

For General Release

REPORT TO:	Cabinet 22 March 2021
SUBJECT:	Integrated Drug & Alcohol Treatment Service
LEAD OFFICER:	Rachel Soni – Director of Commissioning & Procurement Rachel Flowers – Director of Public Health
CABINET MEMBER:	Councillor Campbell – Cabinet Member for Families, Health and Social Care Councillor Young – Cabinet Member for Resources and Financial Governance
WARDS:	All

CORPORATE PRIORITY/POLICY CONTEXT

The recommendation in this report to procure an integrated drug and alcohol treatment service for adults and young people addresses the Council's key priorities of:

- **We will live within our means, balance the books and provide value for money for our residents.** The contract value equates to an identified budget that has not been overspent from the external Public Health Grant for this service.
- **We will focus on tackling ingrained inequality and poverty in the borough.** This service will have a trauma informed and whole family approach and will work across health and social care to ensure residents seeking help for addictions are able to access opportunities for education, training and employment, with a volunteer programme and employment pathway with their service.
- **We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy.** This service provides health and social care to some of the most vulnerable residents who are using drugs and alcohol in a dependent and harmful way. The procurement will evaluate the organisations against a range of questions with the aim to award the contract to a provider who evidences a track record and positive outcomes through their work with their service users.

FINANCIAL IMPACT

The recommendations will have no financial impact on the main Council general fund. The annual budget for this service has been identified from the 2021/2022 Public Health Grant.

The value of the core contract is £2,984,360 annually, at a total of £20,890,520 over the duration of the contract term – 5 years +2 years = 7 years in total. The total budget available for the core contract value from the Public Health Grant is £2,984,360. The core contract value will not exceed £2,984,360.

The grants below will be available in addition to the core contract budget. Continuation of funding and amounts available beyond 2021/22 are yet to be confirmed by funding sources:

The MOPAC grant of £110,000 is available for an Assertive Outreach service as an add-on element, subject to continued MOPAC funding. This service contract value will not exceed £110,000 in 2021/22.

The Rough Sleepers Drug/Alcohol Grant of £277,000 is available for a specific service for Rough Sleepers as an-add on subject to continued MHCLG funding. This service contract value will not exceed £277,000 in 2021/22.

Annual reviews will be built into the specification to ensure value for money and ongoing monitoring of the different pots of money available to invest in this area.

FORWARD PLAN KEY DECISION REFERENCE NO.: N/A

The Leader of the Council has delegated to the Cabinet the power to make the decisions set out in the recommendations below

1. RECOMMENDATIONS

- 1.1 Approve the procurement strategy identified in this report for a single stage procurement that will result in a single contract to deliver an integrated, Adults and Young People's Community Drug and Alcohol Treatment Service, for an estimated contract value of £2,984,360 per annum (£20,890,520 for a maximum seven year term)
- 1.2 Note the proposal to bring additional elements into the scope of the tendered service, currently contracted separately. This includes pharmacy needle exchange provision; pharmacy supervised administration provision and GP Shared Care, with a phased approach to transition to the new contractual arrangements

2. EXECUTIVE SUMMARY

- 2.1 This report describes the procurement strategy to tender an Integrated Drug and Alcohol Treatment Service for adults and young people and requests approval to proceed with the proposal to procure this service through a light touch, one stage open tender process.
- 2.2 The London Borough of Croydon is currently operating under a section 114 Local Government Finance Act 1988 notice, however, the Authority has a duty to ensure that an accessible drug and alcohol treatment and recovery system is available to our residents as a condition of the external, ring-fenced Public Health Grant.
- 2.3 The annual contract value of £2,984,360 aligns with the identified annual budget for substance misuse from the 2021/2022 Public Health Grant which is £3,295,000 per year.
- 2.4 The proposals support the key policy objectives of:

- Croydon Health and Wellbeing Strategy - Develop a whole person approach to care for people with co-occurring mental health and substance misuse. The 2020 Croydon Drug & Alcohol Needs Assessment reflects the high level of unmet need in the borough for people needing treatment for opiates, crack and alcohol.

