

Item No. 8.	Classification: Open	Date: 7 December 2021	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval All-Age Community Drug & Alcohol Early Intervention, Prevention, Recovery and Treatment System	
Ward(s) or groups affected:		All wards; residents of all ages with drug and / or alcohol support needs and / or affected by drug and / or alcohol use, their families and communities	
Cabinet Member:		Councillor Evelyn Akoto, Health and Wellbeing	

FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING

Drug and alcohol misuse and dependence can result in significant economic, health and social harms to individuals, families and communities. There is significant evidence that effective, high quality drug and alcohol intervention and treatment plays an essential role in reducing harm and health inequalities, and supports improvement across a range of outcomes for all in society.

A range of community evidence-based drug and alcohol services are commissioned in Southwark to meet the drug and alcohol support needs of residents of all ages, and to provide support for those affected by someone else’s substance misuse. There have been many successes in recent years, including parity of treatment provision for drug and alcohol users, and targeted support for groups that are not engaged in treatment to improve engagement, and to reduce drug related death. Since 2015, changes to the wider drug and alcohol landscape have brought challenges for the borough in how best to prevent an escalation of problematic substance use amongst young people and meet the needs of newer users, whilst continuing to offer appropriate and safe care for an aging cohort of heroin and crack cocaine users with multiple needs against a backdrop of central government reductions to the Public Health grant which funds the services.

Since the onset of the COVID-19 pandemic, a number of factors have combined to create a new opportunity to consider the provision of community drug and alcohol services in Southwark, with the development of a new all-age community model featuring a comprehensive range of early intervention, prevention, recovery, and treatment services to meet the support needs of all residents affected by drug and alcohol misuse.

The new contract comprises four age-defined pathways to capture the critical stages, transitions and settings where large differences can be made in promoting or restoring health from pre-conception to old age, with services targeted to those who need them most, and will amplify the voices and views of people with lived experience of drug and alcohol issues throughout the life course of the provision, ensuring that this is central to informing delivery, design and improvement.

The model will be underpinned by a trauma informed approach. It will reflect the complex interdependencies of drug and alcohol support needs across a range of services, with a high degree of importance placed upon effective partnerships to improve outcomes and reduce inequalities for our residents. Improving access through digital technology will be a priority as well as using our detailed understanding of people who use our services, and bettering our understanding of those who do not, to tailor the provision during the contractual term to meet locally identified need. Delivering services and working as part of the wider health and care system in Southwark will contribute to improving outcomes for people with multiple disadvantage and supporting a whole family approach.

Through our offer of an extended maximum contractual term, Southwark Council is leading the way nationally in demonstrating our responsiveness to the current treatment climate, and our commitment to ensuring we have high quality, safe and stable drug and alcohol service provision available in the borough and accessible to all residents who require it.

This proposal represents an exciting progression not only for the residents who benefit from drug and alcohol services in the borough, but also for their families, communities and the council.

RECOMMENDATIONS

That Cabinet:

1. Approves a public contract regulations (PCR) 2015 competitive procurement process for a community illicit drug and alcohol early intervention, prevention, recovery and treatment system for residents of all ages, with a total maximum annual contract value of up to £3,957,084 for an initial period of 3 years from 1 December 2022, with the option to extend for a period or further periods of up to 9 years in increments with break clauses at the council's sole discretion, making a total maximum contract value of up to £47,485,008 over a maximum 12 year term.
2. Approves a delegation of the Gateway (GW) 2 Contract Award decision to the Strategic Director of Environment and Leisure, in consultation with the Cabinet Member for Health and Wellbeing.
3. Notes the inclusion of the Rough Sleeping Drug and Alcohol Treatment Grant¹ (RSDATG) project, that is hosted within the adult integrated drug and alcohol treatment system (AIDATS) contract, as a requirement of contractual delivery until funding expires at a current future date to to be confirmed, which constitutes a funding award of £93,823, in addition to the funding detailed in recommendation one, for a period of four months between 1 December 2022 and 31 March 2023.

¹ funded by the then Ministry of Housing, Communities and Local Government (MHCLG - now Department for Levelling Up, Housing and Communities; DLUHC) and coordinated by the then Public Health England (PHE – now Office for Health Improvement and Disparities; OHID)

4. Notes the potential implications for the proposed contract in relation to 'Section 31 local authority grant for additional drug treatment crime and harm reduction activity in 2021/22' funding, as outlined in paragraph 19.

BACKGROUND INFORMATION

A: Setting the scene to this Gateway (GW) 1 report, and a new commissioning model for community illicit drug and alcohol service provision in Southwark

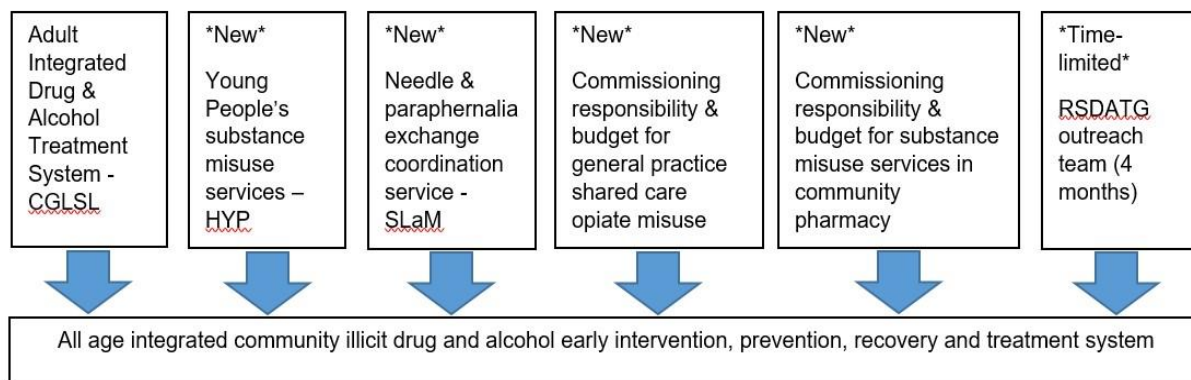
5. On 23 December 2019, the then Cabinet Member for Community Safety and Public Health (Cabinet Member for Health and Wellbeing) approved a Gateway (GW) 0 strategic options assessment report for the provision of adult community specialist drug and alcohol treatment services. The report recommended carrying out an LTR competitive procurement exercise under the PCR 2015 with the aim of seeking a prime provider, or consortium with lead provider, to deliver all of the requirements of the service specification for what was planned to be a re-procurement of the AIDATS contract currently delivered by Change Grow Live Services Limited (CGLSL).
6. The GW0 report detailed the 40% reduction in funding for adult community drug and alcohol services since 2014-15, and the ongoing uncertainty about the future funding of Public Health commissioned services (pending a HM Government spending review decision about the same). The substance misuse sector has seen significant funding reduction and demonstrable impact on frontline delivery. This was evidenced in the 'Independent report – Review of drugs part two: prevention, treatment and recovery' (Review of drugs: part two)² published on 8 July 2021, an independent report for government setting out recommendations for a way forward on drug treatment and recovery.
7. Despite this financial uncertainty, officers considered that it was a timely opportunity for the council to demonstrate its forward thinking and responsiveness to the current treatment climate, to build upon its demonstrable commissioning innovation for drugs and alcohol services, and the known commissioning impact of re-procurement on treatment delivery, and to lead the way nationally by recommending a maximum contractual term of up to 12 years, and this was approved as part of the GW0 report.
8. A longer potential contract term is a more attractive proposition for providers, and it represents a potential opportunity to build sustainability and longer-term partnerships within the service, whilst maintaining best value.
9. Subsequently, on 7 April 2020, cabinet approved a GW1 procurement strategy report for the aforementioned services for a maximum period of up to 12 years. The procurement was scheduled to take place in 2020-21, but was delayed by the COVID-19 pandemic in alignment with national guidance³ which, until 19 July 2021, stated that 're-commissioning and re-

² <https://www.gov.uk/government/publications/review-of-drugs-phase-two-report>

³ <https://www.gov.uk/government/publications/covid-19-guidance-for-commissioners-and-providers-of-services-for-people-who-use-drugs-or-alcohol>

tendering of standard services will likely need to be kept on hold for the duration of the COVID-19 pandemic’.

10. Delayed procurement timescales, sustained financial pressures on the Public Health grant, learning from benchmarking and the contractual delivery of a range of community drug and alcohol services, as well as the end dates for these services coming into alignment has presented a new opportunity for a revised community treatment system commissioning model in Southwark, as well as efficiencies in commissioning practice.
11. The previously approved GW1 report has been updated to provide an overview of the new model, with a return to cabinet to seek approval to procure a new community drug and alcohol early intervention, prevention, recovery and treatment system model for residents of all ages with illicit drug and / or alcohol support needs, and for those affected by the drug and / or alcohol use of a family member, including children. This will represent the first time in the borough that an integrated system approach to community drug and alcohol service provision has been adopted.
12. The new model provides an opportunity to deliver improved outcomes and reduce inequalities linked to drug and / or alcohol use for all residents, particularly children and young people (CYP), in addition to achieving efficiencies of scale through reduced overheads of multiple service contracts. It will pave the way for cohesion and integrated working throughout the life course in the borough’s approach to community treatment system delivery, and will support improved working with the criminal justice system, Partnership Southwark, and a range of other partners, including youth services, and services for older people. It will also release commissioner capacity to focus on service and system development, performance improvement, effective partnerships and strategic oversight.
13. In summary, it is proposed to contractually integrate a number of drug and alcohol treatment service functions into a single integrated community treatment system model for the borough that provides illicit drug and / or alcohol support for residents of all ages. The model proposes to embed delivery in communities and partnerships across Southwark, with the services accessible through defined pathways, dependent upon age and need. As well as the scope of the AIDATS contract, the service areas to be included in the new model are:



14. In some areas, a service for dependence on prescribed medication is included in the scope of the community contract, with funding provided by the NHS. This service is not included in the scope of the proposed contract as, at the time of writing and with consideration given to time constraints, it is not a developed proposal with an identified budget. Should this position change in the future, it will be addressed through the appropriate governance pathway, and in adherence with the council’s contract standing orders.

B: RSDATG funded outreach project

15. In autumn 2021, the council submitted a successful bid to the RSDATG, a £23m fund designed to provide extra support for people sleeping rough with drug and / or alcohol needs to help them to recover and to rebuild their lives, and was awarded funding for a drug and alcohol outreach service for rough sleepers to be hosted by CGLSL. Initially, the funding was awarded for fifteen months between 1 January 2021 and 31 March 2022 based on an annual cost of £281,469.08 (pro-rata), but the council has subsequently received confirmation from OHID that the funding will continue until 31 March 2023, with the potential for a further extension beyond this.

