

Item No. 19.	Classification: Open	Date: 29 October 2019	Meeting Name: Cabinet
Report title:		Gateway 3 – Variation Decision Extension of contract - Adult Integrated Drug & Alcohol Treatment System (AIDATS)	
Ward(s) or groups affected:		All wards; individuals with drug & alcohol dependencies; their families, children, carers and communities	
From:		Strategic Director of Place and Wellbeing / Director of Public Health	

RECOMMENDATION:

1. That cabinet approves the extension of the AIDATS contract with change, grow, live services limited (cgls; a wholly owned, non-charitable, trading subsidiary of change grow live; a registered charity delivering health and welfare services) for a maximum period of fifteen (15) months commencing on 4 January 2020 at a maximum contract value of £4,275,914, and including the revisions noted at paragraph 31.

BACKGROUND INFORMATION

2. A Gateway (GW) 3 report dated 6 September 2018 sought approval to extend the AIDATS contract to cgl, contracted to deliver the services since 1 June 2017, for a period of one year from 4 January 2019 with the remaining option to extend for a further year. Approval was granted by the Cabinet Member for Community Safety and Public Health (attached as a background paper).
3. A subsequent GW3 report dated 4 March 2019 sought approval to vary the contract with cgl in order to novate the same to cgls for a maximum period of 9 months from 4 April 2019, with the option to extend for a further period not exceeding one year commencing on 4 January 2020, and up to a maximum contract value of £6,518,134.
4. The AIDATS service delivers a range of community evidence based pharmacological treatment, including opiate substitution therapy (OST), and psychosocial drug and alcohol treatment interventions, with a strong focus on recovery and supporting service users to build resilience. In addition to treatment, the service facilitates access to support with employment and training opportunities, as well as establishing new substance-free social networks and interests, and working alongside service users and stakeholders to build a visible recovery community in Southwark. This treatment and support contributes to improving outcomes and life chances for Southwark residents with drug and alcohol misuse issues.
5. As at September 2019, the current Tier 3 (structured treatment with a recovery plan)¹ caseload breakdown is as follows:

¹ <http://www.dualdiagnosis.co.uk/uploads/documents/originals/Models%20of%20Care%201.pdf>

Number of Clients in Structured Treatment (Tier 3)	
Opiate	675
(Number of opiate clients prescribed Opiate Substitution Therapy within the community)	476 of 675
Alcohol	106
Non-opiate	59
Non-opiate & alcohol	80
Total in T3 Treatment	920

6. The outcomes and performance of the contract are monitored using fourteen National Drug Treatment Monitoring System (NDTMS) indicators and locally collected service data. 12 of these are the national indicators of successful completion of treatment (all four cohorts), representation rates (all four cohorts), planned exit from treatment (all four cohorts). 2 of these are locally measured: prison release engagement rate; and, outcome star at treatment start, underpinned by a 20% Payment by Results (PbR) performance management framework model.
7. An external case mix audit of Southwark's adult treatment population undertaken in Q1 and Q2 2019-20 evidenced the following profile:

Treatment Profile Demographics

- Male (78%); White British (58%); 63% aged 45+
- Housing need (31%); Rough sleeper (6%)
- Unemployed (78%)
- Current offending (18%); offending history (34%)
- Heroin (63%); Crack (53%); Alcohol (41%); Intravenous (IV) (24%)
- 57% on OST
- 69% using Class A illicitly
- 63% Physical Health conditions (21% problematic)
- 20% attended Accident & Emergency (A&E) in last year
- 50% Mental Health conditions (15% problematic); 35% depression; 19% history of self harm.

Key themes

- Ageing population with chronic co-morbidities
- Extensive physical and mental health problems linked to substance misuse and ageing
- Ongoing, illicit Class A use
- Socially isolated.

Population Clusters

Cluster 1: Problematic unhealthy / depressed heroin and crack misusers, using Class A drugs illicitly (46%)

- Social problems (housing, offending, unemployed)
- Chronic physical health issues (35% Hepatitis C +; 31% attended A&E in last year)
- Extensive mental health issues (30% current self harm; 49% depression)
- More likely to disengage from services.

Cluster 2: Older, but without major health issues, heroin and crack misusers, using illicitly (24%)

- Older (aged >50)
- Lower level health issues due to age and substance misuse (Muscular – Skeletal, Chronic Obstructive Pulmonary Disease)
- Minimal mental health issues
- Managed alongside GPs (shared care).

Cluster 3: New to treatment, mainly alcohol misusers (24%)

- Primarily alcohol (and some cocaine users)
- No or minimal previous treatment history
- Referred via Primary Care
- Problematic mental health.