2.5 These objectives will be addressed through a phased approach and flexibility within the contract to enable the provider to respond to new developments.

2.6 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1661/20-21	10/03/2021

3 DETAIL

3.1 The London Borough of Croydon is currently operating under a section 114 notice, however, we have a duty to ensure that an accessible drug and alcohol treatment service is available to our residents as a condition of the Public Health Grant. The Government's Drug Strategy (2017) provides a framework and sets out how the government and its partners, at local, national and international levels, will take action to tackle drug misuse and the harms it causes. The Public Health Grant is externally funded and ring-fenced for the conditions outlined by Public Health England.

3.2 The current contract started on 01st October 2014 and is due to expire on 30th September 2021 having exhausted all extensions. This was a 5 + 2 contract term and the service is now in the second year of the two-year extension.

3.3 The service incorporates the following elements:

- Access to specialist community treatment for drug and alcohol misuse
- Clinical and psychosocial interventions to support recovery, reintegration and relapse prevention
- Partnership working in order to address wider determinants of health such as housing, general health concerns, employment.

Key priority groups that the service engage with are:

- Rough sleepers and homeless
- Parents and women who are pregnant
- Those in the criminal justice system
- Victims of domestic abuse
- Frequent hospital attenders and young people

3.4 The Young People's service has a focus on prevention and education and

works with Schools, Pupil Referral Units and Social Care to deliver sessions and take referrals for further support. The workers are based at the Council's Turnaround Centre and link with the Youth Offending Team, Early Help and CAMHS and sexual health services for referrals and support.

- 3.5 The rationale to re-commission this service relates to the benefits to the individual, family and wider social and communities that result from engaging in treatment. These include improved health and wellbeing, reductions in offending behaviour, reintegration into society and better outcomes for education, training and employment, housing and relationships.
- 3.6 The 2020 Croydon Drug & Alcohol Needs Assessment shows a high level of unmet need in the borough for people needing treatment for opiates, crack and alcohol. Delivery of the current model through the use of one central hub has concentrated high numbers of people in one place and created a perception of the service being overwhelmed. A future delivery model will include satellite or alternative hubs in the community, to align with other front line work in the localities being implemented across the borough.
- The national cost of a drug/alcohol user is estimated at £44k per individual.
 - Alcohol treatment reflects a return on investment of £3 for every £1 invested, which increases to £26 over 10 years.
 - Drug treatment reflects a return on investment of £4 for every £1 invested, which increases to £21 over 10 years.
- 3.7 These figures are taken from PHE's alcohol and drug treatment commissioning tool for local authorities.

Covid Pandemic

- 3.8 The Covid pandemic and resulting restrictions affected the way drug and alcohol treatment is currently being delivered.
- 3.9 There was a move to delivering interventions online, through digital solutions that enabled people to access their keyworkers and group sessions.
- 3.10 As part of the Covid initiatives, the Government instigated a programme for Rough Sleepers to get them into hotels to keep them and the community safe. An unexpected result of this was that some people who had previously been resistant to treatment were now ready to engage and were supported through outreach to facilitate this.

Mental health

- 3.11 Another predicted outcome from the Covid crisis is an increase in people self medicating at home to cope with the restrictions and negative impact on mental health. The links between substance misuse treatment and support for mental health are critical in improving the wellbeing of residents and ensuring they can access the help they need.

- 3.12 Kim et al (2020) found that lockdown was a risk factor for increasing alcohol consumption in people with alcohol use disorders and relapse for those who were previously abstinent, but that it also caused different behavioural changes on alcohol intake, with about 20% of individuals increasing or decreasing their normal alcohol consumption. (Croydon Drug & Alcohol Needs Assessment 2020).

Commissioning Intentions

- 3.13 The commissioning intentions are for the service to be expanded and bring the following elements in scope:

- Contracting directly with pharmacies for needle exchange provision, supplies and hazardous waste collection.
- Contracting directly with pharmacies for supervised administration of opiate substitute treatment (OST).
- Contracting directly with GP's for the shared care provision.
- Budget for inpatient medically assisted detoxification.
- Budget for residential rehabilitation and structured day programmes.