16. The aim of the outreach team is to develop a strong drug and alcohol treatment presence on the borough’s streets and work with existing rough sleeper services to assertively reach out to people sleeping rough and provide them with opportunities for treatment, including residential care.

17. Based on the proposed start date of the new contract, and the current end date of the RSDATG funding, there is a need to transfer the funding and delivery of the project, comprising a dedicated staffing team, from the AIDATS contract to the new proposed contract to ensure service continuity. This would equate to a funding award of £93,823.03 for the period between 1 December 2022 and 31 March 2023.

C: Section 31 local authority grant for additional drug treatment crime and harm reduction activity (universal drug treatment; UDT) in 2021/22 projects

18. In March 2021, the council was awarded £520k funding from the UDT grant for the purpose of helping to drive down the crime associated with drug markets, particularly acquisitive crime and violent crime, by expanding

treatment capacity for offenders and pathways between criminal justice and treatment services. It is also to be used to reduce drug-related deaths, primarily from overdose but also caused by infections. The funding covers a 12 month delivery period between 1 July 2021 and 30 June 2022.

19. Project funding to support achievement of these aims has been awarded to projects hosted within the AIDATS, Healthy Young People (HYP), and SLAM services detailed in paragraph 13. At the time of writing, the UDT grant funding end date is confirmed as 30 June 2022, and there are no implications for the proposed contract as the funded projects will end before the contract start date. In the event of confirmation of an extension of UDT grant funding beyond the start date of the new contract, this will be addressed in a future report and in line with contract standing orders (CSOs).

D: National policy context

20. Local authorities are required to provide Tiers 2, 3 and 4 drug and alcohol treatment services for adults and children and young people (CYP) as part of their Public Health grant conditions. Tiered services were outlined in 2002 in the then National Treatment Agency's (now OHID) Models of Care. This supports rational and evidence-based commissioning of drug and alcohol treatment in England with services grouped into four broad tiers of treatment:
 - Tier 1 – drug and alcohol interventions provided by generic providers (housing, health etc)
 - Tier 2 – open access interventions (engagement into treatment, pre-treatment support, harm reduction, retention in treatment)
 - Tier 3 – structured, recovery planned interventions, including pharmacological and psychosocial treatment
 - Tier 4 – residential drug and alcohol treatment (detoxification, rehabilitation) or pharmacological treatment for under 18s.
21. As well as preventing deaths from drugs and alcohol misuse, treatment services contribute to a number of council and societal priorities; helping to reduce health inequalities and improve mental and physical ill-health, supporting the reduction of violence and crime, including that arising from drug markets, youth violence and the exploitation of children and young people in county lines, as well as tackling domestic abuse; reducing unemployment, homelessness and rough sleeping; safeguarding children; and reducing the burden on both adults' and children's social care services.
22. Drug-related deaths (DRDs) in England and Wales are at their highest level since records began in 1993⁴, with a 52% increase over the last ten years. Men accounted for more than two-thirds of drug misuse deaths in 2020, with the rate of cocaine-related deaths in women increasing by more than 800%

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<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/bulletins/deathsrelatedtodrugpoisoninginenglandandwales/2020>

since 2010 (16 in 2010, 158 in 2020). Rates of drug related deaths are substantially higher in more deprived areas.

23. The number of deaths related to drug misuse in the borough between 2010 and 2020 is outlined in the table below. In 2020, Southwark had the 6th highest rate of drug misuse deaths of all the London boroughs, and this accounted for 4.39% of all drug misuse deaths in London⁵.

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
8	5	9	10	12	13	13	14	15	18	13

Table 1: DRDs in Southwark between 2010 and 2020⁶

24. Half of opiate-related deaths occur in people who have never been engaged with drug treatment, or who have not been engaged in drug treatment for several years (known as unmet treatment need). Opiate users in treatment receiving an Opioid Substitution Therapy (OST) prescription are less likely to inject drugs, overdose or contract blood borne viruses (BBV), thus demonstrating that treatment engagement reduces harm and improves health outcomes.
25. The most recent prevalence estimates, including unmet treatment need, for opiate, crack cocaine and alcohol users in Southwark are as detailed below.

Cohort	Most recent prevalence estimate (2016-17)		Local unmet treatment need	National unmet treatment need
Opiate	1980		55%	46%
Crack cocaine	1635		59%	61%
Opiate and crack cocaine	2492		61%	53%
Alcohol only	3729		85%	82%

Table 2: Prevalence estimates and unmet need⁷

26. Unmet treatment need has a significant impact on crime, including as a driver of drug markets through creating demand for drug supply, unemployment, homelessness and rough sleeping, safeguarding children and long term health resilience and reducing the risk of drug misuse death. There is a need to address this by actively identifying people that are not in treatment, and making attempts to engage them with the borough's treatment services. This will continue to be a key priority for the new service contract, with a view to reducing risk of drug related death and improving wellbeing.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/dataset/s/drugmisusedeathsbylocalauthority>

⁶ As 12

⁷ PCC support pack 2019/20 – key drug and alcohol data

27. Specialist drug and alcohol treatment for CYP up to 18 years differs to that available to adults aged 18 years and above in relation to factors such as age, maturity, safeguarding, responsibility, legal framework, developmental needs, and patterns of substance use issues. As such, commissioned services provide a range of interventions for resident CYP, from those that are preventative or brief in nature and designed to reduce escalation or respond to intoxication / toxicity harms, to those that are more structured and underpinned by a multi-agency care plan to support young people with more substantial levels of use.
28. The majority of CYP do not use illicit drugs or have significant issues with alcohol. Where a minority of CYP under 18 occasionally use illicit drugs, usually alongside alcohol, most illicit drug use relates to cannabis on a short term basis. Minimal numbers of CYP under 18 evidence regular or dependent drug use, where substances have a harmful effect on their wellbeing. However, some do experience harm; this is usually related to harm associated with intoxication, excessive consumption or toxicity related to certain drugs such as novel psychoactive substances. Dependence, with particular reference to opiates or stimulants, and injecting is uncommon in under 18s⁸.
29. Nationally, most CYP presenting to specialist treatment services cite cannabis and alcohol use as their primary drugs of use. There are very few reports of CYP presenting to services for heroin or opioid dependence, and this has become even more uncommon in recent years⁹. Locally, presentations to the IHSYP service mirror the national trend.
30. Problematic substance use in CYP does not occur in a vacuum, and tends to be evident alongside wider issues such as family breakdown, anti-social behaviour, mental health issues and educational problems¹⁰.
31. In July 2021, the 'Review of drugs: part two'¹¹ report was published. The report noted that 'the public provision we have for prevention, treatment and recovery is not fit for purpose, and urgently needs repair' and that 'we cannot expect a reduction in demand without reversing the recent disinvestment in treatment and recovery services'.
32. The report¹² further notes 'problem drug users need high-quality treatment recovery services, alongside pathways into treatment and away from the criminal justice system. For recreational drug users, we need to find ways to change attitudes and behaviours'. There are a total of 32 recommendations, with an initial response provided by government in August 2021 ahead of a more substantive response later in 2021-22.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/673978/clinical_guidelines_2017.pdf

⁹ As 5

¹⁰ As 5

¹¹ <https://www.gov.uk/government/publications/review-of-drugs-phase-two-report>

¹² As 8

33. Preventing the misuse of drugs and / or alcohol is more cost effective and socially desirable than responding to the consequences. The 'Review of drugs: part two' references a 40% plus increase in the use of drugs in 11-15 year olds since 2014 ("Smoking, Drinking and Drug Use among Young People in England" survey), strengthening the case for investment in specialist CYP services to prevent onset of use and to intervene as early as possible.
34. The report recommends that the Department for Education (DfE) and the Department for Digital, Culture, Media and Sport (DCMS) lead investment in age-appropriate evidence-based services, and support all CYP to build resilience and avoid substance misuse with a view that local authorities identify, and provide additional support to, CYP most at risk of illicit substance use or engagement in supply. The implications of this recommendation will be considered as part of the development of the service specification, with flexibility built in to account for different eventualities

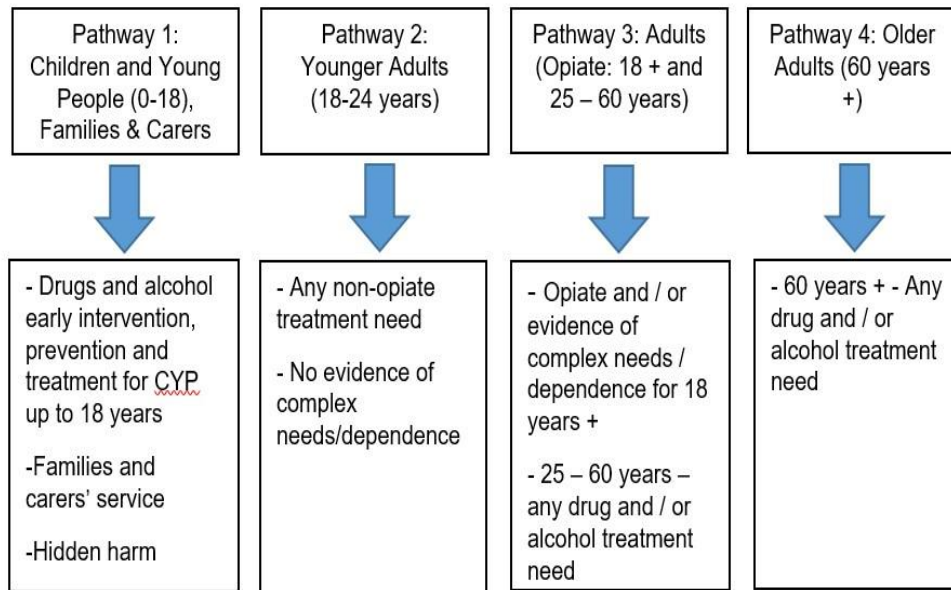
E: Existing services for inclusion in the proposed model

35. A summary of existing service provision, including scope of specification, delivery during the COVID-19 pandemic, benefits and challenges are detailed in appendix 1.

Summary of the business case/justification for the procurement

A: Description of the new model

36. The GW0 report detailed a number of proposals in relation to future adult community drug and alcohol treatment provision. Officers have reviewed and updated these in alignment with the revised recommendations to include additional services in the future specification for community drug and alcohol treatment services as follows:
 - a. New provision will bring together a range of currently commissioned evidence-based services, as outlined in the diagram in paragraph 13, thus becoming the council's major vehicle for meeting the Public Health grant condition.
 - b. A number of features will be maintained under the new provision, including open access and voluntary engagement provision for residents of all ages requiring the services in the borough through an integrated illicit drug and alcohol treatment system offer.
 - c. The model will provide specialist interventions for both drugs and / or alcohol across all four cohorts (opiate, non-opiate, alcohol only and alcohol and non-opiate), and will scope the following four pathways, all of which will be appropriately branded with a view to safeguarding and ensuring no interface between CYP and adults.



