. Officers have taken steps to ensure compliance with the Public Sector Equality Duty imposed by the Equality Act 2010:
- An updated Needs Assessment undertaken in 2017-18;
  - A new Joint Strategic Needs Assessment in development in 2020-21;
  - Detailed consideration of service level data in relation to treatment access and engagement for individuals with protected characteristics on a quarterly basis;
  - Priority given to investigating and resolving any equalities based issues that arise on a day to day basis to ensure that the service is inclusive for all;
  - Consideration of monthly feedback received from the RSS pertaining to all aspects of the treatment service;
  - The consultation exercise, which took place as part of the original tender process in 2015, influenced and informed the drafting of the service specification (so that it covers the range of issues and needs identified by needs assessment and the consultation)
  - The findings from a clinical case review undertaken in 2019-20, and subsequent consultation event in October 2019, have been used to consider inequalities and needs in the treatment population, and to develop the services accordingly;
  - An updated Equality Impact Assessment was completed in December 2016; this was reviewed and updated in July 2018. The report recommendations are informed by the outcome of the EQIA.
  - The most recent EQIA will not be updated for this GW3 report, as there is no change to the service provision.

## **Social Value considerations**

71. 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 wellbeing of the local area can be secured. Social value considerations and how the delivery of these services can benefit the local area are detailed below:

### **Economic considerations**

72. The services will continue to be located and primarily delivered within the boundaries of the borough providing local economic benefits for residents employed as staff and service users who are supported to contribute to the local economy through addressing their alcohol and / or other drug use and seeking employment where appropriate.

73. There will be a continued requirement for the provider(s) to pay London Living Wage (LLW) to all employees involved in the delivery of the contract during the extension and this has been confirmed by the provider.

74. The service contract brings additional economic value to the borough as follows:

- Creating skills and training opportunities – the service currently works in close partnership with the council's commissioned RSS (as detailed in paragraph 58) which provides service user involvement and peer mentoring to service users in treatment by individuals with lived experience of substance use who have experience of Southwark's treatment service provision and are further along their recovery journey.
- As part of integrated working arrangements and creating capacity within the treatment system, cgl's offers training opportunities for RSS peer mentors and supports their skill development in knowledge of substance use treatment and delivery to enable them to deliver interventions and co-facilitate groups alongside the provider staffing team.
- Creating employment opportunities for the long-term unemployed or those not in education, employment or training – the service provides routes into volunteering and employment for ex-service users on completion of their treatment, or as part of their long-term recovery journey.
- Opportunities for apprenticeships – the provider is approaching the council to explore opportunities to support both administrative and health and social care apprenticeships.
- Educational placements – cgl's supports local educational establishments with student placements; currently, this includes student social workers and counsellors with the provision of management and supervision for the student and engagement with the educational provider.
- Volunteering – cgl's are engaged with volunteering services in Southwark to promote service user volunteering as well as providing opportunities for volunteers to gain experience through working with the provider.

### **Social considerations**

75. The service contract in itself is about social value – funding high quality alcohol and / or other drugs treatment and support brings significant benefits to the local area,

economy, health, and wellbeing of Southwark's residents and helps to create a more fair and just borough.

76. The key priority for service provision is to improve the health and wellbeing of Southwark residents with drugs and / or alcohol treatment needs, their families, carers and communities and to reduce inequalities. A range of performance measures are in place to monitor service benefits, effectiveness and outcomes; these include physical and mental health, employment, training and education, service pathways and conversion rates, waiting times and completion of treatment.
77. The service contract provides additional opportunities for individuals or groups facing greater social or economic barriers. As previously detailed, engagement in treatment reduces social and economic costs to the borough. Through a robust case management approach, service users are supported to reduce the chaotic aspects of their use through the provision of an opportunity to increase stability and to recover from dependence / problematic use; this is achieved by helping them to navigate a wide range of services to meet their needs and improve their health, wellbeing and social functioning.
78. Service users are encouraged to engage with the local treatment recovery community in order to establish meaningful use of time to fill the periods that would have previously been focused upon substance use and related activities; this engagement also helps to improve social connectedness and reduce loneliness and isolation for some of the borough's most vulnerable residents.
79. The council places a high level of emphasis on treatment community engagement within this service to ensure that the voices and views of service users are visible in service design and development. Opportunities for treatment community engagement are well publicised, utilised, and enhanced by the RSS.
80. Southwark has high prevalence rates for unmet drug / alcohol treatment need. In order to tackle this, an enhanced assertive outreach approach is embedded within the service specification to engage with people that are hard to reach or for whom services are difficult to access. The ring fenced outreach post, which will continue throughout the duration of this extension, has delivered significant benefits in engaging with these individuals and groups and assertively bringing them into treatment.
81. Additionally, cgl has committed to enhancing outreach provision with increased capacity within the existing contract value beyond the ring fenced outreach post for the duration of the period of extension.
82. Whilst the provision is predominantly focused upon adults aged 18 years +, there will be a continued presence of hidden harm provision delivering a structured support service for children and young people affected by parental or sibling drug and / or alcohol use in order to promote emotional health, wellbeing, protective factors and resilience. This will add social value to enable vulnerable children affected by alcohol and / or other drugs to receive support.