- 3.14 The rationale for bringing the above in scope is:

- Reduced Council capacity for commissioning and contract management; greater quality assurance is needed to manage the competences required to deliver these contracts.
- Expected efficiencies through a sub-contracting model and
- Improved clinical governance to ensure seamless pathways into the appropriate levels of treatment and care; to ensure continuity of care for service users

- 3.15 The proposals support key policy objectives of:

- Croydon Health and Wellbeing Strategy - Develop a whole person approach to care for people with co-occurring mental health and substance misuse
- Croydon Health and Care Transformation Plan - More people will regularly engage in behaviours that will improve their health and Croydon Local Transformation Plan - Develop the 0-25 Children and Young People Pathway
- Safer Croydon Community Safety Strategy - Work with offenders to tackle drug and alcohol abuse/ reduce reoffending by improve drug and alcohol misuse interventions
- Croydon Community Strategy - Ensure individuals and families are supported at crisis trigger points/ reduce harm caused by alcohol misuse/ support alcohol and drug awareness education

- 3.16 Incorporating the pharmacy services and GP shared care provision into the integrated treatment and care service should allow for better integration with health and engagement at a locality level to improve access across the borough. Having a more integrated approach will allow for greater promotion and support via a number of key stakeholders such as the voluntary sector who

can help with clients' recovery into the community and independence.

3.17 Croydon's Drug & Alcohol Needs Assessment 2020 states:

- There are approximately 1,900 opiate and/or crack cocaine users (OCUs) and 3,400 dependent drinkers in Croydon (total 5,300). Almost 80% of these are not currently known to treatment.
- More than half of adults entering treatment also have a need for mental health treatment
- Approximately 250 children are living with adults who entered treatment during 2018/19, over a third of these children had some contact with early help or social care

3.18 This service will take on the Whole Family approach and work with complex individuals and other professionals, i.e. mental health workers. This supports the overarching objective to enable people to live long, healthy, happy and independent lives.

Proposed Procurement Route

3.19 The proposal is to procure a main contractor through a light touch, one stage open tender process using the London Tenders Portal. Option 2 below

Procurement option	Advantages	Disadvantages
1. Direct Award	<ul style="list-style-type: none"> • Can negotiate the value of the contract with a preferred provider 	<ul style="list-style-type: none"> • This would go against the Authorities Tendering and Contracting regulations • No consultation with the Market; therefore unaware of if an alternative could do more or provide a better service • Not able to guarantee best value duty
2. Open Tender	<ul style="list-style-type: none"> • These can be found in one or two stages • Different regimes can be used for different services • Transparent process allowing all providers an opportunity 	<ul style="list-style-type: none"> • Can result in inappropriate providers bidding for services without having the necessary experience
3. Negotiated Tender	<ul style="list-style-type: none"> • Allows for greater communication with bidders once you have undertaken processes to eliminate those who are inappropriate 	<ul style="list-style-type: none"> • This is a longer procurement process • Have to undertake strict measure to avoid challenges

4. Restricted Tender	<ul style="list-style-type: none"> • Allows the authority to target specific providers • Is best to use on a complex contract or where only certain providers are able to deliver 	<ul style="list-style-type: none"> • Only providers with the relevant experience or track record can bid • Only providers who are invited to bid can bid
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Contract Terms and Conditions

3.20 Legal assistance will be sought to review any necessary changes to the current Terms and Conditions utilising the Public Health Services contract.

Evaluation

3.21 Tender Evaluation

3.21.1 In line with Croydon's Tender and Contract Regulations, we will apply a 60% quality and 40% price split which will ensure we have a focus on the quality of treatment and care and positive outcomes but will still deliver value for money.

3.21.2 We confirm that the mandatory evaluation criteria questions on Social Value and Premier Supplier Programme will be included in the tender response document.