KEY ISSUES FOR CONSIDERATION

Key aspects of proposed variation

8. The variation recommended in this report relates specifically to a fifteen (15) month extension of contract with the existing provider cgl's to commence on 4 January 2020 with a revised contract completion date of 31 March 2021. There is a proposed revision to the PbR performance management framework when compared to the previous four years of the contract. This will result in a lower maximum contract value, but is offset by guaranteed funding into the contract that is not currently possible under the existing mechanism.
9. In accordance with the original maximum contractual term of five years, it should be noted that, subject to all extension options being exercised, the contract was due to expire on 3 January 2021, with a variation sought in this GW3 report to extend the contract for a further period of three months in excess of this. The rationale for this is detailed in paragraphs 14 to 20.
10. Whilst there are no changes to the specified outcomes and performance as required by the Council, the guaranteed funding into the service's frontline delivery arising from the proposed revision to the performance management framework will create capacity to provide additional support for core groups as detailed in paragraphs 21 to 29. It will also provide additional funding resources for Tier 4 residential rehabilitation where demand has increased in recent months.
11. The estimated maximum value of this proposed variation is £4,275,914. The maximum value of the original three year contractual period (4 January 2016 to 3 January 2019) is £15,202,152, the 12 month contract extension has a maximum value of £3,537,467 (4 January 2019 to 3 January 2020), bringing the total maximum aggregate contract value to £18,739,619. The value of this extension as a percentage is 22.8%.

Reasons for variation

12. This variation has arisen as the fourth year of the contract is due to expire on 3 January 2020 and there is a need to ensure no disruption in continuity of access to stable drug and alcohol treatment service provision for vulnerable residents in the borough who require the services whilst a procurement process is undertaken to

secure future treatment system provision in Southwark (subject to approval of GW0 and GW1 reports to follow).

13. As referenced in paragraphs 8 to 10, there are two key proposals for revision when compared to year 4 of the contract as detailed in paragraphs 14 to 35.

Period of contract extension

14. The GW1 procurement strategy approval report dated February 2015 outlined a maximum contractual term of five (5) years comprised of an initial contractual term of three (3) years commencing on 4 January 2016 with the option to extend for a further period or periods not exceeding two (2) years with a contract completion date of 3 January 2021.
15. Mobilising the AIDATS contract for a commencement date of 4 January 2016 evidenced a number of issues and risks due to the Christmas period and reduced staffing to support service user transition and handover of information. In order to safeguard vulnerable service users at a difficult time of year which often can result in a lapse or relapse into drug and / or alcohol use, and to ensure that barriers to accessing treatment are reduced for individuals identifying a drug and / or alcohol need over the festive period and taking action, as is often the case, officers do not recommend a change of contract at the start of a new year.
16. Consideration has been given as to whether a competitive procurement could be undertaken and delivered before 3 January 2021 with an earlier contract completion date. However, due to the timescales involved in planning for a procurement of this scale and size and officers' awareness of a number of other boroughs undertaking competitive procurements for comparable services at the same, thus creating competition and increasing the risk of less or no bids, it is not possible to implement the procurement project in a shorter timescale.
17. Through discussions with other local authorities, officers are not currently aware of any planned procurements for comparable services in London with aligned timescales for a contract commencement of April 2021. Planning the procurement to align with this timescale increases the likelihood of receiving tender submissions from a wider range of providers on the basis of less competition with other local authorities' procurement timescales.
18. Furthermore, it provides assurance that the successful provider would be able to focus attention on the implementation and mobilisation of a new service contract in Q4 20/21 without the distraction that arises in the event of the successful provider(s) simultaneously mobilising the early stages of other service contracts.
19. In summary, a fifteen (15) month term is proposed for the extension to support the successful delivery of a new procurement process in identifying a suitable provider that can fully focus on implementing the new contract and to safeguard vulnerable residents by reducing the risks associated with a festive period handover and early New Year contract commencement date.
20. The (EU) Public Contracts Regulations 2015 permit modifications to existing contracts of this nature without the need for a fresh procurement exercise in certain limited circumstances and this is confirmed within the concurrent report of the Director of Law and Democracy below.

Enhancing service provision to better address illicit use on top of OST and improve outcomes

21. In June 2019, the council commissioned an external organisation to undertake an independent case mix audit of Southwark's adult treatment population for the purpose of enhancing the council's understanding of the treatment population demographics and needs, thus promoting the development of effective commissioning intentions for future provision. A summary is detailed in paragraph 7.
22. One outcome deriving from the audit was the identification of significantly high levels of continued use of Class A drugs amongst the treatment population receiving OST (69% across service and primary care environments). The Advisory Council for the Misuse of Drugs (ACMD) Recovery Committee Optimising OST Report (2015)² cited that service users that stopped illicit use on top of their OST during treatment were more likely to overcome heroin dependence, become abstinent and complete treatment successfully particularly where the use on top ceases within 6 months of treatment commencement.
23. Furthermore, the ACMD report endorses the position of national guidelines that ongoing 'use on top' is indicative of OST 'not working' or only providing partial benefit. In order to address use on top, the individual's treatment should be reviewed and then optimised with evidence-based optimisation strategies to support this including the correct medication at the correct dose; regular random drug testing and monitoring with contingencies; increased supervised consumption; and increased psychosocial interventions³.
24. On the basis of the information in paragraphs 21 to 23, it is considered of paramount importance that use on top of OST receives priority attention by both the service and primary care to reduce the high levels noted in Southwark's treatment population in order to improve outcomes and it is intended that this will be reaffirmed as a contractual requirement of all providers delivering OST to Southwark residents with an expectation that they will be held to account for their responsibilities in addressing this issue. This is not considered as a change of scope as it was accommodated for in the original contract, but is considered an enhancement of the service to better manage risk and improve outcomes.
25. Due to the risk of harm and impact on outcomes, it is considered necessary for this enhanced activity to be implemented prior to a new service contract being in place and urgent action is needed to expedite the process of improving outcomes and successful completion rates.
26. As part of the focus, there is a need to consider transitional care arrangements between the service and primary care to ensure that risk is effectively managed where service users report use on top of OST. A review process, including agreement of eligibility criteria underpinning the most appropriate treatment setting for service users dependent upon their needs and risk (to be finalised by December 2019), may result in an increase in the number of service users being brought back into the service from

²

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/470399/ACMD_RC_OPTIMISING_OST_REPORT_231015.pdf

³

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

primary care to be stabilised, due to risk, which will require resources to deliver an effective optimisation strategy.