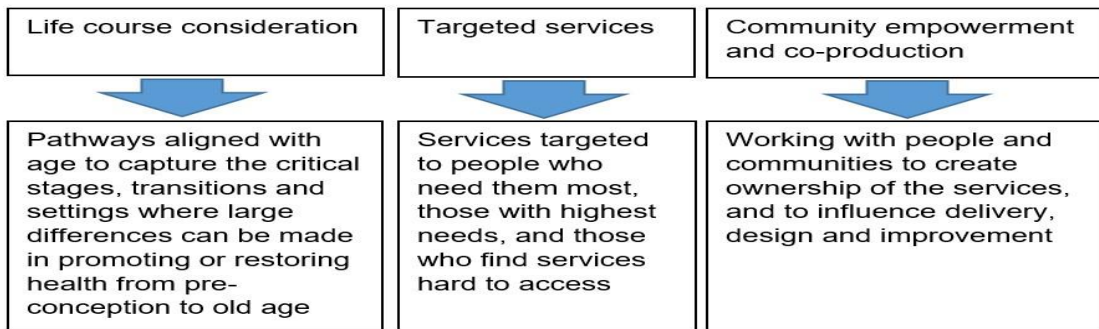
- d. A 'whole person' treatment offer delivered in line with a trauma informed approach, and which considers the complex interaction between substance use, trauma and mental ill-health for people of all ages.
- e. The inclusion of a range of national and local performance measures, that are appropriate to the local population of individuals with drug and / or alcohol support needs including measures of 'in treatment' benefits and outcomes and service effectiveness and quality. Flexibility will be built in to ensure that the new service aligns with the proposed National Outcomes Framework (NOF), that government has committed to this year. Co-production with people with lived experience will also be a key part of establishing robust measures of effectiveness.
- f. Commissioning in alignment with national and local policies, including the most current national drug strategy, the upcoming national addictions strategy, and the recommendations within the 'Review of drugs: part two'.
- g. Enhanced outreach provision to reduce unmet need; creating opportunities for treatment engagement for people of all ages who find hub-based services difficult to access (eg. rough sleepers), or that require a different approach in alignment with age (eg. CYP), and building capacity for CYP engagement through all-age outreach referral pathways, by building upon the success of the ring-fenced adult outreach provision commissioned in 2018, and learning from the DLUHC funded outreach team project. Consideration is being given to minimum time commitments and protected budget within the service specification.
- h. A focus on current and emerging needs, and specific areas outlined in the 'Review of drugs: part two', including collaboration with NHS SEL CCG, criminal justice partners, social care, and commissioned mental health provision (community and residential) to drive improvements in outcomes for people with concurrent substance

misuse and mental ill-health, including CYP, and older people with complex comorbidities.

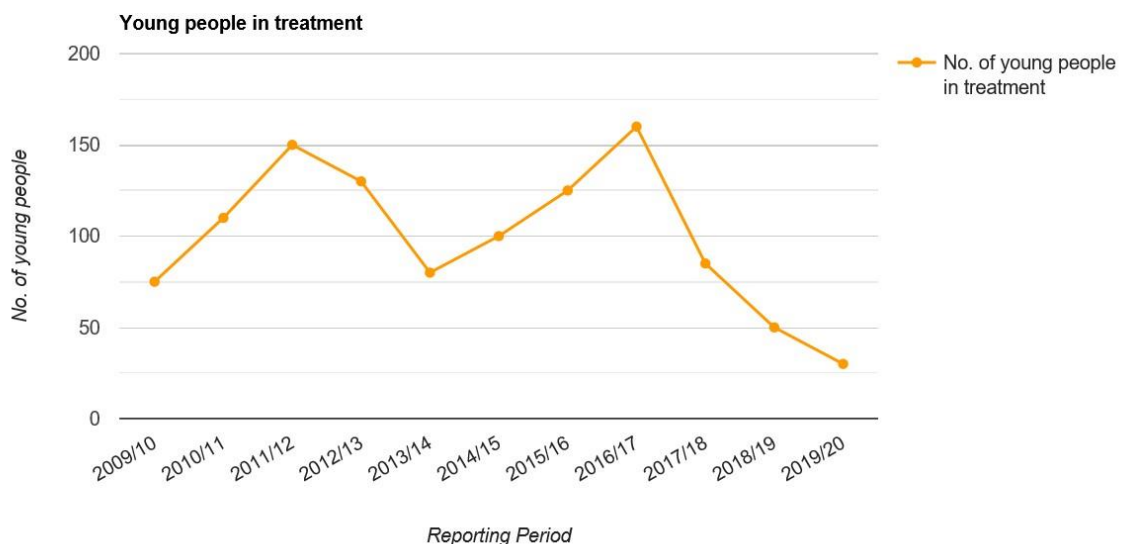
- i. Inclusion of a refreshed digital offer to improve access and engagement, with consideration given to digitally excluded people and how best to engage with them, and supporting virtual access to the service through the provision of digital devices, an early success of the pandemic which promoted inclusion.
- j. A focus on coherent and effective partnerships, through Partnership Southwark and the Community Safety Partnership, with a range of services to contribute to wider council and borough objectives. This includes work with hostels, tenancy and homelessness prevention services, housing, Southwark Works, physical and mental health providers including primary and secondary care, Family Early Help, and the Wellbeing Hub, criminal justice partners including the police, prisons, probation and the courts, educational providers and The Nest wellbeing hub for CYP.
- k. Added value and innovation in the delivery of the services throughout the life of the contract will be sought. The provider(s) will be required to develop relationships with grassroots organisations in the borough to support connections with the people that these organisations serve, and to improve service uptake with marginalised communities; this could potentially involve subcontracting grants from the allocated financial envelope.
- l. A commitment to embedding the equality diversity and inclusion (EDI) principles of the Southwark Stands Together (SST) programme in service delivery, including a proactive and anti-racist approach to stamp out racism and address inequalities.
- m. Amplifying and championing the voices of people of all ages with lived experience of the use, or impact of, drugs and / or alcohol use and involving them in procurement, service development and throughout the delivery of the service. This will include approaching people with lived experience, including those identifying as Black, Asian and Minority Ethnic, and trying to source their participation in tender evaluation processes, and on panels.
- n. Delivering services and working as part of the health and care system in Southwark to contribute to improving outcomes for people with multiple disadvantage (“It takes a village”) and supporting a whole family approach (“think family”).

B: Benefits of the new model, including rationale for change

37. The proposed service model aligns with the new Joint Health & Wellbeing Strategy principles that underpin and guide the new approach to tackling health inequalities:



38. Additionally, the model presents an opportunity for integrated leadership of community drug and alcohol services for people of all ages in the borough, and enables the representation of ‘one’ community drug and alcohol system voice in local governance structures, such as the Community Safety Partnership and Partnership Southwark. This will help to raise the profile of drug and alcohol services in the borough and enable them to better influence across local systems in order to improve care for people with drug and alcohol support needs, and those affected by someone else’s substance use.
39. There is a concern in relation to a decline in the numbers of CYP accessing Tier 3 structured treatment interventions for drug and / or alcohol support needs through the Integrated Health Service for Young People (IHSYP), branded as HYP. Whilst many CYP’s misuse of drugs and alcohol can be addressed by a non-structured treatment intervention, the extent of the decline locally¹³ has raised concerns that true need is not reflected in structured caseload rates.



40. Learning throughout the delivery of the HYP service has identified significant challenges in the bringing together of two different market sectors under one contract to deliver an integrated service offer, which have largely stemmed from labour market issues. This inadvertently creates a silo delivery effect under a single contracting umbrella, whereby neither provider

¹³ Caveat: the decline between 2016-17 and 2017-18 is believed to relate to a closure of case files in the previous service where CYP were no longer engaged at contract end, resulting in a higher rate of decrease in numbers for the period.

has the experience, knowledge or skills to backfill delivery for the other at times of staff shortage, and this has been identified as a significant challenge to service delivery.

41. This lack of opportunity to backfill has particularly affected the substance misuse offer which, at times during the contractual term, has led to reduced service activity and coverage and poor visibility to partners and CYP, resulting in a less accessible and efficient service.
42. Consultation took place with CYP in 2021 to ascertain their requirements from service provision; despite best efforts, engagement was very limited with only 19 CYP providing feedback. There was not a strong consensus from participating CYP regarding an integrated service offer, with a view from officers that sexual health support needs for CYP with drug and / or alcohol use are able to be met through effective partnership working between the market sectors, as is the case with the current AIDATS provision.
43. Inclusion of the scope of CYP drug and alcohol services within the HYP service into an integrated community treatment system model brings a range of benefits. It will support improved transitional arrangements for people aged 18-24 years with drug and / or alcohol support needs through a single pathway offer, which will reduce the numbers of younger adults that may 'fall through the gaps' between the current AIDATS and IHSYP services.
44. Integrating all community specialist illicit drug and alcohol service interventions into a single model brings opportunities for achieving more 'bang for our buck' for CYP that is unaffordable under the current model. This will include a requirement for the successful provider(s) to ensure that staff working across the proposed pathways are sufficiently trained in CYP issues to enable backfill into pathway 1 in the event of staff shortages, enabling presence and visibility of CYP drug and alcohol services to be maintained, as well as scoping the potential for CYP access to psychology-based interventions as part of the contract.
45. The new model will offer improved access to treatment through all-age referral routes, and will support a better join up of services and support for drug and alcohol misuse throughout the life course, with partnership working of key importance to address wider needs, such as mental ill-health and sexual health, through effective integrated pathways.
46. Liaison with other commissioners, and consultation with the provider market, has identified that needle and paraphernalia exchange coordination services are largely commissioned as an integrated part of wider adult community drug and alcohol treatment system contracts, and it is unusual for them to be commissioned separately. This presents opportunities for economies of scale in terms of reduced contractual overheads, and a direct relationship between the community provider(s) and participating pharmacies, which assists with awareness and knowledge of the prevalence of injecting drug use in groups of different demographics, and a direct route into treatment for injecting drug users that are not known to the community service.

