

Report to Cabinet

9 February 2022

Subject:	Re-commissioning Sandwell Adult Drug and Alcohol Treatment Services
Cabinet Member:	Councillor Hartwell, Cabinet Member for Adults, Social Care and Health
Director:	Dr Lisa McNally Director of Public Health
Key Decision:	Yes An executive decision which is likely to incur significant expenditure or have a significant effect on the community
Contact Officer:	Mary Bailey Addictive Behaviours Programme Manager mary_bailey@sandwell.gov.uk

1 Recommendations

- 1.1 That approval be given to re-commission Adult Drug and Alcohol Treatment Services ensuring future delivery of support for Sandwell residents.













- 1.2 That the Director of Public Health be authorised to commence a procurement process for the provision of Adult Drug and Alcohol Treatment Services to commence 1 February 2023 for a period of 3 years with the option to extend for up to a further 2 years.
- 1.3 Further to recommendation 1.2, that the Director of Public Health be authorised to include any future Drug Strategy monies awarded from National Government into the contract value to enable delivery of the 2021 Drug Strategy ambitions towards a delivering a world class treatment system.
- 1.4 That the Director of Public Health be authorised to award a contract and enter into a contract with the successful bidder, on terms to be agreed by the Director of Public Health, for the provision of Adult Drug and Alcohol Treatment Services to commence on 1 February 2023 for a period of 3 years to 31 January 2026 with the option to extend up to a further 2 years (until 31st January 2028).
- 1.5 Than an exemption to rule 8.7 of the Procurement and Contract Procedure Rules 2018/19 be made to allow a contract to be awarded to a successful tenderer in the event that the required minimum number of tenders are not received.
- 1.6 That the Director of Public Health, in consultation with the Cabinet Member for Adults, Social Care and Health, be authorised to make variations to the Contract up to a maximum of 10% of the Contract value, should they be necessitated.
- 1.7 That the Director of Law and Governance be authorised to execute any documentation necessary to give effect to the proposals set out in 1.1 – 1.6 above for the provision of Adult Drug and Alcohol Treatment Services




2 Reasons for Recommendations

- 2.1 The report seeks approval to the procurement of Adult Drug and Alcohol Treatment Services. This will ensure that support for Sandwell residents continues to be available beyond the currently commissioned service which is due to end 31st January 2023.

3 How does this deliver objectives of the Corporate Plan?

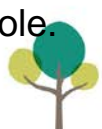
	<p>Best start in life for children and young people:</p> <p>Maximising access and engagement with substance misuse support enables people (including those affected by someone else's use such as children, family members and the wider community) to benefit</p> <p>Parental substance misuse is known to have a negative impact on children and young people. Half of adults starting drug treatment are parents, though many don't currently live with their children.</p> <p>Of those who are living with their children evidence suggests that in Sandwell there are:</p> <ul style="list-style-type: none">• 982 adults with an alcohol dependency who live with children and the number of children living with an alcohol dependent parent is estimated to be 1,915• 522 adults with an opiate dependency live with children and the number of children living with an adult with an opiate dependency is estimated to be 1,014.• In 2016/17, 21% of parents with an alcohol dependency and 48% of parents with an opiate dependency accessed local treatment services.ⁱ
 	<p>People live well and age well:</p> <p>Problematic substance misuse can cause ill health and impact on mortality rates. Ensuring engagement and support with treatment services, will help individuals live longer and enjoy a better quality of life – adding years to life and life to years.</p> <div data-bbox="480 1928 1209 2040"></div> <div data-bbox="767 2056 927 2168"></div>

	<p>Sandwell has a higher than national prevalence of opiate and crack usersⁱⁱ, as well as displaying statistically significantly worse alcohol related specific mortality than the national average (Sandwell is currently ranked as the 2nd worst Local Authority in the country for alcohol specific deaths)ⁱⁱⁱ</p> <p>The proposals aim to ensure effective treatment and support provision given access to treatment can help reduce morbidity and mortality</p>
	<p>Strong resilient communities</p> <p>It is estimated that around 45% of acquisitive crime is committed by opiate/crack users in order to fund their dependency. Evidence suggests that in 2016/17 substance misuse treatment helped to prevent 4.4 million crimes nationally and helped to prevent an estimated 30,665 crimes locally^{iv}.</p> <p>It is estimated that alcohol is a factor in approximately 40% of all violent crimes as well as contributing to public disorder and anti-social behaviour in communities^v</p> <p>Crime can have a significant impact on communities; people may feel less safe, home insurance can increase, property prices can be affected, and businesses may avoid the area.</p> <p>The proposals aim to ensure effective treatment and support provision given access to treatment can help reduce crime associated with substance misuse.</p>