27. However, it is also anticipated that, through an enhanced focus on optimal dosing, increased numbers of service users will evidence treatment stability with the opportunity for their care to be managed in a primary care setting; thus creating a more fluid care pathway between the service provisions.
28. Due to the high reported prevalence of use on top of OST and the known capacity impact of the reduction of budget allocation available to the services, it is perceived that existing treatment system resources are insufficient to effectively target this level of need to the extent needed to maximise impact.
29. As detailed in the financial implications section, provision was made in the GW2 report dated September 2015 for an uplift in years four and five of the contract in the region of £365,000 per annum. However, due to the severe pressures on the Public Health grant allocation, including central government reduction of the allocation for four years, the Council was not in a position to provide a significant uplift in year four, nor is it in a position to provide an uplift in year five to meet this demand. Creative measures must be taken to increase guaranteed funding into the service to better address this priority issue.
30. Additionally, the Public Health grant pressures arising from the extent of central government reductions have resulted in a reduction of budget allocation for Tier 4⁴ residential rehabilitation services (Public Health 50% contribution). The increased demand for this area of provision at a time of budgetary reduction has resulted in a financial envelope for the services that is not sufficient to meet current demand. As there are no additional funds available for drug and alcohol treatment services in 2020-21, officers must consider the reallocation of confirmed budget allocations where possible to ensure service users can access appropriate residential care and treatment support where their circumstances dictate a need for this.
31. It is considered appropriate to implement a revised performance management framework in order to increase guaranteed funding into the service for the fifteen (15) month extension period and to enable the reallocation of funds to the Tier 4 residential budget. The need for this modification has been brought about by circumstances that a diligent contracting authority could not have foreseen: increased demand for Tier 4 services and year on year Public Health grant reductions since the contract was awarded in 2015 were not apparent at the time of procurement.
32. It should be noted that this modification does not alter the overall nature of the contract and the increase in contract value to account for the additional three month delivery period does not exceed 50% of the value of the original contract.
33. The redaction of the PbR element of the contract for the period of the extension will also deliver wider benefits. On the basis of the EU PCR 2015, there is a legal requirement to re-procure the service contract as it approaches the end of its term. Whilst this presents a timely opportunity to reflect upon the achievements and challenges of the service since the contract was awarded in 2015, and to consider how best to commission future provision to meet local need, re-procurement also creates churn in the treatment system resulting in instability, disruption to performance and negative impacts on treatment outcomes.

⁴ <http://www.dualdiagnosis.co.uk/uploads/documents/originals/Models%20of%20Care%201.pdf>

34. This is of particular concern when considered from the perspective of adverse impact upon vulnerable service users who may become anxious about the transition to future provision and its implications, and staff with uncertainties about future employment. A forthcoming GW0 report will detail the council's intentions to manage this within the future provision.
35. In the context of the variation detailed within this report, the Council notes the need to ensure that the service provider is focusing its resources in the final fifteen months of the contract upon ensuring seamless transitional pathways are in place to support vulnerable residents at risk of unplanned exit, and retaining those most at risk within the service during the period of churn and instability. Revising the PbR mechanism and providing guaranteed funding will support this to take place.

Performance of the service

Engagement rate – prison releases (40% of prison releases referred to cgl's engaged with treatment within 21 days)

36. This measure relies on local data and was achieved in all five quarters since Q1 18/19 with an average of 58.28% engagement rate recorded. This is indicative of a strong prison to community transitional pathway, which is of significant importance in reducing risk to life through overdose on release.

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

37. This measure relies on local data and was achieved in all five quarters since Q1 18/19 with an average of 94.66% service users completing an Outcomes Star at treatment start. Of note is the increase in percentage to its highest level in Q1 2019-20 during the period. Outcomes Star is an evidence-based visual tool for helping service users to monitor their own change during treatment. High levels of compliance indicate that service users are being supported to develop skills in mapping their own progress in treatment across a number of domains.

Performance in general

38. As referenced in paragraph 6, the contract has fourteen (14) PbR measures (as detailed in this section) which will continue to apply for the duration of the extension. It should be noted that these measures do not represent the totality of all measures available to the Council to assess the performance of the contract. Due to the nature of the services, delivering a wide range of interventions to meet both the treatment and holistic care needs of adult drug and alcohol users, it is impossible to accurately report every measure, benefit and outcome deriving from the delivery of the contract as these will be highly individualised for each service user.