47. A number of different commissioning and delivery models for general practice shared care opiate drug misuse services are in existence in England, with local areas given the freedom and flexibility to adopt a model that works best for their treatment population. The current model of shared care in Southwark is not operating as effectively as it could be, as evidenced by a decline in numbers of over 70% since 2015-16. There is a recognition that change is needed in order to increase general practice interest in delivering the services, and to offer more choice for stable opiate users in terms of OST prescribing and care.
48. In many areas, the commissioning of these services is integrated into the community treatment service contract, with provider consultation identifying a number of benefits arising from a direct relationship with general practice, and the opportunity to remove barriers to care, such as limited access to IT systems.
49. Additionally, consultation has also identified that the co-production of a shared care specification and delivery model between the community treatment service provider and general practice, as opposed to a commissioner-led specification, is productive in terms of driving innovation and supporting the development of effective partnership working.
50. Commissioning responsibility for substance misuse services in community pharmacy is usually integrated into the community treatment system contract, and this brings opportunities for improved partnership working between the services as well as achieving economies of scale through reduced contractual overheads and commissioning capacity allocated to the management of multiple contracts.
51. The potential for a longer contractual period, whilst maintaining compliance with the Public Contracts Regulations (PCR) 2015, will bring significant benefit by reducing churn in the system from more frequent commissioning cycles, and the associated adverse impacts of instability, and disrupted performance, and engagement and wellbeing outcomes during the transitional periods.
52. This will create the platform for a period of long term stability in Southwark, and a focus on enhancing system partnerships and pathways, assuring effectiveness and 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. Whilst this will maximise the attractiveness of the tender opportunity, it also aligns with the 'Review of drugs: part two' recommendations.

C: Timing of contracts

53. The council's main vehicle for achieving the Public Health duty is through the community services detailed in this report. As the current contracts are coming to an end, it is necessary for the council to procure new

arrangements and ensure treatment system stability for many of the borough's most vulnerable residents, with sufficient time to mobilise and undertake personnel transfers under the Transfer of Undertakings (Protection of Employment) (TUPE) regulations.

54. The current AIDATS and IHSYP contracts currently end on 31 March 2022, with community pharmacy contracts due to end on 31 March 2023. The needle and paraphernalia coordination exchange service and general practice shared care drug misuse service is subject to annual renewal via the Section 75, and has a six month notice period. It is not possible to procure a new service contract to be in place by 1 April 2022, with a need for existing services that are due to end by 31 March 2022 to be extended for a further period of 8 months in separate GW3 reports in order to provide service continuity until a new service contract is ready to start.

D: Service delivery considerations

55. A decision in relation to the sexual health aspect of the IHSYP contract is due to be taken shortly; the outcome of this decision will define whether the IHSYP contract is proposed for extension for 8 months, or if a different arrangement is needed to ensure CYP drug and alcohol service delivery until the new contract is in place.
56. The nature of the services will necessitate a requirement for at least one physical hub in the borough in addition to the delivery of the services in a range of outreach locations. Currently, both the AIDATS and IHSYP service hubs are located at Cambridge House in addition to 146 Camberwell Road (AIDATS). In Q1 2021-22, the council was informed that Cambridge House was to be marketed for sale, with the existing service provider offered a lease to support continued delivery whilst the sale process took place.
57. At the time of writing, there has been no confirmation of sale of Cambridge House. However, as the future is not clear in terms of the future use of the building, or indeed if future provider(s) of the services would opt to deliver the services from this building if an opportunity presented to do so, there will be a requirement for prospective providers to detail their proposed physical location of the services in their tender submission.

E: Outcomes and performance monitoring

58. The government's newly formed Central Drugs Unit has been tasked with developing a National Outcomes Framework (NOF) that covers all aspects of illicit drug use, including measures of relevance to treatment service delivery such as measures of drug-related harm and deaths, the number of people (particularly offenders) engaged in treatment, and the number of people with drug dependence accessing mental health services. There is particular reference to measures of service quality and effectiveness, recovery capital and quality of life being developed for substance misuse services as well as numerical measures.

59. A large proportion of people accessing the services will do so via pathway three, and will require OST prescribing. The services will be tailored to meet individual need, with outcomes along a continuum of prevention and early intervention, reducing substance related deaths, keeping people alive and reducing harm, and an ultimate ambition of cessation of substances and successful completion of treatment and recovery.
60. Reasons for drug and / or alcohol use are often complex, and are rarely experienced in isolation from other aspects of a person's life. For this reason, provision of drug and / or alcohol interventions or treatment alone will not be sufficient to fully address an individual's needs, and a much more holistic approach, working in close partnership with a range of internal and external services, will be necessary to best enable needs to be met. This approach will deliver benefits for the individual, their family and community, as well as for a range of internal and external services.
61. This procurement has been informed by engagement with senior officers from Children's and Adults', Housing and Modernisation, Environment and Leisure, NHS SEL CCG as well as a range of partners, including criminal justice agencies and Partnership Southwark colleagues, the provider market, drug and alcohol service staff, service users and people with lived experience. These stakeholders agree that we need access to high quality, safe drug and alcohol services to meet support needs of local residents, and that service delivery should be well embedded within wider initiatives that work with people with lived experience, a view that is endorsed by the 'Review of drugs: part two'.

Market considerations

62. As part of the planning for a future procurement exercise, and following the council's previous experience of provider financial failure in 2017 (AIDATS contract), officers have undertaken market analysis processes, including substantial engagement with the provider market in relation to the proposed services.
63. These have included the identification of potential prime providers of the services operating in England and Wales in 2020-21, and an analysis of the Financial Analysis Made Easy (FAME) report, credit score and likelihood of failure for each provider.
64. The drug and alcohol treatment market is well developed in England, with a range of third sector and NHS providers delivering comparable services. The extent of funding reductions seen nationally since 2014-15, combined with increasing numbers of people with complex needs and vulnerabilities, and a continued national increase in rates of drug related deaths has adversely impacted on the sector's ability to provide high quality, safe treatment for people with drug and / or alcohol support needs.

65. Bidders' days to engage with the provider market will be facilitated by the council for both stages of the proposed procurement process, with indicative dates detailed in the procurement project plan in this report.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

66. The nature and value of these services means that the tendering requirements of the PCR 2015 and Public Sector Directive 2014/24/EU would apply.
67. The GW0 report approved on 23 December 2019 detailed the options available to the council that were considered as relevant to adult community drug and alcohol treatment services, and recommended the preferred procurement route detailed in this GW1 report.

Do nothing

68. This is not a viable option. Seeking to not commission new provision to replace the existing services when they expire 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 drug and / or alcohol misuse. It would create unacceptable risk to the health, wellbeing and lives of many of the borough's most vulnerable residents, with an expected increase in health, social and wellbeing inequalities, and an increase in the local rate of drug related deaths, posing significant reputation risk to the council. It would also result in non-compliance with the Public Health grant condition that affects payment of the grant.

In-Source

69. This is not considered to be a viable option. The services sought are highly specialist in nature, and the necessary expertise, governance, knowledge and skills are not available within the council. A review undertaken by commissioners in June 2019, and updated in July 2021, was unable to identify any local authority that was delivering these types of services on an in-sourced basis.

Existing frameworks

70. This is not an option, as there are no existing framework arrangements in place, which the council could purchase the services from.

Shared Service Delivery with other boroughs

71. This is not an option, as officers could not identify any council in London that currently co-commissions or intends to co-commission comparable services of size and complexity with other boroughs. Additionally, neighbouring

boroughs commissioning projects do not align with the council's indicative timescales.

72. 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 to ensure that services are commissioned that sufficiently meet the needs of Southwark's complex treatment population as well as any requirements for any partners.

External Procurement, including voluntary / not for profit

73. Short term solution: – this is not considered a viable option because it is perceived that this will significantly reduce market interest in undertaking the extensive amount of work and cost associated with submitting a tender for a service of this risk, scale and size for the potential of only a short confirmed contractual term. This would be contrary to the recommendations in the 'Review of drugs: part two', which makes a strong case for longer commissioning cycles to promote system stability.
74. Long term solution – this was considered the best option for the following reasons:
- External provision of this type of service is common in England, and is currently nationally achieved through a 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.
 - The services detailed in this report are considered to fall within the LTR. As the services to be tendered are categorised as Schedule 3 services under the PCR 2015, which qualifies them for LTR processes, this gives the council a high degree of flexibility in the proposed procurement route, and enables the design of an appropriate model that provides assurance of high quality and best value, both of which are highly important in the contracting of services for vulnerable people with complex needs. The proposed model is outlined in the evaluation section of this report.

Proposed procurement route

75. The proposed procurement route is for a PCR 2015 LTR competitive procurement exercise to be undertaken, 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 early intervention, prevention, recovery and treatment service delivery to people of all ages with drug and / or alcohol support needs, and families and carers and CYP affected by someone's else's misuse.

76. In making the proposals in this report, officers gave due consideration to the most appropriate procurement option for each additional individual service area, and the same preferred procurement option was reached, as set out in the GW0 report for adult community drug and alcohol treatment services. It is considered that the most appropriate procurement route for all service areas is to undertake an LTR procurement exercise under the PCR 2015.
77. On the basis of the need to ensure robust and sufficiently resourced outreach and pathway 1 provision within the new service contract, consideration will be given to stipulating a minimum amount of protected resource to be allocated to these specific areas of provision. Compliance will be monitored as part of formal contract monitoring processes.

Identified risks for the procurement

78. The following risks have been identified for this project;

R/N	Risk Identified	Risk Rating	Mitigation
R1	Poor procurement response could result in no providers submitting a tender for the service contract	Low	The potential for a 12 year contractual term and a financial envelope matched to 2021-22 service budgets, with no performance related pay element, will make the opportunity more attractive. The council is aware of providers that are interested in the opportunity from market engagement in 2021.
R2	Service specification that is not robust enough in detail in relation to sought outcomes could result in poor or unsuitable delivery	Low	The specification will be updated to reflect best practice, guidance, benchmarking and learning from service delivery and consultation. Public Health has undertaken Joint Strategic Needs Assessments (JSNA) for both adults and CYP.
R3	The procurement process is delayed resulting in the need to extend the existing commissioning arrangements beyond the planned extensions	Low	A 12 month project timeline is planned; however, this may be affected by the timescales for the successful bidder to acquire a NHS Pension Direction/Determination, which may take up to 3 months, and supply this to the council 28 days before the transfer date. Should the NHS Pensions Direction/Determination timescales necessitate this, a

R/N	Risk Identified	Risk Rating	Mitigation
			short period of extension at the end of the existing commissioning arrangements is considered unlikely to attract a legal challenge.
R4	Market failure – an appropriately qualified and adequately sized provider may be unable to tender for the services.	Low	There are a minimum of six identified providers that are likely to be interested in the opportunity. Other comparable tenders in London in recent years have not demonstrated an inability to secure a suitable provider.
R5	Potential impact of Brexit on service delivery	Low	Medicine supply chains for the service are all based in the United Kingdom with no identified risk to supply.
R6	Providers become insolvent, go into administration or liquidation	Low	Appropriate financial checks will be undertaken throughout the procurement process.
R7	Abnormally low tender price submission as a methodology for trying to win the contract	Low	Tender price submissions will be scrutinised in great detail, given the known pressures due to the reduced financial envelope available for the services since 2014-15, with a particular focus on those that appear to be abnormally low in accordance with the PCR 2015.
R8	COVID-19 adverse impact on service delivery	Low	The existing services remained open and accessible throughout the pandemic with a transition to a remote delivery model, and a current hybrid service offer. No ongoing effect is expected.