83. As an organisation, cgl uses Inklusive Community Interest Company to manufacture and supply wooden safe storage boxes. Inklusive's business activities provide employment opportunities for disadvantaged and disabled people. Where possible, they employed these groups and they work with their partners and customers to encourage employment opportunities for them too.

### Environmental/Sustainability considerations

84. The service supports and promotes responsible behaviour initiatives such as encouraging injecting service users to not discard drug related litter and paraphernalia in public spaces. Additionally, the safe storage boxes supplied by Inklusive CIC are manufactured from sustainable materials and are also easily recyclable.

85. During a 12-month period, the service prevented 6.42 tonnes of waste from going to landfill. Service waste has been recycled into mugs and bottles and has also been used to generate renewable energy (3,033kwh of electricity). The report notes that 1.5% of waste went to landfill because of a shortage of incineration facilities for feminine sanitary waste with suppliers looking to boost capacity in the future to convert this type of waste into energy.

86. Other initiatives include:

- Paper usage offset by planting a corresponding number of trees (called Re-leaf)
- All electricity used is certified Green electricity.
- Partnership with Sustainable Waste and Fat Face to provide clothes to service users
- Working with key suppliers to reduce carbon emissions (a significant number of deliveries are carbon neutral)
- Reduction of single use plastics
- Accreditations with: ISO14001 (Environmental Management System), Energy Savings Opportunity Scheme and SECR (Carbon Reduction)

### Financial Implications

87. The approved annual contract values, since service commencement, are as follows:

Contract period	4 Jan 2016 – 3 Jan 2017	4 Jan 2017 – 3 Jan 2018	4 Jan 2018 – 3 Jan 2019	4 Jan 2019 – 3 Jan 2020	4 Jan 2020 – 3 Jan 2021	4 Jan 2021 – 31 Mar 2021
Maximum contract value	£3,913,104	£3,513,667	£3,499,467	£3,537,467	£3,420,731	£855,183

88. The contract values for the first three years were not index linked and did not increase year on year. Whilst provision was made for a possible uplift in contract

value in years 4 and 5 for the purpose of contract extension options to account for potential increased activity (up to an additional £365,567 per year), this was not exercised in full in year 4 due to the severe and enduring budgetary pressures on the council's Public Health grant and was not exercised for the period between 4 January 2020 and 31 March 2021 on the basis of the same rationale.

89. Officers recommend a contract value of £3,420,731 is allocated to the proposed 12-month extension period between 1 April 2021 and 31 March 2020.
90. The GW2 report dated September 2015 detailed a maximum<sup>8</sup> contractual value of £18,656,306 for the full 5-year contractual term. Taking into account the additional fifteen months extension of contract not envisaged at the start of the term, the revised maximum contract value is £22,160,350.
91. In order to safeguard the council's investment into the contract, invoices will continue to be generated and paid on a monthly basis throughout the duration of the extension. Due to the change from a charity to limited company, cgl is able to reinvest reclaimed VAT into services for Southwark, as per the GW3 report dated 10 April 2019.

## **Legal Implications**

92. Please see legal concurrent

## **Consultation**

93. No formal consultation processes are proposed in relation to the recommended variation of contract with significant processes underway to inform the new service provision.
94. Officers, in conjunction with cgl and the RSS offer a range of mixed methods for feedback opportunities to service users in addition to the standard engagement and feedback processes that take place as part of contract monitoring and review.
95. Since lockdown, the RSS manager has met virtually with the peer mentoring team twice weekly and with a service user option to engage on a weekly basis. The increased frequency of meeting has been with a view to monitoring provision from cgl throughout the difficult times of the pandemic. Feedback has been positive with regards to maintaining treatment for current service users, whilst supporting new service users into the AIDATS with detailed feedback as follows:
- The creativity and speed of the cgl response to lockdown was remarkable. With a view to supporting service users, the service worked endlessly to ensure prescriptions were available at local pharmacies rather than through hub collection. This was communicated well to all service users. To support safety, cgl changed prescription regimes, in line with clinical risk assessment, to ensure service users did not need to attend the pharmacy

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<sup>8</sup> Acknowledging Payment by Results model between 4 January 2016 and 3 January 2020

more than necessary. This helped to reduce COVID-19 risk, supported independence, and reduced possible harm for service users.