Performance caveats

39. It should be noted that treatment benefits and gains for complex individuals will not necessarily be evident through traditional NDTMS performance measures used for PbR such as successful completion of treatment and planned exits. It will be more challenging for any provider to achieve the highest levels of performance noted across the London boroughs for certain cohorts of service users (Public Health Outcomes Framework – PHOF), which must be considered in any appraisal of contract performance. This point is of particular pertinence when considering the outcome of the independent case mix audit undertaken this year, and detailed in paragraph 7.

40. Whilst the Council's ambition for all residents using these services is to achieve sustainable recovery in line with the HM Government Drug Strategy 2017, it is recognised that the ability to achieve this will vary between service users and there is no expectation of the provider to pursue recovery and successful completion of treatment where this would result in increased risk to service users.
41. As such, the ambition for these residents may relate to reducing harm and keeping them safe through treatment engagement and retention as opposed to pursuing an end goal of abstinence and successful completion of treatment, the benefits of which will not be reflected in the PHOF data, but which will have a potentially adverse effect on the borough's successful completion rates.
42. It is also important that consideration of NDTMS data pertaining to PbR measures is not undertaken in isolation as this does not provide a holistic picture of the overall performance and benefits of the service, which is demonstrated through locally collated data and service user feedback.
43. NDTMS and locally collated data demonstrates the continued progress that the borough's treatment system has made over the course of the contract, as well as providing assurance to the council that the service is meeting the needs of a wide range of residents, that cgl's are delivering the services in line with current guidance and legislation, and that efforts are being made to deliver innovative approaches to treatment to engage with as wide a range of residents with drug and / or alcohol treatment needs as possible. Examples of service activity and highlights over the past 5 quarters are illustrated in the table below (not an exhaustive list).

CGL Southwark Service Highlight	Details
Conversion rates	93.74% (868/926) of new presentations to the service in 2018/19 went onto commence structured treatment demonstrating a high level of engagement.
Treatment naïve entrants	454/926 of new presentations to treatment in 2018/29 were treatment naïve (no treatment history / not known to services) equating to 49% of all new presentations during the period; this indicates an attractive and appropriate treatment system offer.
Outreach	Between September 2018 and March 2019, 167 outreach contacts were made with 33 assessments undertaken and 30 individuals entering structured treatment; this was a new offer in 2018/19 and considered successful given the complexity and difficulties in engaging 'hard to reach groups' into treatment.
Psychosocial interventions	In 2018/19, 618 groups and 15,273 1:1 appointments were delivered to residents engaged in treatment.
Pharmacological interventions	On average in 2018/19, 732 service users received OST per quarter of which 551 were case managed by the service.
Alcohol Community Detox (ACD)	ACD commenced as a new service offer in 2018/19 with 15 undertaken and this has further increased in Q1 2019-20.
Naloxone	371 offers of naloxone were made in 2018/19 with an uptake rate of 35.85%; this continues to be a key focus with a revised approach that sees naloxone given as a mandatory part of treatment engagement.
Carers and family support	In 2018/19, 57 people/families received support from the service with 100% receiving overdose prevention training. 49 people were held on the Hidden Harm caseload.

44. Service user feedback can be observed in the consultation section of this report.

Future proposals for this service

45. Future options are currently being considered and are the subject of a GW0 report to be considered for decision in Q3 2019-20.

Alternative options considered

46. The following options have been considered and discounted.

47. **Cease to commission the services on 3 January 2020 when the fourth year of the contractual term ends:** The services are funded from the Public Health grant allocation. As detailed in paragraphs 53 and 54, there is a condition attached to the payment of the Public Health grant to the council with the AIDATS contract representing the major vehicle for meeting this condition.

48. In addition, the contract represents the only adult community specialist drug and alcohol treatment service provision in the borough and is the primary vehicle for reducing demand for drugs and / or alcohol in adult residents. The service supports 90% + of all service users engaged with specialist drug and alcohol treatment in Southwark. Loss of access to treatment would result in significant risks to health and wellbeing and in some cases to life, for some of the borough's most vulnerable residents.

49. **Seek approval of a new procurement strategy for an AIDATS contract to be in place by 4 January 2020:** there is not sufficient time to undertake a procurement of the scale and size to deliver a new service contract for commencement on 4 January 2020.

50. **Exercise the option in the current contract to extend for a further period of one year only as opposed to fifteen months:** The reasons for not recommending this option at this stage are detailed in paragraphs 14 to 19.

51. **Extend the current contract for a period of fifteen months:** This is the preferred option for the reasons detailed in paragraphs 14 to 19.

Identified risks for the variation

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

Risk	Risk level	Mitigation
Southwark's 20/21 Public Health grant funding is not yet formally confirmed nor is the funding allocation for substance misuse services.	Low	The HM Government spending review announcement in September 2019 detailed the retention of the Public Health grant ring-fence in 2020-21 and a real terms increase. Due to wider financial pressures, there will be no additional funding available for the services in 2020-21. As previously, steps will be taken to mitigate financial risk with a three month break clause stated in the terms and conditions. The contract will reflect the degree of uncertainty of funding and will contain caveats to allow for changes of volume and quantities of activity. Where funding allocation is reduced during the extension period, cgl will be informed at the earliest opportunity

Risk	Risk level	Mitigation
		and officers will liaise closely with the provider in order to limit the impact on frontline service delivery.
Delays to the new procurement process results in the requirement for a further extension period	Low	Projected procurement timescales provide sufficient time to undertake a formal tender process with some flexibility built in.
Risk of legal challenge due to revisions to performance management framework and additional three month extension period	Low	The council proposes to commence a procurement exercise for a new service contract which is expected to operate from April 2021. A short term (3 month) contract is unlikely to be attractive to the market.