4 Context and Key Issues

4. Background

- 4.1 Substance misuse is uniquely harmful, causing damage not only to individuals themselves but also to the people around them. Furthermore, substance misuse often impacts both physical/mental health as well as criminal justice outcomes -the combination of these factors have a considerable adverse impact on the health and wellbeing of the people of Sandwell as a whole.



4.2 The landscape for drug and alcohol needs continues to provide challenges for service provision:

- Sandwell's high and ubiquitous levels of deprivation pose a contextual challenge whereby evidence shows problematic substance use and premature deaths occur disproportionately more in deprived areas
- an ageing cohort of substance misusers who now suffer from age related health comorbidities alongside the impact of their substance misuse
- 85% of alcohol dependent individuals and 58% of opiate/crack users are not known to treatment services
- increasingly available and accessible alcohol and drug supplies
- the impact of Covid on substance misuse behaviours has shown an exacerbation of alcohol harms with a statistically significant increase of 20% in total alcohol specific deaths compared to pre-pandemic (and continuing to increase further again throughout 2021). There has also been an increase in illicit drug use during the pandemic whereby levels of use increased during 2020 compared to 2019 (PWID UAM Survey 2020).
- The Dame Carol Black review of drug treatment services 2021 has evidenced year on year funding cuts to local drug treatment services, combined with increases in adverse health and social impacts for this client cohort.

4.3 Whilst work to address the harms from substance misuse has resulted in some real successes for the local population including one of the lowest drug related deaths in the country, the provision of well delivered evidence-based community treatment provision remains integral to continuing such efforts. Furthermore, conditions attached to use of the Public Health Grant require that local areas must: "have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services"^{vi}



4.4 Learning from the current service delivery model has shown that resources must be carefully balanced against delivery expectations. The current service model was ambitious in its scope - aiming to not only meet established health needs but to prevent use in order to reduce future service demand. Despite efforts and following variations to the contract to enhance resource levels, high levels of unmet need remain whilst national spend comparator data shows Sandwell to have lower than national average spend for drug and alcohol related support (£10 per head locally versus £20 nationally).

4.5 The combined impacts of changes in substance misuse behaviours due to Covid, an ageing cohort of substance misusers presenting with increasingly complex co-morbidities, high levels of unmet need together with increasingly accessible drug and alcohol supplies necessitate the need for a more focussed service delivery model.

4.6 Current Position

4.7 Current Adult Drug & Alcohol Support is delivered by Cranstoun, a registered UK Charity. The service is now delivering into its permissible two-year extension period which ends 31st January 2023. The service operates from its base in the Alberta Building located in Smethwick, a Council owned property.

4.8 The current contract finance arrangements were subject to an annual 10% reduction each contract year (towards efficiency savings) starting at £3.1million per annum reducing to the final lowest annual amount of £2.5million per annum. The total current contract amount (3 years main contract inclusive of the 2-year extension period) totals £13.4million. The current contract payment mechanism is block payment.



- 4.9 The current service delivery model was the first model to integrate both drug and alcohol support provision into one service aiming towards efficiencies of scale (having previously been delivered under two separate contracts). Prior to integration, the local successful completion rate was 27.9%, reducing to 12.8% in 2018/19 which was the first full year of current provision. Despite a slight increase the latest rate stands at 16.3% (lower than the national average of 21%).
- 4.10 The current service model ambitions for an all-encompassing prevention, treatment and recovery system were not fully realised. Service specification requirements beyond a safe clinical treatment service (particularly in relation to adult prevention work and access to specialist support such as residential rehabilitation) were largely unmet owing to the volume of established needs requiring support set against resource levels. The Service was further affected by unprecedented medication cost increases impacting resources further as well as the pandemic impacting delivery modes. Variations were made throughout the life of the contract to ensure relevant psychosocial and pharmacological approaches remained available including, most recently, a variation for additional resources afforded from Central Government's Universal Drug Treatment grant following the 2021 Dame Carol Black review of treatment services.
- 4.11 In summary, learning from the current contract has shown:
- caseloads have grown too high reducing the quantity /frequency of support available
 - a lack of access to higher cost specialist services including residential rehabilitation
 - recovery support has been under resourced, including employment support and recovery communities