Table 3: Risks for the project

Key /Non Key decisions

79. This is a key decision.

Policy Implications

80. A comprehensive overview of local and national policy implications are detailed in the GW0 report; the policy implications of note at the current time are:

- Public Health grant conditions of funding 2021-22
- Southwark Borough Plan 2020-22

- Southwark Health and Wellbeing Strategy 2015 – 2020
 - Southwark Joint Mental Health and Wellbeing Strategy 2018 – 2021
 - HM Government Drug Strategy 2017 (a new national addictions strategy will be published in 2021-22)
 - HM Government Serious Violence Strategy 2018
 - Southwark Council Extended Learning Review 2019
 - Southwark Community Safety Plan 2017 – 2020
 - Southwark Stands Together
 - ‘Review of drugs: part one’ and Review of drugs: part two’
 - Southwark ‘Tackling the climate emergency together’ strategy 2021
 - Southwark Council’s ‘Fairer Future Procurement Strategy and Framework’ 2019 (includes social value commitments)
 - Southwark ‘Youth New Deal’ 2021.
81. 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, based on an assessment of local need and a plan which has been developed with local health and criminal justice partners.’*”
82. 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 Borough Plan 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 BBV 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.

83. A summary of a wider range of policy implications can be found in appendix 2.

Procurement Project Plan (Key Decisions)

84. The table below sets out the anticipated timescales for this procurement exercise. However, this may be affected by the time period for the successful bidder to acquire an NHS Pension Direction/Determination, which may take up to three months, and supply a copy to the council at least 28 days before the transfer date. Should these time limits be exceeded, a brief contract extension may be needed, but this will not be known until Q2 2022-23, with appropriate action taken if necessary.

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	30/09/2021
DCRB Review Gateway 1	21/10/2021
CCRB Review Gateway 1	21/10/2021
Brief relevant cabinet member (over £100k)	05/11/2021
Notification of forthcoming decision - Cabinet	15/11/2021
Approval of Gateway 1: Procurement strategy report	07/12/2021
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	17/12/2021
Completion of tender documentation	10/01/2022
Publication of Find A Tender Service Notice	11/01/2022
Publication of Opportunity on Contracts Finder	12/01/2022

Activity	Complete by:
Bidders' event – Suitability Assessment Questions stage	18/01/2022
Closing date for receipt of expressions of interest	17/02/2022
Completion of short-listing of applicants	03/03/2022
Invitation to tender	04/03/2022
Bidders' event – Invitation to tender stage	09/03/2022
Closing date for return of tenders	13/04/2022
Completion of any clarification meetings/presentations/evaluation interviews	11/05/2022
Completion of evaluation of tenders	16/05/2022
Forward Plan (if Strategic Procurement) Gateway 2	17/05/2022
DCRB Review Gateway 2:	08/06/2022
CCRB Review Gateway 2	16/06/2022
Notification of forthcoming decision – despatch of Cabinet agenda papers	02/07/2022
Approval of Gateway 2: Contract Award Report	13/07/2022
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	24/07/2022
Debrief Notice and Standstill Period (if applicable)	03/08/2022
Contract award	04/08/2022
Add to Contract Register	05/08/2022
Place award notice on Find a Tender Service	06/08/2022
Place award notice on Contracts Finder	07/08/2022
NHS Pension Direction/Determination if applicable*	30/11/2022
TUPE Consultation period (if applicable)	30/11/2022
Contract start	01/12/2022
Initial contract completion date	30/11/2025
Contract completion date – (if extension(s) exercised)	30/11/2034

TUPE/Pensions implications

85. On the basis of legal advice provided as part of previous procurements and transfer of services, which was revisited in 2019-20 and 2021-22, it is anticipated that TUPE may apply as follows:
- i. AIDATS service contract - if the current contracted provider CGLSL does not take part, or is unsuccessful, in a competitive procurement exercise;

- ii. IHSYP service contract – the current contracted provider Brook Young People is a sexual health provider, sub-contracting to CGL for the substance misuse delivery which will form part of the new model. It is considered that TUPE may apply to staff that provide substance misuse services employed under this contract.
 - iii. Needle and paraphernalia coordination exchange service - TUPE may apply.
 - iv. There are no TUPE implications for the general practice shared care drug misuse service or substance misuse services in community pharmacy as their inclusion in the proposed service relates to a transfer of commissioning responsibility, and budget, only.
86. In addition to the CGLSL staff delivering the AIDATS contract, TUPE may also apply to the RSDATG funded outreach team staff employed by CGLSL if either potential eventuality in point i (paragraph 85) comes to pass.
87. A number of the current CGLSL provider workforce hold NHS pensions, transferred from previous employment by a NHS provider. Within the tender documentation, a mandatory requirement of the successful bidder(s) (if they are not an NHS body or do not participate automatically in the NHS Pension Scheme) to secure a NHSPS Pension Direction/Determination and supply the council with a copy at least 28 days before the transfer date, will be made explicit.
88. Due diligence work will need to be undertaken and staffing information sought from the current providers. On receipt of this, the full TUPE and pensions implications will be determinable, and this information, as appropriate, will be made available to prospective bidders in the tender pack.
89. There are no direct TUPE implications for the council as the service contract will be delivered by an external provider or providers.
90. The draft procurement timetable has been developed with consideration of TUPE and pensions timescale requirements.

Development of the tender documentation

91. A project team who will be responsible for developing the tender documents and providing governance for the procurement has been convened. The project team comprises Drug and Alcohol Action Team (DAAT) officers responsible for designing and delivering the procurement project with additional advice and expertise provided by procurement, legal and finance officers. The project team will ensure that officers of higher seniority are briefed throughout the process as and when necessary.
92. DAAT officers are working collaboratively in partnership with other colleagues, including criminal justice agencies, Partnership Southwark representatives, social care and housing, and seeking opportunities to consult with people of all ages with lived experience of drug and / or alcohol

use to support the development of a service specification that complements and adds value to other provision in the borough.

93. As the proposed service includes pharmacological interventions, specialist clinical expertise and knowledge will be sought from an independent substance misuse doctor for a pre-agreed fee to assist with the development of the tender documentation and service specification and evaluation of medical aspects of the tender. The doctor already assists the council on a consultancy basis with clinical residential detoxification services as part of the Tier 4 Dynamic Purchasing System procurement.
94. Responses from consultation, including the views of people with lived experience, and market engagement will be considered by the project team to ensure that the service specification meets the necessary requirements in readiness for this procurement. The service specification will also be shaped by the recommendations in the 'Review of drugs: part two', specifically with reference to proposals for a national Commissioning Quality Standard (CQS) to ensure that the full range of treatment services are available to local residents.
95. Key documents for inclusion in the tender pack will comprise of, but are not limited to:
 - Volume 1: Suitability Assessment Questions
 - Volume 2: Invitation to Tender
 - Volume 3: Service Specification
 - Volume 4: Terms and Conditions of Contract
 - Volume 5: Pricing Schedule
 - Volume 6: Project Specific Questions, including method statements
 - Volume 7: Evaluation Methodologies
 - Volume 8: Form of Tender, other required documents and compliance checklist.

Advertising the contract

96. The drug and alcohol treatment field is a well developed market sector with a range of providers of varying size. The council is seeking tender submissions from a provider, or providers via sub-contracting arrangements, of the services with the relevant expertise, governance, knowledge and skills to deliver the full requirements of the service specification.
97. The contract will be advertised via the council's e-portal system, Pro-Contract 3, by way of an official notice that will be published in Find a Tender. After publication of the notice, the council will also publish a contract notice on the Contracts Finder website. An advert will be placed in the Drink and Drugs News (DDN) and known providers of the services, including those that participated in market engagement, will be contacted to advise them of the opportunity.

Evaluation

98. The tender will adopt a staged process, comprising of Suitability Assessment Questions (SAQ) (Part 1) and Invitation to Tender (ITT) stages (Parts 2a and 2b).
99. A bespoke SAQ return will be evaluated by officers, with support from the expert doctor if necessary. The selection process will be an evaluation of each bidder's economic and financial standing, and their technical knowledge, accreditation, experience, ability and capacity to deliver the full scope of services sought. The SAQ will include a number of pass / fail project specific questions as well as mini method statements in order to provide assurance to the council of the bidder's experience of the effective, safe and robust delivery of comparable services to those sought by the tender. This will include a question on equality, diversity and inclusion.
100. Up to six (6) tenders, to be agreed by the project team, will be shortlisted at SAQ stage and invited to tender. The ITT evaluation stage will comprise two parts; quality and price.
101. Part 2a: quality will be assessed by written narrative responses to a range of method statements, including minimum threshold 'pass/fail' requirements for some questions focused on areas where the council requires a high level of assurance as to the provider's expertise, knowledge and skills due to risk (e.g. safeguarding). The outcome of the minimum threshold scored questions will create a short-list of providers that meet the requirements for Part 2b: price evaluation, Price evaluation will only take place after the assessment of quality is finalised for the reasons outlined in paragraph 113.
102. The project team will work with the Recovery Support Service and youth services to provide opportunities for people of all ages with lived experience, including those identifying as Black, Asian and Minority Ethnic, to participate in the evaluation process.
103. The council's standard tender evaluation is a 70:30 price / quality weighted model. However, a different price / quality weighted evaluation model is proposed, which will comprise of financial, quality and social value evaluation - 30:65:5 price/quality/social value weighted model. This differs from the previous procurements of the services on the basis of the price/quality divide, which is due to the inclusion of a 5% social value aspect to the procurement, in line with the council's Fairer Future Procurement Framework.

Price weighting – 30%

104. Since 2015, the funding for the adult services currently commissioned under the AIDATS contract has been reduced by over 40%. A crude estimate of cost on a 'per person' basis for numbers in treatment at a moment in time in 2019-20 identified that Southwark had the lowest treatment cost per person of six bench-marked comparable London boroughs. Whilst crude estimate calculations do not account for differences in service user complexity,

commissioned service model, or individual differences between the boroughs, it does provide an indicative spend per person to make this assessment.