Policy implications

53. 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.’”
54. The drug and alcohol treatment provision detailed within this GW3 report represents the Council’s major vehicle for adhering to the Public Health grant condition. It should be noted that it has been proposed that services currently funded by the Public Health grant will be funded in the future through a retained business rates model; however, at the time of writing, the future intentions in this regard are not clear nor are the timescales should it be implemented. It has been confirmed that it will not take effect in 2020-21 before the end of the proposed fifteen month extension.
55. The contract offers a range of benefits and impacts on cross council priorities as well as playing a key role in the successful delivery of the Southwark Council Plan 2018-19 – 2021-22 in relation to the following Fairer Future promises:
 - *The best start in life* – offering intensive specialist support for parental drug and alcohol users to address dependency improves the life chances of their children and reduces the likelihood of harm with decreased impact on Children’s Social Care services
 - *A healthy borough where your background doesn’t determine your life chances* – tackling dependency and associated ill-health helps to reduce health inequalities and support people to improve their lives with contribution to a wide range of Public Health Outcomes Framework (PHOF) indicators.
 - *A great place to live with clean, green and safe communities* – engagement of drug and alcohol users in effective treatment reduces substance related crime and antisocial behaviour as well as reducing the discarding of drug related paraphernalia in public places
 - *Full employment, where everyone has the skills to play a full part in our economy* – achieving stability in treatment and sustained recovery enables drug and alcohol users to find work, access training and achieve their goals as well as contributing to the local economy.

56. The services are also of paramount importance to delivering the overarching vision and all six strategic ambitions of the Southwark Health and Wellbeing Strategy 2015 – 2020:

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

- *“Giving every child and young person the best start in life*
- *Addressing the wider socio economic determinants of health which we know determine our life chances: we will maximise opportunities for economic wellbeing, development, jobs and apprenticeships, and make homes warm, dry and safe.*
- *Preventing ill health by promoting and supporting positive lifestyle changes and responsibility for own health and improving people’s wellbeing, resilience and connectedness.*
- *Helping people with existing long term health conditions to remain healthier and live longer lives by improving detection and management of health conditions including self-management and support.*
- *Tackling neglect and vulnerabilities by supporting vulnerable children and young people and ensuring positive transition, ensuring choice and control for people with disabilities and supporting independent living for older people in an age friendly borough.*
- *Supporting integration for better health and wellbeing outcomes by integrating health and social care that is personalised and coordinated in collaboration with individuals, carers and families and by shifting away from over reliance on acute care towards primary care and self care.”*

57. The Southwark Joint Mental Health and Wellbeing Strategy 2018 – 2021 is focused upon improving the mental health and wellbeing outcomes of Southwark’s residents which is of paramount importance to the drugs and / or alcohol treatment population due to the high prevalence of these needs. The Strategy details five strategic priorities, the following of which are relevant to residents using the services detailed in this report:

- Prevention of mental ill health and promotion of wellbeing
- Increasing community-based care and supporting communities
- Improving clinical and care services
- Supporting recovery
- Improving quality and outcomes.

58. The HM Government Drug Strategy 2017 detailed two overarching aims: “to reduce all illicit and other harmful drug use, and increase the rate of individuals recovering from their dependence.” The service contract supports the delivery of both of these aims with a focus on both *reducing demand* and *building recovery* in Southwark’s communities as follows:

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

integrated care pathways and access to a range of services are in place to support all adults in Southwark to live a life free from drugs.

59. The HM Government Serious Violence Strategy 2018 identifies four key themes, one of which is *'tackling county lines and misuse of drugs'* operating from a premise of strong evidence that illicit drug markets are a driver of serious violence. There is an identifiable overlap between this strategy and the Drug Strategy 2017 in relation to the need for an enhanced understanding of the cohorts that are using drugs and the need for access to high quality treatment provision to support individuals with addressing their misuse which is delivered through the AIDATS contract.
60. Additionally, in 2019, the council has committed to implementing the recommendations from an Extended Learning Peer Review undertaken by the Home Office's Violence and Vulnerability Unit which identified key linkages between the violence, vulnerability and exploitation of children and vulnerable adults in drug market activity; the AIDATS contract's key premise is to reduce demand for drugs, thus helping to reduce the criminal exploitation of vulnerable people in drug supply chains, through the provision of high quality treatment services.
61. In 2017, the Southwark Safeguarding Adults' Board (now Southwark Safeguarding Adults' Partnership) published the statutory Community Safety Partnership Plan 2017 – 2020 of which there are eight priorities, one of which relates to *'reducing substance misuse'* which is supported by the delivery of the service contract:

"To protect individuals, families and communities from the negative impact of drugs and alcohol misuse by:

- Reducing the number of individuals misusing alcohol, illegal and other harmful drugs and increasing the number of individuals who successfully recover from alcohol and / or drug dependence
- Identifying children and young people affected by parental or sibling substance misuse and taking action to reduce harms and improve life chances
- Increasing the number of individuals who successfully engage with Southwark treatment system following release from custody
- Working collaboratively with partner agencies to prevent or reduce drug related deaths and to reduce the transmission of blood borne viruses
- Restricting the supply of drugs and identifying and prosecuting those involved in the drug trade."