3.21.3 The evaluation panel members will be representatives from:

- Public Health; with expertise on prevention and health improvement
- Commissioning and Procurement; with expertise on contract management
- Children's and Families; with expertise on young people's needs
- Service Users in recovery; who are experts by experience

3.22 Financial evaluation

3.22.1 The Selection Questionnaire in the tender documents includes a section on economic and financial standing of the bidder. Finance health checks will be a standard requirement of the tender evaluation and providers that are not able to comply will be excluded from progressing further. There will be a requirement to provide examples of current and previous contracts where the successful contractor can evidence how they have met similar levels of financial obligations. Details of references for other, similar contracts that they have delivered will be sought.

3.23 Procurement Timeline

Activity	Proposed Date
Tender go live on the London Tenders Portal	02/04/2021
Tender end date for responses	30/04/2021
Initial finance and eligibility checks by procurement	01/05/2021
Evaluation of tender responses	08/05/2021
Moderation of evaluation panel scores	18/05/2021

Award report to Cabinet	June 2021
Award contract	July 2021
Implementation period	August & September 2021
Contract start date	01 October 2021

3.24 Risks

Risk	Rating	Mitigation
Meeting the timescales of the tender	Low	Project is on track to meet the timescales. Extra time has been built into the project timeline to allow for delays.
Challenge from incumbent provider	Low	They are fully aware that all extensions under the contract have been exhausted and have been informed of the intention to re-tender the service.
Poor performance from incumbent provider once there is an awareness that this service is open to competition	Low	As above. Also, they have already expressed an interest in applying so, in light of this interest, it is unlikely that their performance would reduce.
Providers may be reluctant to bid in the current financial climate in Croydon with the Section 114 in place, there could be a fear of not being paid	Low	Strong assurances will be given to confirm that the funds have been budgeted for through the external, ring-fenced Public Health Grant.

3.24.1 The project has not been included on the Corporate Risk Register

3.25 Performance Monitoring

3.25.1 The performance management strategy incorporates regular contract monitoring reports and meetings to ensure the service consistently meets their targets. The performance indicators are already set through Public Health England and reported to the National Drug Treatment Monitoring System (NDTMS) to enable local areas to analyse and measure performance.

3.25.2 A commissioners' audit in conjunction with Public Health will take place after 2 years to cover case management/care plans; staff feedback; compliance with CQC registration, service user satisfaction, staff training/supervision.

3.25.3 Quality assurance systems will be in place that will allow continual monitoring of the effectiveness and quality of the service in line with clinical governance and staff competency requirements.

3.25.4 The following KPIs are from the Public Health Outcomes Framework (PHOF):

C19a – Successful completion of drug treatment – opiate use

- C19b – Successful completion of drug treatment – non-opiate use
- C19c – Successful completion of alcohol treatment
- C19d – Deaths from drug misuse
- C20 – Adults with substance misuse treatment need who successfully engage in community based structured treatment following release from prison.
- C21 – Admission episodes for alcohol related conditions (narrow)

3.25.5 Further outcomes measured through the NDTMS reports include:

- Successful completion of treatment and low re-presentation to treatment.
- Improved physical and mental health for service users.
- Reduction in crime committed to fund drug use.
- Improved access to education, training and employment.
- Improved personal relationships, better social networks and reduction in isolation.
- Appropriate housing options.

4. CONSULTATION

4.1 A Substance Misuse Study was carried out July-September 2021. A range of stakeholders including residents, professionals, young people, carers, and service users were consulted. Online surveys, interviews and group meetings took place throughout July - September 2020.

4.3 Recommendations noted for the adult service were:

- A flexible service model with increased levels of outreach and working away from the service hub with enhanced pathways with partner organisations
- Training for frontline non-substance misuse practitioners
- Alcohol Identification and Brief Advice in primary care, in accordance with NICE guidance
- Improved support for people with both a substance misuse and a mental health problem

4.4 Recommendations for the young people's service were:

- Social marketing initiatives and work reaching out into the community
- Improved links with young people's mental health services
- Expand remit to include those up to 25 years of age

The report is attached in the background papers and shows the methodology and range of groups consulted with.