105. The onset of the pandemic, and a reduction in illicit and street drugs in 2020-21, saw a rapid increase in the number of new opiate users presenting for treatment in order to manage their dependence. This cohort are often complex with multiple support needs, and require significant service resources to provide an appropriate level of intervention.
106. Whilst an increase in people presenting for treatment is always positive as it reflects a reduction in the prevalence rates of unmet need in the borough, increased numbers in treatment, particularly higher-risk drug and / or alcohol users with complex needs, impacts on the capacity of the provider to meet the support needs of the caseload within the contract value. Ergo, more people in treatment is excellent for meeting unmet need, but results in a lower amount of service resource per person – this is a particular issue when Southwark has demonstrated a lowest treatment cost per person.
107. Southwark has high prevalence of unmet need. It is essential to address this by actively identifying people with drug and / or alcohol support needs that are not in treatment, and trying to engage them with the borough's treatment provision, but to do so within the existing financial envelope reduces the crude estimate treatment cost per person, thus impacting on provider capacity.
108. From the perspective of CYP service provision, funding has reduced by 41% since 2017. The IHSYP is solely funded by the Public Health grant following the withdrawal of other funding sources when the service was last commissioned in 2017. As outlined previously, there are concerns that the numbers of CYP accessing structured treatment is not reflective of true need, and there is a necessity for the CYP offer to be consistently resourced in order to improve reach and visibility of the service.
109. Whilst inclusion of these services in the proposed integrated model brings new opportunities to boost provision for CYP through all-age referral pathways and other interventions, continued financial pressures on the Public Health grant necessitate that the proposed contract will be subject to the same financial envelope as currently funds the services. Further, the proposed financial envelope will have to account for inflationary increases over the life of the contract as there is no additional funding to supplement this, which increases pressure on service delivery in future years.
110. The 'Review of drugs: part two' recognised the significant reduction of investment in treatment nationally in recent years as budgets have reduced, and the stark impact of this disinvestment on the declining numbers of problem drug users in treatment. Locally, this is reflected in a reduction in the number of opiate users in treatment in recent years, and a high prevalence of unmet need, with the treatment system facing limitations in being able to provide a response that meets the needs of all service user groups.

111. Paragraphs 104 to 110 present a compelling argument in support of a lower price weighting for the overall tender, as the proposed financial envelope for the new service is 39% lower than in 2014-15, and savings have already been realised in previous financial years with very limited capacity in the system to reduce the financial envelope further without being unable to meet people's support needs, and increase uptake.
112. Furthermore, it is considered appropriate to adopt the price evaluation methodologies from the previous procurements of the services, whereby the price evaluation considers both lowest price and the robustness/sustainability of the proposed price. This methodology requires a detailed breakdown of costs allocated against all aspects of the service specification, and provides additional assurance that the lowest price stated is sufficient to deliver a high-quality, safe service to vulnerable residents. This provides the council with an opportunity to test cost allocations as part of a formal clarification process.
113. Consideration of the robustness / sustainability of the cost breakdown requires an understanding of provider proposed delivery models, as captured in method statement responses. In order to safeguard the integrity and transparency of the tender process, and to ensure that lowest price does not influence quality evaluation, the evaluation of the ITT stage will adopt a two-stage process whereby quality will be assessed first, with pass/fail requirements of some method statements used to generate a shortlist of providers that 'pass' the quality assessment and are eligible for price evaluation. Only once the quality evaluation is complete will bidders' price information be made available to evaluators to assess lowest price and the robustness / sustainability of the cost breakdown.

Quality weighting – 65%

114. The quality of a service of this nature, which will support over 2000 per year of the borough's most complex and vulnerable residents with drug and / or alcohol support needs who are often at risk of significant harm to themselves, their families and their communities, is of paramount importance. Low quality of service delivery could result in inappropriate support being provided to highly vulnerable people, which could ultimately result in serious harm to wellbeing or loss of life.
115. On the basis of the information provided in the price weighting section (paragraphs 104 to 110), it is considered appropriate to propose a higher quality weighting for this tender. The overall financial envelope available for the services has seen a significant reduction since 2014-15 (39%), and with consideration given to the range of vulnerabilities and support needs in the resident population, this increases the need for the council to have assurance of provider ability to deliver high quality, robust and safe treatment services within the financial envelope available prior to a contract being awarded. The quality assessment process is outlined in paragraph 101.

Social value weighting – 5%

116. The service contract in itself is about social value – investment in high quality drug and alcohol interventions, support and treatment brings significant benefits for the borough, economy and health and wellbeing of residents, details of which are outlined in the community impact sections of the GW0 report and this GW1 report.
117. Social value will be built into the tender documentation method statements, and weighted at 5%, within the parameters of the Fairer Future Procurement Framework. As providers of these services in England and Wales are primarily funded by local authorities through the Public Health grant, it is not expected that offers of money will be made to the council in lieu of social value, but that the providers wishing to tender for the service contract adequately demonstrate how they will evidence social value in their delivery of the services.

Community impact statement¹⁴

118. Drug and alcohol misuse is a cross-cutting issue that impacts on a wide range of priorities:



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119. 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

¹⁴ <https://www.gov.uk/government/publications/drug-misuse-treatment-in-england-evidence-review-of-outcomes>

¹⁵ <https://app.box.com/s/p52mrjh78yryshd9smogm350s7ougg1>

financial support, lost employment opportunities, health service use and being a victim of crime.

120. 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.
121. 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.
122. OHID estimates that adult drug treatment reflects a return on investment for society of £4 for every £1 invested, and that adult alcohol treatment reflects a return of investment for society of £3 for every £1 invested.¹⁶
123. The service 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 is targeted towards key user groups and reducing unmet need, will support the borough's efforts to reduce demand for drugs, thus potentially impacting on drug supply and associated harms.
124. The absence of this service would adversely affect Southwark's communities through an increase in inequalities, 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.
125. An Equality Impact Assessment (EIA; appendix 3), undertaken in 2021, identified a range of people with protected characteristics that have drug and / or alcohol support needs that require careful consideration in terms of the service approach and offer. These include, but are not limited to, females, vulnerable CYP, Black Asian and Minority Ethnic people, older people, people with a range of disabilities, and people identifying as Lesbian, Gay, Bisexual, Transgender +. Some groups of people with multiple vulnerabilities, for example, rough sleepers, comprise a detailed analysis of consideration of protected characteristics, and an appropriate service approach and offer. A separate EIA focused upon rough sleepers was undertaken in 2021 (appendix 4).

¹⁶ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

126. Analysis evidences that the causes and consequences of drugs and / or alcohol use and dependency for these groups differs, and they experience increased vulnerability and harms from substance use and associated behaviours. Early intervention and facilitation to access appropriate support pathways is critical in terms of reducing the health, social and wellbeing inequalities faced by people using drugs and / or alcohol problematically, and improving outcomes, including reduced premature mortality.
127. The proposed service detailed in this report will be accessible to any person of any age resident in the borough with a drug and / or alcohol support need, including those affected by the use of another person, regardless of protected characteristic or immigration status. It will provide timely evidence-based drug and alcohol interventions and support to reduce inequalities and maximise positive outcomes.
128. The EIA demonstrates that the proposal shows no potential for discrimination and all appropriate opportunities to advance equality of opportunity and foster good relations between people with different protected characteristics have been considered as part of the procurement planning.

Equalities (including socio-economic) impact statement¹⁷¹⁸

129. There are well established links between drug use and socio-economic factors, with a significantly positive correlation between rates of problematic drug use (opiates and crack cocaine) and local authority deprivation levels, and similarly, higher rates of alcohol dependency in local authority areas with higher levels of deprivation. The prevalence of alcohol specific deaths is over twice as high in the most deprived decile (16.7 per 100k) when compared to the least deprived decile (7.1 per 100k), with rates of drug misuse deaths also reflecting a positive correlation against regions with higher deprivation.
130. Rates of admissions for drug or alcohol specific conditions for males and females evidence a positive correlation with deprivation, with much higher incidences of conditions in the most deprived areas. In 2018, OHID reported that around 20% of children in need are affected by drug misuse, and around 18% are affected by alcohol misuse. Parental drug and / or alcohol misuse is present in around 25% of cases on the child protection register. Drug misuse is a factor in 38% of serious case reviews, and alcohol misuse in 37% of serious case reviews.
131. An inter-related range of structural socio-economic factors, including poverty, inequality, insecure accommodation and / or employment, and access to benefits are experienced by many people with drug and / or alcohol support needs. These factors can also be a cause and consequence of wider issues such as rough sleeping, where vulnerabilities are significantly increased due to a poor, unsafe living situation.

¹⁷ <https://app.box.com/s/p52mrjh78vryshd9smogm350s7ougg1>

¹⁸ <https://www.instituteoftheequity.org/resources-reports/priority-public-health-conditions-task-group-report/task-group-8-priority-public-health-conditions-full.pdf>

132. Access to effective, high quality drug and alcohol treatment services plays an essential role in reducing health and wellbeing inequalities arising from unmet support needs. Factors associated with successful completion of treatment include being in work and education, as well as a younger age at treatment start and good physical health¹⁹. This provides support for the need for the proposed service to work in partnership with services that provide access to employment, training and education, and healthcare provision, as well as the need to intervene as early as possible in a person's substance-using journey to achieve better outcomes.
133. Frequent use of opiates, previous treatment disengagement, injecting, living in the most deprived decile, having housing problems, and being of white ethnicity are all factors associated with a reduced likelihood of successful treatment completion²⁰.
134. 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
135. 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.
136. Officers have taken steps to ensure compliance with the Public Sector Equality Duty imposed by the Equality Act 2010, as detailed in this section in particular:
- Drug and alcohol Joint Strategic Needs Assessments (JSNAs) for adults and CYP are being finalised by the council's Public Health division, and are due for publication in line with the tender opportunity (Autumn/Winter 2021);
 - The completion of an updated EIA to inform the proposals in this report, including exploration of people with protected characteristics that are particularly vulnerable in relation to drug and / or alcohol misuse, and actions to improve engagement with these individuals;
 - Utilising available data and intelligence, including JSNA and National Drug Treatment Monitoring System (NDTMS) reports, to underpin the development of a service specification that will support people of all ages

¹⁹

<https://www.local.gov.uk/sites/default/files/documents/P5%20Drugs%20and%20alcohol%20related%20health%20inequalities%20differentials%20in%20harm%20and%20outcomes%20-%20Andrew%20Brown%20amd%20Pete%20Burkinsaw.pdf>

²⁰ As 20

and complexity of needs in the borough, regardless of protected characteristic or immigration status;

- The intention to assess equality, diversity and inclusion as part of the formal tender process in order to provide assurance to the council of the prospective provider in this regard prior to contract award;
- Consideration will be given as to how demographic information that is not routinely captured can be monitored throughout the life of the contract to improve local awareness and service delivery;
- A requirement of the successful provider(s) to develop partnerships with a range of agencies and services that support people from the range of demographic groups detailed in paragraph 125.
- The service will be required to commit to embedding the equality diversity and inclusion (EDI) principles of the Southwark Stands Together (SST)²¹ programme in service delivery, including a proactive and anti-racist approach to stamp out racism and address inequalities;
- The service will amplify and champion the voices of people of all ages with lived experience of drug and / or alcohol use;
- Opportunities to engage with people of lived experience of drug and / or alcohol use will be developed and facilitated via an effective partnership with the RSS;
- Consultation exercises will inform the drafting of the service specification (so that it covers the range of issues and needs identified by needs assessment and the consultation);
- Proposing a lower tender price weighting reduces the likelihood of providers submitting much lower prices for the delivery of the services, with the potential impact of a lower contract value impacting on ability to provide a high-quality, safe service.