Contract management and monitoring

62. Comprehensive information concerning the management and monitoring of the contract is detailed in the GW3 report dated 6 September 2018. Additionally, it should be noted that continued performance reporting will be in line with Contract Standing Orders (CSO's).
63. Although there is a proposal to revise the performance management framework, thus ending the application of PbR for the extension period, the existing monthly PbR meeting will continue as a monthly performance meeting between the council and provider for the purpose of scrutinising activity undertaken to achieve the former PbR indicators as well as other performance measures. This enables the Council to identify concerns early and to direct cgl's, where appropriate, on actions required by the council to drive improvements. The contract contains appropriate remedies in the event of default.

64. By way of further mitigation for any non-compliant performance observed which could suggest service user needs are not being met, service user feedback will continue to be sought from the Recovery Support Service (RSS) on a monthly basis to enable the council to assess service user views of the provision and to identify any changes required to best meet needs. The RSS Manager also attends the quarterly formal contract review meetings for the purposes of service user scrutiny of the service and input into service development.

Community impact statement

65. The use, misuse and dependency of alcohol and / or other drugs are complex issues and are rarely just about use alcohol and / or other drugs. Simply providing alcohol and other drugs treatment services is not enough to address the treatment needs of some service users as for many, this will not be enough to prevent crisis or address wider factors and inequalities. Many individuals will have a long history of use of substances and periods of treatment engagement before they are able to break this cycle with some individuals requiring prolonged treatment engagement, in some cases throughout the life span, for the purposes of reducing harm.
66. There is significant evidence that effective drug and alcohol treatment reduces the harm arising from use, misuse and dependency and is effective in improving a range of outcomes for individuals, families, carers and communities. Positive outcomes do not arise from the successful completion of treatment alone, but are evidenced through treatment commencement and engagement in improved health, stability, social functioning and reduction in crime.
67. Absence from treatment engagement, of which there are high levels in Southwark evidenced by the high prevalence estimates of unmet need⁵, imposes significant economic and social costs on the borough. These costs are primarily reflected in costs to the NHS associated with the treatment of acute and chronic drug and alcohol related conditions, and in the costs of crime committed by individuals using substances. People with substance misuse issues are less likely to be in education, employment or training and leave school without qualifications, which has a cost to the local authority in relation to welfare and to the individual in terms of lower wages and poorer employment prospects.
68. Additionally, the services detailed in this report have a key role to play as a demand reduction mechanism within a community resilience and partnership approach to reducing the violence and vulnerability perpetrated towards children, young people and adults through drug markets and supply; commissioning effective and high quality drug treatment which is targeted towards key groups and meeting unmet need will support the borough's efforts to reduce demand for drugs, thus potentially impacting on drug supply and associated harms.
69. The absence of the provision detailed in this report would adversely impact Southwark's communities through: an increase in unmet treatment need; an increase in ill health for over one thousand vulnerable residents; an increase in crime due to drug and alcohol use; an increase in hospital admissions and public use of substances including injecting in public places; a rise in drug and alcohol related mortality; and, a lack of perceived community safety and satisfaction for the residents of the borough.

⁵ <https://www.gov.uk/government/publications/opiate-and-crack-cocaine-use-prevalence-estimates-for-local-populations>

70. 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:
- Eliminate discrimination, harassment, victimisation or other prohibited conduct.
 - Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not.
 - Foster good relations between those who share a relevant characteristic and those that do not share it.
71. 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.
72. 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:
- An updated Needs Assessment undertaken in 2017-18;
 - A new Joint Strategic Needs Assessment in development currently and due for publication in Q4 2019-20;
 - Detailed consideration of service level data in relation to treatment access and engagement for individuals with protected characteristics on a quarterly basis;
 - Priority given to investigating and resolving any equalities based issues that arise on a day to day basis to ensure that the service is inclusive for all;
 - Consideration of monthly feedback received from the Recovery Support Service pertaining to all aspects of the treatment service;
 - The consultation exercise, which took place as part of the original tender process in 2015, influenced and informed the drafting of the service specification (so that it covers the range of issues and needs identified by needs assessment and the consultation) and;
 - An updated Equality Impact Assessment was completed in December 2016; this was reviewed and updated in July 2018. The report recommendations are informed by the outcome of the EQIA.
 - The most recent EQIA will not be updated for this GW3 report as there is no change to the service provision; whilst the maximum contract value will reduce for the proposed period of extension when compared to year four, there is no perceived negative impact on service users due to an increase in guaranteed funding as an outcome which will be positive.