- medication cost increases could not be absorbed within existing service resources and necessitated a review of staffing posts within the service
- clinical treatment provision was safeguarded as an essential delivery requirement at the expense of adult prevention and early intervention efforts
- workforce recruitment issues including a loss of skills, expertise and capacity from the sector

4.12 Having consulted with residents and stakeholders about future service delivery, (a total of 42 responses were received), respondents felt that the current service model works well but could be improved by increasing investment in services. Reducing the caseloads of workers, a stronger community presence and longer opening hours were all deemed important in the responses. All of the providers who responded (a total of 5 responses received) mentioned unrealistic delivery expectations against the available budget would put them off from bidding for substance misuse services in Sandwell. The majority of providers stated that they would prioritise the prevention of drug and alcohol related deaths and focus on those most at risk. Harm reduction and substitute prescribing were highlighted as playing a role in this approach.

4.13 In mirroring recommendations from the national Dame Carol Black review^{vii} of drug treatment services, the focus of the proposed future service model is to ensure a high-quality treatment service. The future model will therefore focus on the delivery of a core clinical service model offering structured pharmacological and psychosocial treatment ensuring those who require structured drug and alcohol support receive high quality effective care.

4.13.1 The service will continue to be delivered from the Council owned building, Alberta Building in Smethwick given consultation feedback and accessibility considerations.



- 4.13.2 The core clinical service model will consist of providing:
- effective talking therapies / psychosocial interventions
 - a range of medicines licensed for use for the treatment of substance misuse disorders
 - overdose antidote naloxone provision,
 - needle and syringe programme,
 - blood born virus testing and treatment
- 4.13.3 The service must be underpinned by a competent and fully staffed workforce -this will not only work to reduce caseload levels but improve the quality of treatment support delivered.
- 4.13.4 Areas that will not be covered within the core clinical service consist of:
- residential rehabilitation placements
 - inpatient detox bed placements
 - hospital in-reach
 - custody referral services
 - targeted outreach
 - recovery support
 - adult prevention and early intervention

4.14 The budget to be funded from the Public Health Grant for the proposed core clinical service model will commence at £2.75million in the first year of the contract increasing by 10% each year until January 2026 as detailed below:

Year 1 (Feb 2023 - Jan 2024): £2,750,000

Year 2 (Feb 2024 - Jan 2025): £3,025,000

Year 3 (Feb 2025 - Jan 2026): £3,327,500

Year 4 (Feb 2026 - Jan 2027): £3,327,500 (optional extension year)

Year 5 (Feb 2027 - Jan 2028): £3,327,500 (optional extension year)



The total maximum amount inclusive of the optional 2-year extension period to be funded from the Public Health Grant would therefore be £15,757,500

- 4.15 The recently released National Drug Strategy ‘From harm to hope: A ten year drugs plan to cut crime and save lives’^{viii} outlines national ambition to deliver a world class treatment system to rebuild drug treatment and recovery services.

The Strategy comes with a funding announcement intended to support Local Authorities to drive quality and capacity of their local treatment services. The funds announced are to be additional to current Public Health Grant spend on treatment services and so cannot be used to replace existing Public Health grant spend for treatment services. When such funds are made available, the intention is to use these to deliver elements required by the Drug Strategy 2021 as per recommendation 1.3.

- 4.15.1 Timescales of the announced additional national funds overlap into the period of the proposed new service model contract (see Table 1). The focus of the funds are to resource local systems towards delivery of the Government’s drug strategy elements including residential rehabilitation and detoxification placements; peer-based recovery support, and additional staff capacity.
- 4.15.2 When such funds are confirmed at a local level we will utilise part or all of these in the Drug and Alcohol Treatment contract (where appropriate to prevent duplication and enhance provision) and therefore the value quoted in 4.14 may increase but only within the parameters of the Drug Strategy Grant conditions.
- 4.15.3 The overall funding situation including the Public Health Grant (covering core clinical service requirements listed under 4.13.2) and the recently announced central government funds aligned to delivery of the National Drug Strategy (local amount unconfirmed as yet) are laid out in Table 1.