Health impact statement

137. The health impact of drug and alcohol misuse is well researched, and is evidenced throughout this GW1 report. As detailed in the previous section, drug and alcohol misuse and dependence is more prevalent in areas of high deprivation, which, in turn, correlates with poorer health.
138. DRDs in England and Wales are at the highest levels since records began in 1993, and are also correlated with areas of high deprivation. People who use opiates are more likely to die prematurely than the general population, and sub-groups of drug and / or alcohol users, such as rough sleepers, have much higher vulnerability to premature mortality than the general population. The proposed service will play a key role in preventing and reducing rates of drug and / or alcohol related deaths, and reducing harm.
139. Substance misuse and dependence not only affects the health and wellbeing of the user, but also has a serious negative impact on the health and wellbeing of their families and carers, including children. Reducing harm to children from parental substance misuse is a high priority for all agencies, and the proposed service has an essential role to play in providing parental users with an effective treatment offer to promote positive benefits for CYP,

²¹ <https://www.southwark.gov.uk/engagement-and-consultations/southwark-stands-together>

as well as providing a service specifically for CYP affected by someone else's substance use.

140. Physical health complications occur from the problematic use of drugs and / or alcohol, including BBV infection, liver conditions, sexual health issues, injecting problems such as abscesses, overdose and death. There are particular risks to the unborn children of pregnant users.
141. Mental ill-health can be both a cause and a consequence of drug and / or alcohol use, including anxiety, depression, personality disorders, abuse and trauma and self harm. Concurrent drug and / or alcohol use and mental ill-health are common, necessitating the need for a coherent, strong partnership between the services and community mental health provision.
142. Some CYP use drugs and / or alcohol to deal with difficult emotions, or to manage mental ill-health. The use of drugs and / or alcohol in CYP can also result in increased risk taking, such as unprotected sex and involvement in crime, as well as the short term acute effects of intoxication. The service will require strong partnerships with wider health, wellbeing, education and criminal justice services to maximise impact. Delivery of early intervention and prevention will be key to reducing the risks of substance misuse to this cohort, and intervening as early as possible to prevent an escalation to problematic use will be essential.

Climate change implications

143. The climate change implications of the proposed contract have been considered. This section should be read in conjunction with the environmental/sustainability section of this report.
144. The contract will require at least one physical hub within the borough to provide the scope of the service specification; invariably, the service hub will generate waste, and will also use energy and consumables. There are a range of options that the council could expect from the successful provider in order to reduce the climate change implications of the use of a physical hub, and associated service delivery, including:
 - the use of building(s) that are as energy efficient as possible
 - the use of sustainable paper options and usage offset by planting of new trees
 - the use of renewable energy
 - reducing carbon emissions in the supply chain of service consumables
 - recycling of service waste into energy and consumables, thus reducing the amount of waste that goes to landfill
 - reducing the use of single use plastics in service delivery
 - options for resourcing the service with recycled items.
145. The service will also be delivered through an outreach model; this will primarily be on foot, with nil generation of carbon emissions, or by public transport, thus minimising transport-related emissions by spreading them out over many passengers.

146. The onset of the pandemic in March 2020 resulted in a rapid transition to a remote delivery model, with service users able to access 1:1 and group interventions via digital technology. This proved very effective for many people, and the future service offer will reflect a hybrid model of face to face and virtual engagement opportunities. This shift from 100% face to face delivery will substantially reduce the number of people travelling across the borough to attend a physical hub, thus supporting the reduction of travel-related carbon emissions.
147. Services of this nature providing care and support to vulnerable people often have 'green' projects linked to supporting recovery through vocational training and skills development as well as promoting wellbeing; examples include gardening projects and community gardens.
148. The 5% social value evaluation will include climate change and environmental/sustainability considerations in order for this to be assessed at tender. Formal contract monitoring will review activities on an ongoing basis throughout the life of the contract, and it is also considered that this could be captured as part of the annual review.

Social Value considerations

149. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

150. The services will be located and delivered within the boundaries of the borough, providing local economic benefits for residents who may be employed as staff, and service users who will be supported to contribute to the local economy through addressing their drug and / or alcohol support needs and seeking employment, where appropriate.
151. The service contract will bring additional economic value to the borough through a number of ways, as detailed below.
152. **Creating skills and training opportunities** – the proposed service will be required to continue to work in close partnership with the RSS, which provides service user involvement and peer mentoring by individuals with lived experience of drug and / or alcohol use who have first-hand experience of Southwark's treatment service provision, and are further along their recovery journey.
153. It will continue to be a requirement of the provider to work in partnership with the RSS manager to support the training of peer mentors and their skill development in knowledge of drug and alcohol treatment and delivery to enable them to deliver interventions and co-facilitate groups.

154. **Creating employment opportunities for the long term unemployed or those not in education, employment or training** – the proposed service will provide routes into volunteering and employment for ex-service users on completion of their treatment or as part of their long term recovery journey. The service will also coordinate with existing arrangements in the borough such as Southwark Works.
155. The proposed service will be expected to develop partnerships with financial / debt management providers to be delivered within the service, or via a sign-posting mechanism, that offers support to both service users and staff to achieve financial security.
156. **Creating opportunities for apprenticeships and educational placements:** the nature of the services presents opportunities for administrative and health and social care apprenticeships, as well as student placements for counsellors and social workers in partnership with London-based educational providers. The council's target for apprenticeships is acknowledged, but it is not clear what the service can offer at this time, and this will be confirmed in the tender response.
157. **Creating opportunities for volunteering:** this can relate to supporting people with lived experience to access volunteering as well as providing opportunities for volunteers to gain experience through service delivery.

Social considerations

158. The key priority for service provision is to prevent and reduce the prevalence of drug and alcohol misuse and dependence in Southwark, including the rates of younger people developing problematic use, and to reduce the severe health and social inequalities experienced by people with drug and / or alcohol support needs. This will be achieved by a rapid response to referral and direct delivery of interventions as well as facilitated access to appropriate support pathways. Through its day to day delivery, the service will contribute to making Southwark a more equal, fair and just borough.
159. The service will seek to improve the health and wellbeing outcomes of Southwark residents with drug and / or alcohol support needs and their families and carers. Extensive local, regional and national wide ranging performance measures are in place to monitor service benefits and outcomes; these include physical and mental health, employment, training and education, service pathways and conversion rates, waiting times and completion of treatment.
160. The delivery of the contract provides additional opportunities for individuals or groups facing greater social or economic barriers. Engagement in treatment reduces social and economic costs to the person and the borough. Through a robust case management approach, the service will support people to be more stable and less chaotic, providing them with an opportunity for recovery from misuse and / or dependence, with an age

appropriate and robust targeted approach to support CYP to de-escalate risky behaviours and to reduce harm.

161. This will be achieved by helping people of all ages to navigate a wide range of services to meet their needs and improve their health, wellbeing and social functioning. These activities contribute to reducing the economic, human and social costs associated with drug and alcohol misuse and dependence where there is no intervention.
162. A comprehensive outreach offer will be key to the effective delivery of the service to a range of people and groups that find hub-based services difficult to access; this includes CYP and people sleeping rough. Providers will be expected to identify sufficient resource to support engagement and delivery of the service outside of the physical hub(s).
163. With consideration given to age appropriateness, service users will be encouraged to engage with the local treatment recovery community and / or other services in order to meaningfully fill the periods of time that were previously focused upon drug and / or alcohol use and related activities, including crime. This engagement also helps to improve social connectedness and reduce loneliness and isolation for some of the borough's most vulnerable residents.
164. The council places a high level of emphasis on treatment community engagement within this service to ensure that the voices and views of people with lived experience shape both the design and development of the services. Opportunities for treatment community engagement are well publicised and utilised and enhanced by the RSS, and this will be extended to account for CYP.
165. CYP and families will have their support needs met through a defined, separate pathway (1), with no interface with any of the other three pathways. The continued presence of hidden harm provision delivering a structured support service for CYP affected by someone else's drug and / or alcohol use will promote positive emotional health, wellbeing, protective factors and resilience. This will add social value to enable vulnerable children affected by drugs and / or alcohol use to receive support and be protected, thus seeking to reduce adverse childhood experience and trauma.
166. Placing commissioning responsibility for community pharmacy supervised consumption and needle exchange services with the proposed contract provider will assist in supporting pharmacists to deliver effective services. Supervised consumption helps to improve retention in drug treatment, and treatment engagement outcomes, through the provision of instalment dispensing and ensuring that every supervised dose is correctly administered to the individual for whom it was prescribed for. It also reduces the risk to local communities of the diversion of prescribed medicines into the illicit drugs market, risks associated with overuse or underuse of medicines and accidental exposure to controlled medicines.

167. Needle exchange supports safer communities across the borough through the provision of sterile injecting equipment and paraphernalia, which reduces the transmission of blood borne viruses, and, as a consequence, helps to reduce acute costs of treatment at a later stage.
168. The council will require the future provision to demonstrate not only a commitment to improving the health and wellbeing of vulnerable residents, but also to commit to work practices that improve staff wellbeing, reduce absenteeism due to ill health, and recognise mental ill-health as an issue.
169. The council is an officially accredited London Living Wage (LLW) Employer and is committed to ensuring that, where appropriate, contractors and subcontractors engaged by the council to provide works or services within Southwark pay their staff at a minimum rate equivalent to the LLW rate. Successful contractors will be expected to meet LLW requirements, and contract conditions requiring the payment of LLW will be included in the tender documents.
170. The council can exclude companies who break the law by blacklisting from public contracts if they are either still blacklisting or have not put into place genuine actions concerning past blacklisting activities. Where a company has been found to be using blacklisting, the council can require "self cleaning" which enables a potential contractor to show that it has or will take measures to put right its earlier wrongdoing and to prevent them from re-occurring and to provide evidence that the measures taken by the economic operator are sufficient to demonstrate it has:
- i. "Owned Up": clarified the facts and circumstances in a comprehensive manner by actively collaborating with the investigating authorities;
 - ii. "Cleaned Up": taken concrete technical, organisational and personnel measures that are appropriate to prevent further criminal offences or misconduct, and
 - iii. "Paid Up": paid or undertaken to pay compensation in respect of any damage caused.
171. The council will include a request for the necessary information from tenderers (using the council's standard documentation in relation to blacklisting). The council's contract conditions will include an express condition requiring compliance with the blacklisting regulations and include a provision to allow the contract to be terminated for breach of these requirements.