Social Value considerations

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

Economic considerations

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

75. There will be a continued requirement for the provider(s) to pay London Living Wage (LLW) to all employees involved in the delivery of the contract during the extension and this has been confirmed by the provider.
76. The service contract brings additional economic value to the borough as follows:
 - Creating skills and training opportunities – the service currently works in close partnership with the council's commissioned Recovery Support Service (RSS) which provides service user involvement and peer mentoring to service users in treatment by individuals with lived experience of alcohol and / or other drugs who have first hand experience of Southwark's treatment service provision and are further along their recovery journey.
 - As part of integrated working arrangements and creating capacity within the treatment system, the current provider trains RSS peer mentors and supports their skill development in knowledge of alcohol and / or other drugs treatment and delivery to enable them to deliver interventions and co-facilitate groups.
 - Creating employment opportunities for the long term unemployed or those not in education, employment or training – the service provides routes into volunteering and employment for ex-services on completion of their treatment or as part of their long term recovery journey.

Social considerations

77. The service contract in itself is about social value – funding high quality alcohol and / or other drugs treatment and support brings significant benefits to the local area, economy and health and wellbeing of Southwark's residents, some details of which are outlined in the community impact section of this report.
78. The key priority for service provision is to improve the health and wellbeing of Southwark residents with alcohol and / or other drugs use, their families, carers and communities. 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.
79. Additionally, the service contract provides additional opportunities for individuals or groups facing greater social or economic barriers; as detailed in paragraph 67. Engagement in treatment reduces social and economic costs to the borough and, through a robust case management approach, supports service users to be more stable and less chaotic and provides them with an opportunity for recovery from dependence, helping them to navigate a wide range of services to meet their needs and improve their health, wellbeing and social functioning.
80. Service users are encouraged to engage with the local treatment recovery community in order to establish meaningful use of time to fill the periods that would have previously been focused upon alcohol and / or other drugs use and related activities. This engagement also helps to improve social connectedness and reduce loneliness and isolation in some of the borough's most vulnerable residents.
81. The Council places a high level of emphasis on treatment community engagement within this service to ensure that the voices and views of service users in both the design and development of the services; opportunities for treatment community engagement are well publicised and utilised and enhanced by the RSS.

82. Southwark evidences high prevalence rates for unmet need. It is recognised that a more assertive outreach approach is necessary to engage with individuals that are hard to reach or for whom services are difficult to access. The ring-fenced outreach post, funded since August 2018, and which will continue throughout the duration of the extension, has delivered significant benefits in engaging with these individuals and groups and assertively bringing them into treatment.
83. Additionally, the current provider has identified the benefits of outreach for the service and has committed to enhancing outreach provision with increased capacity within the existing contract value above and beyond the ring fenced outreach post for the duration of the period of extension.
84. Whilst the provision is predominantly focused upon adults aged 18 years or older, there will be a continued presence of hidden harm provision delivering a structured support service for children and young people affected by parental or sibling drug and / or alcohol use in order to promote emotional health, wellbeing, protective factors and resilience. This will add social value to enable vulnerable children affected by alcohol and / or other drugs to receive support and be protected.

Environmental/Sustainability considerations

85. The service supports and promotes responsible behaviour initiatives such as encouraging injecting service users to not discard drug related litter and paraphernalia in public spaces.

Financial Implications

86. The maximum annual contract values for each of the four years of the contract to date are as follows:

Contract year	4 Jan 2016 – 3 Jan 2017	4 Jan 2017 – 3 Jan 2018	4 Jan 2018 – 3 Jan 2019	4 Jan 2019 – 3 Jan 2020
Maximum annual contract value	£3,913,104	£3,513,667	£3,499,467	£3,537,467

87. The contract values for the first three years were not index linked and did not increase year on year. Whilst provision was made for a possible uplift in contract value in years 4 and 5, for the purpose of possible contract extension negotiations to account for potential increased activity (up to an additional £365,567), this was not exercised in full in year 4 due to the severe and enduring budgetary pressures on the council's Public Health grant and cannot be exercised in the last fifteen months of the contract on the basis of the same rationale.
88. The proposal to revise the performance management framework for the fifteen month extension proposed in this report presents an opportunity to guarantee funding that is not possible under a PbR framework, thus increasing capacity and resources within the service to focus on reducing use on top of OST which is a priority issue.
89. As such, officers recommend that a maximum contract value of £4,275,914 is allocated to the fifteen month extension period, aligned with contract periods, as follows:

Contract period	4 Jan 2020 – 3 Jan 2021	4 Jan 2021 – 31 Mar 2021	Total
Maximum annual contract value	£3,420,731	£855,183	£4,275,914

90. The GW2 report dated September 2015 detailed a maximum contractual value available for the 5 year possible term as £18,656,306. Based on the maximum contract values in years 1 – 4 and the proposals for year 5 (+3 months), the revised maximum contract value will be £18,739,619; this is due to the additional 3 month period sought at the end of the contract due to the reasons stated in paragraphs 14 to 19.
91. In order to safeguard the Council's funding into the service, invoices will continue to be generated and paid on a monthly basis throughout the duration of the extension. VAT will also continue to be paid by the Council against the contract value, generating additional income for cgl's that will be invested into frontline service delivery, as detailed in the GW3 report dated 10 April 2019.