- Service users were ensured rapid access to their keyworker, who were provided with phones to enable direct prompt access to support. Service users have fed back that this was helpful to their recovery. Furthermore, service users who were socially and financially excluded were given phones to enable them to access keyworker support, thus promoting digital inclusion.
- Service users found the availability of naloxone and safe storage boxes helpful. As children were off school, safety was paramount for families where a parent was storing medication in the home.
- Access to doctors continued. Rapid access to medically assisted treatment (MAT) prescribing continued to be available.
- There did not appear to be any disruption about waiting times or access (MAT).
- Service users appreciated the community detoxification option and phone support.
- cgl's demonstrated a flexible approach to groups. Zoom groups have been thoughtfully organised and well attended, being a lifeline for many people in reducing isolation.
- Overall – the service has been amazing.

96. Feedback received from a range of partners, including NHS Southwark CCG and Primary Care providers, indicates a high degree of satisfaction with cgl's.

## **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

### **Head of Procurement**

97. The Cabinet Member for Public Health and Community Safety approves the extension of 12 months from 1 April 2021 to cgl's for AIDATS at a cost of £3,420,731.

98. The Cabinet Member for Public Health and Community Safety notes the reasons for the extension are detailed in paragraphs 12 to 16. Performance of the contract to date is detailed in paragraphs 24 to 26 and the risks are detailed in paragraph 45.

99. The Cabinet Member for Public Health and Community Safety notes that this extension is on line with EU Public Contract Regulations 2015 and the council contract standing orders (CSOs).

100. The contractor confirms paying LLW detailed in paragraph 73.

## **Director of Law and Democracy**

101. This report seeks approval of an extension of an existing contract with change, grow, live services limited for the provision of the adult integrated drug and alcohol treatment service, as summarised in paragraph 1 and for the reasons stated in paragraphs 13 and 15.
102. The estimated value of the proposed contract extension is above the EU threshold for “light touch” services of this nature and the contract does not contain express provision for extension beyond its original term. This means that a fresh procurement exercise is required unless it is possible to satisfy one or more of certain limited permitted grounds for “modification” under the (EU) Public Contracts Regulations 2015.
103. Regulation 72 (1) (c) permits modifications in cases where all of the following conditions are fulfilled:-
- i. the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen;
  - ii. the modification does not alter the overall nature of the contract;

- iii. any increase in price does not exceed 50% of the value of the original contract.

Where this ground is relied upon the council must also publish a modification notice in the Official Journal of the European Union.

104. The report notes the steps which are being taken to procure a new contract for the delivery of these services and also notes the delay caused by the Covid-19 pandemic which has made it necessary to seek a further extension of the existing contractual arrangements.

105. The proposed contract variation is consistent with domestic legislation and the council’s Contract Standing Orders, which reserve the decision to approve the report recommendation to the Cabinet Member, following consideration of the report by the Corporate Contract Review Board.

**Strategic Director of Finance and Governance**

106. The report recommends the extension of the existing AIDATS contract with change, grow, live services limited (cgls) for a 12 month period until March 2022. Paragraph 89 notes the contract value is unchanged from the existing annual contract value.

107. As noted in the risk table at paragraph 45 the Public Health grant for 2021-22 and the subsequent allocations are yet to be confirmed. The table notes the retention of a 3-month break clause to mitigate the potential funding risk. Public Health should note the report as a commitment against the confirmed grant funding allocation for 2021-22.

**BACKGROUND PAPERS**

Background Papers	Held At	Contact
GW1 Procurement Strategy Approval	DAAT, CS&P, Communities, Environment and Leisure, 160 Tooley Street, SE1 2QH	Donna Timms DAAT Unit Manager 0207 525 7497
GW2 Contract Award Decision		
GW3 Variation Decision x 3		

**APPENDICES**

No	Title
None	

## AUDIT TRAIL

<b>Lead Officer</b>	Jin Lim, Interim Director of Public Health	
<b>Report Author</b>	Donna Timms, Unit Manager – Drug & Alcohol Action Team	
<b>Version</b>	Final V2	
<b>Dated</b>	19 November 2020	
<b>Key Decision?</b>	Yes	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Head of Home Ownership	N.A	N.A
Cabinet Member	Yes	Yes
<b>Contract Review Boards</b>	Yes	Yes
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>		19 November 2020