Environmental/Sustainability considerations

172. Areas to be explored for inclusion are opportunities:
- to reduce carbon emissions
 - to reduce waste and increase recycling
 - for use of recyclable or reusable products
 - to increase recycling rates
 - to use renewable energy in physical premises

- for greener versions of staff transport
- to underpin environmental activities with membership of accredited schemes.

173. The service will be required to support and promote responsible behaviour initiatives such as encouraging injecting service users to not discard drug related litter and paraphernalia in public spaces.

Plans for the monitoring and management of the contract

174. The contract will be managed and monitored by the council's Drug and Alcohol Action Team (DAAT) in Community Safety and Partnerships (CS&P), with delegated responsibility for the commissioning of the services from the Director of Public Health. Governance is provided by the statutory Community Safety Partnership.

175. Formal contract monitoring processes will take place on a quarterly basis, in alignment with the publication of NDTMS data, with representation from the council, provider(s) and RSS manager to ensure that the voices and views of people with lived experience of drug and / or alcohol use are considered as part of every formal review process.

176. A bespoke contract monitoring report template will provide the council with a range of quantitative and qualitative information about the delivery of the services during the quarter. The council will provide the provider(s) with a quarterly performance dashboard, comprised of NDTMS data, for discussion.

177. In addition, as is currently the case, a monthly meeting will be scheduled between all parties to ensure that the council has current and relevant knowledge of contractual delivery, including highlights, new initiatives and challenges. This will be in addition to the minimum weekly telephone contact between the council and provider(s) to meet business as usual requirements.

178. Due to the time lag with the publication of NDTMS data and the 12 month rolling period for many of the indicators, NDTMS performance against these indicators under the new contract cannot be considered in isolation until the fifth quarter of service delivery following commencement of the contract as the first four quarters will include data from the previous contracts.

179. A more intensive pattern of contact will be established between the council and provider(s) during the mobilisation period (minimum of six months following contract commencement), and until such a time as the council is satisfied that successful implementation of the service specification has been achieved. This will serve to support the development of effective partnerships in the borough, including a strong relationship with Partnership Southwark, and criminal justice agencies, including the police, probation, prisons and courts.

180. Performance reporting will be in alignment with the council's contract standing orders, and will include an annual review.

Staffing/procurement implications

181. DAAT, legal and procurement resource has been identified to deliver this procurement project. Wider council officers and people with expertise and knowledge of the services will be brought in to assist with the evaluation of the tender submissions.

Financial implications

182. A successful procurement process, delivered in line with the proposals in this GW1 report, will result in the award of a single integrated all-age community drug and alcohol services contract. The estimated maximum annual cost made available as a financial envelope is £3,957,084, which reflects 2021-22 budgets for the services to be included:

Service area	Budget 2021-22
AIDATS contract	£3,420,731
IHSYP contract (substance misuse)	£214,253
Needle & paraphernalia exchange coordination service	£120,600
Community pharmacy – supervised consumption and needle exchange	£102,000
General Practice Shared Care Opiate Drug Misuse Service	£99,500
Total	£3,957,084

Table 4: Maximum annual financial envelope for the proposed contract

183. On the basis of the proposal to award an initial contractual term of 3 years with the option to extend for up to a further 9 years in increments at the council's sole discretion, this provides a total estimated maximum contract value of up to £47,485,008, excluding inflation.
184. Inflationary increases will not be a feature of the contract as the council continues to face severe budgetary pressures, and no additional substantive funding for the service has been identified for future years of provision at the time of writing. The successful provider will be required to account for any additional costs, including inflationary increases, during each year of delivery from their proposed annual contract value within the financial envelope, and this will be assessed in the tender financial evaluation.
185. The contract will explicitly detail a commitment to the first year of funding only, and that future funding may be less than the contract value dependent upon financial settlements for Public Health services via the Public Health grant or future funding arrangements. The uncertainty about future funding of Public Health services necessitates these requirements to be built into the contract, with the funding of the services for the duration of the contractual term kept under close review.

186. As outlined in recommendation 2, RSDATG funding of £93,823.03 will also be awarded to the successful provider to cover the period of outreach delivery between 1 December 2022 and 31 March 2023. At the time of the writing, there has been no confirmation of an extension of the funded project beyond this date.
187. The tender includes an evaluation weighting for lowest price. As such, it is expected that the contract will be awarded at a lower price than the maximum financial envelope available for the tender, realising a saving. The extent of any saving will not be known until the tender process concludes.
188. As previously detailed, the intended contract monitoring and management arrangements will be funded through established DAAT staffing costs.

Legal implications

189. Please see concurrent from the Director of Law and Governance.

Consultation

190. Extensive consultation has taken place with senior officers of the council and NHS SEL CCG, the provider market, Partnership Southwark, partner agencies including criminal justice and health services, treatment system staff and people with lived experience, the outcomes of which will be considered in the development of the service specification. This will continue to take place over the coming months as the tender is prepared.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance (FC21/036)

191. The strategic director of finance and governance notes the recommendations of the report including the approval of a competitive procurement process for a community illicit drug and alcohol early intervention, prevention, recovery and treatment system for residents of all ages.
192. The maximum annual contract value is noted in paragraph 1 as £3,957,084 and the procurement period will be an initial 3 years from December 2022 up to a maximum of 12 years at the sole discretion of the council and including appropriate break clauses.
193. The range of services subject to the procurement exercise are entirely funded from the Public Health grant and the commitments included in the report, and the potential amendments to the grant funding figure, should be noted by the services concerned. The report notes this funding uncertainty in paragraph 185.

Head of Procurement

194. This report seeks Cabinet's approval for the procurement strategy for a contract to deliver an all-age community illicit drug and alcohol early intervention, prevention, recovery and treatment system delivery to people of all ages with drug and / or alcohol support needs, and families and carers and CYP affected by someone's else's misuse as detailed in paragraph 1.
195. The procurement strategy proposes to undertake PCR 2015 LTR competitive procurement exercise as the procurement route to be follow, seeking a single provider, or consortium with lead provider, to deliver all of the requirements of the service provision at a total estimated annual cost of up to £3,957,084 for an initial period of 3 years from 1 December 2022, with the option to extend for a period or further periods of up to 9 years in increments with break clauses at the council's sole discretion, making a total maximum contract value of up to £47,485,008 over a maximum 12 year term.
196. The contract value includes the Rough Sleeping Drug and Alcohol Treatment Grant (RSDATG) project, that is hosted within the adult integrated drug and alcohol treatment system (AIDATS) contract, as a requirement of contractual delivery until funding expires at a current future date to be confirmed, which constitutes a funding award of £93,823, in addition to the funding detailed in recommendation one, for a period of four months between 1 December 2022 and 31 March 2023.
197. The council's proposed route is to undertake a PCR 2015 LTR competitive procurement exercise. The procurement route, tender requirements and contract terms and conditions will ensure high quality service is delivered and best value is achieved. The reasons for choosing the proposed procurement route is detailed in paragraphs 75 to 77, which meets both the Council's governance process and PCR 2015 requirements.
198. The procurement process is detailed in paragraphs 84, 91 to 117 and paragraphs 98 to 117 in this report specifies the evaluation methodology to be applied by the Council in selecting the successful bidder for the proposed contract. The report also highlight potential risks and mitigating actions in paragraph 78, impacts for equalities health and climate are detailed in paragraphs 129 to 148, social value commitments are detailed in paragraph 149 and confirmation of the payment of London Living Wage is detailed in paragraph 169.
199. Southwark Council's procurement officers will be advising on the appropriate tender documents to be used to ensure that all relevant statutory questions are included and due diligence carried to ensure that the proposed contract delivers efficiency and sustainable benefits.

Director of Law and Governance

200. This report seeks approval of the procurement strategy for a contract to deliver an all-age community illicit drug and alcohol early intervention,

prevention, recovery and treatment system as further detailed in paragraph 1. In view of the estimated value and potential duration of the contract, this is a strategic procurement under the council's Contract Standing Orders and approval is therefore reserved to the Cabinet.

201. These services are classed as above threshold 'light touch' services as defined in the Public Contracts Regulations (PCR) 2015, which means that their procurement is subject to the full application of the PCR. Paragraphs 75 and 97 confirm that a publicly advertised competitive tendering exercise is to be undertaken, in compliance with PCR procedural requirements.
202. Cabinet should be mindful of the Public Sector Equality Duty (PSED) contained within section 149 of the Equality Act 2010, the details of which are set out at paragraphs 134 and 135 of this report. Cabinet is specifically referred to paragraphs 136 which describes the consideration that has been given to equalities issues and the steps that have been taken to demonstrate and ensure compliance with the PSED, including the production of an Equality Impact Assessment, which forms Appendix 3 to this report, all of which should be considered when agreeing this procurement strategy and at each stage of the process.
203. Cabinet is also referred to the community engagement and wider consultation that has taken place to help design and develop service benefits and outcomes. The report notes that this engagement and consultation will continue as the procurement progresses.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
GW0: Adult community specialist drug and alcohol treatment services	Environment and Leisure / Communities / Community Safety and Partnerships / Drug and Alcohol Action Team (restricted folder)	Donna Timms 0207 525 7497
Link: http://moderngov.southwark.gov.uk/mqDecisionDetails.aspx?IId=50021003&Opt=1		
GW1: Adult community specialist drug and alcohol treatment services	Environment and Leisure / Communities / Community Safety and Partnerships / Drug and Alcohol Action Team (restricted folder)	Donna Timms 0207 525 7497
Link (please copy and paste into browser): https://moderngov.southwark.gov.uk/documents/s88139/Report%20GW1%20adult%20drug%20and%20alcohol%20services.pdf		

APPENDICES

No	Title
Appendix 1	Overview of existing services for inclusion in the new contract
Appendix 2	Summary of wider policy implications
Appendix 3	Equality Impact Assessment: Community Drug and Alcohol Services
Appendix 4	Equality Impact Assessment: Street Outreach Service for Rough Sleepers

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Health and Wellbeing	
Lead Officer	Caroline Bruce, Strategic Director of Environment and Leisure	
Report Author	Donna Timms, Unit Manager - DAAT	
Version	Final	
Dated	23 November 2021	
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 Governance	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		24 November 2021