Legal Implications

92. Please see legal concurrent.

Consultation

93. No formal consultation processes are proposed in relation to the recommended variation of contract. Significant processes are underway to inform the new service provision.
94. Officers, in conjunction with cgl's and the Recovery Support Service, offer a range of mixed methods for feedback opportunities to service users in addition to the standard engagement and feedback processes that take place as part of contract monitoring and review.
95. Service user feedback is considered at the monthly meetings of the Council's commissioned RSS delivered by Janus Resonance Factor Limited with the following observations provided to commissioners:
- Access to treatment is good with minimal waiting times. The provider has increased open access for assessment enabling any resident with a treatment need to receive a comprehensive initial assessment five days per week, thus taking advantage of the window of opportunity for recovery. There is also an offer of limited, but useful evening assessment slots to employed residents offering them a pathway into treatment.
 - Rapid access to a formal assessment with a keyworker and specialist doctor, prompt availability of OST and easy access to a host of specific group opportunities is also reported as positive.
 - The service is viewed as inclusive with particular reference to females. A women's and families support group hosted by the service is popular and well attended supporting females and their families throughout the recovery journey.
 - Service users have commented that the provider is responsive when identifying unmet need; a specific male only group has been set up following feedback from men for an opportunity to discuss their specific needs in a safe and sensitive environment, thus allowing them the opportunity to address pertinent issues and strengthen their recovery
 - The service is considered to offer inspirational treatment incorporating both recovery and harm reduction approaches with simple pathways to access

specialist internal and external clinical support as well as positive partnership working with other agencies such as housing, social services, mental health and Jobcentre Plus who are accessible to service users within the treatment hubs.

- The service staff work productively with service users to create a strong therapeutic alliance which is further supported by the development of a full range of specific group programmes, aligned with service user need.
 - The Cambridge House hub location is community based, alongside a nursery and solicitors, and service users have reported feeling de-stigmatised and, therefore, less isolated. This has positively impacted on self-esteem and their recovery.
 - The types of treatment that are offered are individualised and varied and aligned, with relevant clinical guidelines.
 - Offering an integrated system service offer has decreased segregation between different cohorts of service users encouraging engagement with others, regardless of substance of choice, and it has been observed as inspiring as more recovery is exposed.
 - Recovery is visible and the system has progressed from a predominantly harm reduction (which was useful but had limitations) model (pre 2016) to a more focused and inspirational system of recovery.
 - Overall, the service is considered to be dynamic, flexible and responsive to the needs of residents.
 - Outreach has been invaluable in supporting chaotic and vulnerable groups to access treatment and increasing this aspect of treatment, within financial constraints, would be useful.
 - Groups are well attended and organised at a staged approach to recovery.
96. When asked about areas for improvement, the popularity of the group work offer and high levels of attendance would indicate a need to offer more groups which are limited by space; this will be explored further during the extension.
97. Feedback received from a range of partners, including NHS Southwark CCG and Primary Care providers, indicates a high degree of satisfaction with cgl's.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Head of Procurement

98. This report is seeking the approval of Cabinet to extend the AIDATS contract for a period of 15 months commencing 4 January 2020 at a total maximum contract value of £4,275,914.
99. The report details the rationale for this extension, essentially to ensure service continuity for vulnerable residents and promote stability in the treatment system whilst a new procurement exercise is undertaken.
100. Paragraphs 47 to 51 of the report sets out the alternative options for the delivery of this service and advises that approval for a service design and procurement strategy will follow.
101. Paragraphs 62 to 64 outline the contract management arrangements that will be established for the final 15 months including revision of the performance management framework to reflect changing priorities for this service.

Director of Law and Democracy

102. This report seeks approval of an extension of an existing contract with change, grow, live services limited (cgls) for the delivery of an integrated adult drug and alcohol treatment service, for the reason set out in paragraph 12.
103. The (EU) Public Contracts Regulations 2015 permit contract modifications in certain limited circumstances, including (i) where the modifications, irrespective of their monetary value, have been provided for in the initial procurement documents in clear, precise and unequivocal review clauses (which applies in relation to the original contract term expiring on 3 January 2021); and (ii) where the modifications, irrespective of their value, are not substantial within the meaning of Regulation 72(8). The proposed further (3 month) extension not originally provided for is not considered to fall within any of the conditions set out in Regulation 72(8) – for example, the modification would not:
- render the contract materially different from the one initially concluded;
 - change the economic balance of the contract in favour of cgls;
 - extend the scope of the contract considerably.
104. The report advises that steps are to be taken being taken to procure a new contract which is expected to commence from April 2021.
105. The proposed contract variation is also consistent with the council's Contract Standing Orders and the decision to approve the report recommendation is one which is reserved to Cabinet.

Strategic Director of Finance and Governance

106. The Strategic Director of Finance and Governance notes the recommendation of the report to extend the AIDATS contract for a period of fifteen months to March 2021. The contract values presented in the report are within the current public health allocations to the DAAT service, allocations are expected to remain at existing levels into 20/21.
107. The amendments to the payment mechanism described in the report allow the service to redirect existing resources to other treatment programmes experiencing pressure due to increasing demand.

BACKGROUND PAPERS

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

AUDIT TRAIL

Lead Officer	Professor Kevin Fenton, Strategic Director of Place and Wellbeing / Director of Public Health	
Report Author	Donna Timms, Unit Manager – Drug & Alcohol Action Team	
Version	Final – Open	
Dated	25 October 2019	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Strategic Director of Finance and Governance	Yes	Yes
Head of Home Ownership	N.A	N.A
Cabinet Member	Yes	Yes
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	25 October 2019	