5 PRE-DECISION SCRUTINY

5.1 This report did not go to a Scrutiny meeting.

6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS

6.1 Revenue and Capital consequences of report recommendations

Medium Term Financial Strategy – 3.5 year forecast				
	From contract start date 01/10/2021 to 31/03/2022 (6months)	2022/ 2023	2023/ 2024	2024/ 2025
	£'000	£'000	£'000	£'000
Revenue Budget available				
Expenditure				
<u>Public Health Grant</u>				
Core Adults & YP	1,200	2,401	2,401	2,401
Pharmacies	62	125	125	125
GPs	29	58	58	58
Residential	200	400	400	400
<u>MOPAC Grant</u>				
Assertive Outreach	55*	0	0	0
<u>Rough Sleeper Grant</u>				
RS Service	138*	0	0	0
Total	1,684	2,984	2,984	2,984
Income	0	0	0	0
Effect of decision from report				
Expenditure	1,684	2,984	2,984	2,984
Income				
Remaining budget	0	0	0	0

6.2 The effect of the decision

6.2.1 The value of the core contract is £2,984,360 annually, at a total of £20,890,520 over the duration of the contract term – 5 years +2 years = 7 years in total. The total budget available for the core contract value from the Public Health Grant is £2,984,360. The core contract value will not exceed £2,984,360.

*The grants below will be available in addition to the core contract budget. Continuation of funding and amounts available beyond 2021/22 are yet to be confirmed by funding sources:

*The MOPAC grant of £110,000 is available for an Assertive Outreach service as an add-on element, subject to continued MOPAC funding. This service contract value will not exceed £110,000 in 2021/22.

*The Rough Sleepers Drug/Alcohol Grant of £277,000 is available for a specific service for Rough Sleepers as an add-on subject to continued MHCLG funding. This service contract value will not exceed £227,000 in 2021/22.

6.2.2 Annual reviews will be built into the specification to ensure value for money and ongoing monitoring of the different pots of money available to invest in this area.

6.2.3 If this is approved, the procurement of the service will be put out to tender on the London Tenders Portal to invite bidders to submit responses that evidence their expertise in delivering the service. After evaluation, the most advantageous response will be recommended for award, for a contract start date of 01 October 2021.

6.3 Risks

If this procurement does not take place, we will be out of contract with the incumbent provider and there could be no alternative service available to work with people who misuse substances. This would result in a large number of individuals being left without support for their treatment needs or access to opiate substitute prescribing. In turn; this is likely to lead to increased crime to fund drugs on the black market, deterioration of health.

6.4 Options

1	Do nothing	This would mean the current contract would end leaving the Authority with no service and not meeting the conditions of the Public Health grant
2	Extend the current contract	All extensions of the current contract have been implemented and no further extensions are available.
3	Bring the service in-house	The relevant expertise to deliver this service are not available within the Council.
4	Undertake a procurement for the service	This would meet the Authority Tender and Contract Regulations and ensure the Authority is meeting its conditions of the Public Health grant

The preferred option is number 4 – undertake a procurement exercise for the service.

6.5 Future savings/efficiencies

6.5.1 It is expected that the provider will submit a bid to show a shift in weighting of the costs throughout the contract as the focus moves from acute medical treatment to a higher level of psychosocial and recovery support for reintegration into the community.

- 6.5.2 With the inclusion of the contracting responsibilities with pharmacies, this will bring savings to the Council through a reduction in resource needed for contract management of up to 22 separate pharmacy contracts.
- 6.5.3 Budgetary provision already exists for this service from the external, ring fenced Public Health Grant. There are no Council General Fund contributions.

Approved by: Josephine Lyseight, Head of Service on behalf of the Director of Finance, Investment and Risk and S151 Officer

7. LEGAL CONSIDERATIONS

- 7.1 The Solicitor to the Council comments that there are no additional legal considerations directly arising from this report.

Approved by: Sean Murphy, Head of Commercial and Property Law on behalf of the Council Solicitor and Monitoring Officer

8. HUMAN RESOURCES IMPACT

- 8.1 There are no direct implications for Croydon council workforce however any new provider will be required to take on the staff from the incumbent provider and adhere to TUPE legislation.