Table 1: Funding Streams and Timescales

	2022/23	2023/24	2024/25	2025/26	2026/27 (possible extension period)	2027/28 (possible extension period)
Public Health Grant (years run Feb-Jan)		£2.75m	£3.02m	£3.3m	£3.3m	£3.3m
Drug Strategy Universal funding - national*	£80 million	£80 million	£80 million	TBC***	TBC***	TBC***
Drug Strategy Place-based additional funding**	£20 million	£81 million	£192 million	TBC***	TBC***	TBC***

* Sandwell amount as yet to be confirmed

** An additional place-based amount of funding to be made available to the 50 most in need areas in the 2022/23, the next 50 most in need in 2023/24 and with all areas receiving this in 2024/25. Methodology to determine which areas feature in which year is currently out to consultation.

*** National Drug Strategy funds are aligned to the Comprehensive Spending Review 3-year period. Beyond that period it is unclear if any further monies are to be made available to local areas.

4.16 The annual increase in Public Health Grant funding for each year of the 3 year contract period is to support improvement across the following key service performance measures:

- achieving annual reductions in caseload levels
- increasing frequency of client appointments



- achieving annual increases in treatment penetration levels for both drug and alcohol clients

This will help address /reverse the current challenges listed in Section 4.11

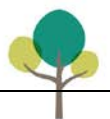
4.17 Bids from providers will be assessed according to structured criteria weighted on the basis of a 60:40 quality to price ratio

5 Alternative Options

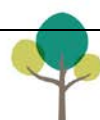
5.1 Do not approve the procurement of Adult Drug and Alcohol Service provision beyond 31st January 2023. This will impact health outcomes (not just of substance misusers themselves but the health of others through secondary harms) and further exacerbate health inequalities for our most disadvantaged groups within the borough. This would be inadvisable given the impact across the wider health and criminal justice system due to substance misuse.

6 Implications

Resources:	<p>Financial, staffing, land/building implications:</p> <p>The proposed contract will be funded from the Public Health Grant. The proposed annual values exceed the current allocated budget and the increases will be incorporated into the Public Health financial planning for the appropriate periods.</p> <p>The budget for the proposed model will commence at £2.75million in the first year of the contract increasing by 10% each year until January 2026 as detailed below:</p>
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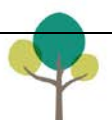
	<p>Year 1 (Feb 2023 - Jan 2024): £2,750,000 Year 2 (Feb 2024 - Jan 2025): £3,025,000 Year 3 (Feb 2025 - Jan 2026): £3,327,500 Year 4 (Feb 2026 - Jan 2027): £3,327,500 (optional extension year) Year 5 (Feb 2027 - Jan 2028): £3,327,500 (optional extension year)</p> <p>The total maximum amount inclusive of the 2-year extension period would therefore be £15,757,500</p> <p>Additional national Government Drug Strategy funding is likely to be available during the term of the contract. When such funds are made available, the intention is to use these to address elements required by the Drug Strategy 2021</p>
Legal and Governance	<p>Legal implications including regulations/law under which proposals are required/permitted and constitutional provisions:</p> <p>Under the Health & Social Care Act 2012, Sandwell Council (Public Health team) has undertaken responsibility for commissioning of Drug and Alcohol support services since 2013. Furthermore conditions attached to use of the Public Health Grant require that local areas must “have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services”^{ix}</p> <p>Under various enabling legislation, including Section 1 of the Local Government (Contracts) Act 1997, the Local Authority has power to enter into contracts for the purposes of or in connection with the discharge of its functions.</p> <p>Due to the value of the contract, it constitutes an above threshold procurement under the Light Touch regime. As a result, the procurement process is governed by the Public Contracts Regulations 2015.</p>