Approved by: Susan Moorman, Director of Human Resources

9. EQUALITIES IMPACT

- 9.1 Through the re-procurement of substance misuse services, the Council will be focusing on strengthening prevention activities, and priority groups will be identified according to their vulnerabilities and needs, including children and young people, those who are homeless, pregnant women.
- 9.2 An EQUIA was undertaken to ascertain the potential impact on groups that share protected characteristics.
- 9.3 Unifying provision of substance misuse support for young people via a single contract will have an anticipated positive impact on the outcomes for young people, as working relationships and pathways are strengthened and monitored uniformly.
- 9.4 The treatment provider will need to work to understand current trends in relation to young people accessing the services and work with partners put in place mitigating actions that will improve on these current trends.
- 9.5 The successful provider will need to demonstrate how they have ensured accessibility for service users living with a disability—in terms of accessibility to

premises and consultation rooms, provision of accessible visual and audio materials (including Easy Read), and the digital offer for all clients.

- 9.6 There is concern locally about increasing numbers of women misusing alcohol, despite the majority of service users being male. The successful provider will be encouraged to consider the value of gender specific group work programmes and the flexibility to offer same sex keyworkers in order to facilitate improved therapeutic relationships.
- 9.7 The successful provider will be required to ensure accessibility to service provision for women with childcare responsibilities, including consideration of digital support.
- 9.8 The service provider will be expected to act sensitively with all clients, respecting and responding to their beliefs, choices and preferences.
- 9.9 Within the tender specification documents, we intend to include a requirement for services to identify and provide specific support to LGBTQ clients. This will help to provide appropriate services and support for LGBTQ individuals for their substance misuse.
- 9.10 The key messages of the qualitative report were:
- that substance misuse services need to be reaching out and targeting harder to engage clients, particularly those who are having a significant impact on other public services and on the wider community. This will require a flexible service model with increased levels of outreach and working away from the service hub.
 - the young people's substance misuse service needs to be more assertive and focused on engaging young people in the community. The service's work in schools needs to be balanced with work reaching out into the community.
- 9.11 The outcome following the completion of the EIA is:
- No major change - the Equality Impact Analysis demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken.
- 9.12 The EQUIA is attached as a background paper for the report.

Approved by: Yvonne Okiyo, Equalities Manager

10. ENVIRONMENTAL IMPACT

- 10.1 The tender will require an environmental and sustainability policy in place to ensure their commitment to the use of recyclable products and promotion of forms of travel that support a reduction in carbon emissions, where possible.

- 10.2 As part of the needle exchange service within this procurement, there is a requirement to use a registered, hazardous waste collection service to dispose of used needles.

11. CRIME AND DISORDER REDUCTION IMPACT

- 11.1 The National Modern Crime Prevention Strategy identifies drug and alcohol use as 2 out of 6 drivers for crime. Getting users into treatment is key, as engaging in treatment and care, in turn reduces the levels of offending.
- 11.2 This procurement will build on the partnerships with the criminal justice system to support offenders to access treatment with support to reduce offending behaviour.

12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 The reason for the recommendation to procure the drug and alcohol service is to ensure that support for residents who are struggling with drug and alcohol use are able to access specialist treatment.

13. OPTIONS CONSIDERED AND REJECTED

- 13.1 Having considered the options in section 6.4 and the procurement processes in section 3.19, we have rejected the alternative options due to them not meeting the Authorities duty or Tender and Contracting Regulations.

14. DATA PROTECTION IMPLICATIONS

- 14.1 **WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?**

YES

The service will be joint data controllers with the Council. There will be a data protection impact assessment completed as part of the tender documents for the contract terms and conditions.

- 14.2 **HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?**

NO

Information management has been contacted to progress this to ensure a DPIA is completed in time for the tender.

The Director of Public Health comments that this is acceptable.

Approved: Rachel Flowers, Director of Public Health.

CONTACT OFFICER:

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Karen Handy, Senior Commissioning Officer, Public Health & Prevention, Tel: 07436034280

BACKGROUND DOCUMENTS:

None