	<p>The contract will be awarded in accordance with the Council's Procurement and Contract Procedure Rules and the Public Contracts Regulations 2015.</p> <p>In view of the value of the contract, Rule 8.7 of the Council's Procurement and Contract Procedure Rules states that a minimum of three tender submissions would be required. In the event that the required minimum number of tenders are not received, an exemption to Rule 8.7 of the Council's Procurement and Contract Procedure Rules would need to be secured to waive the requirement to obtain a minimum of three tender submissions and to proceed with the award of the contract to a successful tenderer (as per recommendation 1.5).</p> <p>Should variations to the contract up to a maximum of 10% of the contract value be necessitated, an appropriate assessment would need to be undertaken to ensure compliance with relevant procurement rules, including Regulation 72 of the Public Contracts Regulations 2015</p> <p>Bids from providers will be assessed according to structured criteria weighted on the basis of a 60:40 quality to price ratio</p>
Risk:	<p>Risk implications, including any mitigating measures planned/taken, health and safety, insurance implications:</p> <p>The corporate risk management strategy has been complied with to identify and assess the risks associated with the decisions being sought.</p> <p>Risk in respect of continuity of service provision from 1st February 2023 has been identified should there be no approval to re-procure.</p> <p>Risk in respect of a potential lack of tender responses has been identified given the budget associated with the service model. Mitigating measures include the removal of certain service delivery elements (listed in section 4.13.4)</p>



	There will be further consideration given to risk management as part of the contractual management with the future service provider.
Equality:	<p>Implications for equality (all aspects and characteristics) including how meeting Equality Duty, equality impact assessments:</p> <p>An Equality Impact Assessment has been conducted and the proposal would have no negative impact on protected groups. In fact, the proposal ensures that the boroughs more vulnerable individuals are supported thereby working to reduce health inequalities</p> <p>Please see Appendix A for a copy of the Equality Impact Assessment</p>
Health and Wellbeing:	<p>Implications of the proposals on health and wellbeing of our communities:</p> <p>This proposal would result in positive implications for health and well-being. Should the proposal not be accepted, and support is no longer available, there is very likely to be an escalation in substance misuse related harms where individuals are unable to access support resulting in hospital admissions, emergency admissions and long-term health morbidities. Not only impacting the health and wellbeing of individuals themselves, but others through secondary harms</p>
Social Value	<p>Implications for social value and how the proposals are meeting this (for e.g. employment of local traders, young people):</p> <p>Tendering organisations will be required to identify how their organisation creates social value as part of the procurement process, (for example local volunteering and employment opportunities) and this will be one of the criteria for assessing the bids. We would particularly be looking at potential providers' commitment to employing local people to deliver services.</p>



7. Appendices

Appendix A -Equality Impact Assessment



EIA_Template - Adult
Substance Misuse Ser

8. Background Papers

National Drug Strategy 2021: 'From harm to hope':

<https://www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives>

Independent review of drugs by Dame Carol Black:

<https://www.gov.uk/government/collections/independent-review-of-drugs-by-professor-dame-carol-black>

NICE guidelines:

- Alcohol-use disorders:
<https://www.nice.org.uk/guidance/cg115>
- Needle & Syringe Programmes:
<https://www.nice.org.uk/guidance/ph52>
- Drug misuse and dependence: UK guidelines on clinical management:
<https://www.gov.uk/government/publications/drug-misuse-and-dependence-uk-guidelines-on-clinical-management>

ⁱ <https://www.gov.uk/government/publications/parents-with-alcohol-and-drug-problems-support-resources>

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

ⁱⁱⁱ <https://fingertips.phe.org.uk/profile/local-alcohol-profiles>

^{iv} <https://www.nice.org.uk/advice/es19/chapter/Key-messages>

^v <https://alcoholchange.org.uk/alcohol-facts/fact-sheets/alcohol-crime-and-disorder>

^{vi} <https://www.gov.uk/government/publications/public-health-grants-to-local-authorities-2021-to-2022/public-health-ring-fenced-grant-2021-to-2022-local-authority-circular#annexa>

^{vii} <https://www.gov.uk/government/publications/review-of-drugs-phase-two-report>

^{viii} <https://www.gov.uk/government/publications/from-harm-to-hope-a-10-year-drugs-plan-to-cut-crime-and-save-lives>

^{ix} <https://www.gov.uk/government/publications/public-health-grants-to-local-authorities-2021-to-2022/public-health-ring-fenced-grant-2021-to-2022-local-authority-circular#annexa>

