

CABINET

9 JULY 2013

DELEGATION OF DRUG AND ALCOHOL COMMISSIONING FUNCTION

Portfolio Holder: Councillor David Brake, Adult Services
Report from: Dr Alison Barnett, Director of Public Health
Author: Aeilish Geldenhuys, Senior Public Health Manager

Summary

This report seeks approval from the Leader/Cabinet to make use of Section 10.2 (b) of Article 10 of the Constitution, which allows the Leader to discharge executive functions jointly through a joint committee or provide for them to be discharged directly by another authority.

The Leader/Cabinet is asked to approve that the commissioning of adult drug and alcohol treatment be delegated to Kent County Council (KCC) on behalf of Medway. The Kent Drug and Alcohol Action team as part of KCC commissioned services have the subject and commissioning expertise to ensure that a new recovery focussed treatment system is commissioned for Medway clients.

1. Budget and Policy Framework

- 1.1 Priority 1 of the 2013/14 Community Safety Plan is tackling substance and alcohol misuse in Medway. One of the targets to address this includes retendering of the existing services.
- 1.2 The Public Health Grant includes the allocation for provision of drug and alcohol treatment services.

2. Background

- 2.1 Commissioning of substance misuse treatment services became the responsibility of Medway Council on 1 April 2013 as a result of the Health and Social Care Act 2012. Previously the responsibility was with Medway Primary Care Trust although a partnership team was hosted by Medway Council to facilitate this.
- 2.2 Funding for substance misuse is within the Public Health Grant, the value of this element of the grant is linked to delivery of outcome targets. A reduction

in performance of treatment services could lead to a reduction in the grant received.

- 2.3 Drug addiction leads to significant economic and social costs. Evidenced-based substance misuse treatment reduces these and delivers real savings, particularly in crime costs, but also through health improvements, including reduced drug-related deaths and lower blood-borne disease transmission rates. This strong value for money case was recently endorsed by the National Audit Office and is the foundation of central Government's significant ongoing investment. Any addicted person not in treatment commits crimes costing an average of £26,074 a year.
- 2.4 An unpublished Ipsos MORI survey conducted on behalf of the National Treatment Agency in 2009, demonstrated that drug treatment has significant public support with 75% of public believing drug treatment to be a sensible use of public money and 80% believing it led to safer communities.
- 2.5 The National Drug Strategy 2010: Reducing Demand, Restricting Supply, Building Recovery: Supporting People to Live a Drug Free Life calls for a dramatic change in the way in which treatment services are commissioned. The focus has moved away from simply moving people into treatment and requires recovery focused treatment systems to be commissioned.
- 2.6 The strategy sets out that nationally progress for service users has halted because expenditure has been focused on delivering process targets not outcomes. Treatment success has been eroded by the failure to gain stable accommodation or employment.
- 2.7 Recent needs assessment and review of complex needs clients in Medway reflect this national concern and have shown there are significant gaps in the local treatment system. Services have not been commissioned to reflect the focus on the recovery outcome target. The needs assessment reflects that Medway is a very long way from having a recovery-oriented treatment system and it will require a complete redesign and strong leadership to address this.
- 2.8 The National Treatment Agency (NTA) published a commissioning strategy for substance misuse services in 2010 that reflected the national changes in policy and required services to focus on recovery rather than maintenance in treatment. Significant substance misuse commissioning expertise is required to redesign the local services and ensure clinical need is still met without requiring substantial new investment.
- 2.9 KDAAT (Kent Drug and Alcohol Action Team) as part of KCC commissioned services directorate have been commissioning substance misuse treatment services since 1995. They have in the last 18 months re-commissioned services in both the East and West of Kent separately. These services are now working to an outcome focused service specification.
- 2.10 The proposal to use KCC substance misuse commissioning team expertise to commission on our behalf has been approved by Medway DAAT Board on 17 November 2011 and the Procurement Board on 17 April 2013, subject to final approval by the Leader/Cabinet. Legal advice is that a delegation of administrative authority is used as the binding agreement for this arrangement.

3. Options

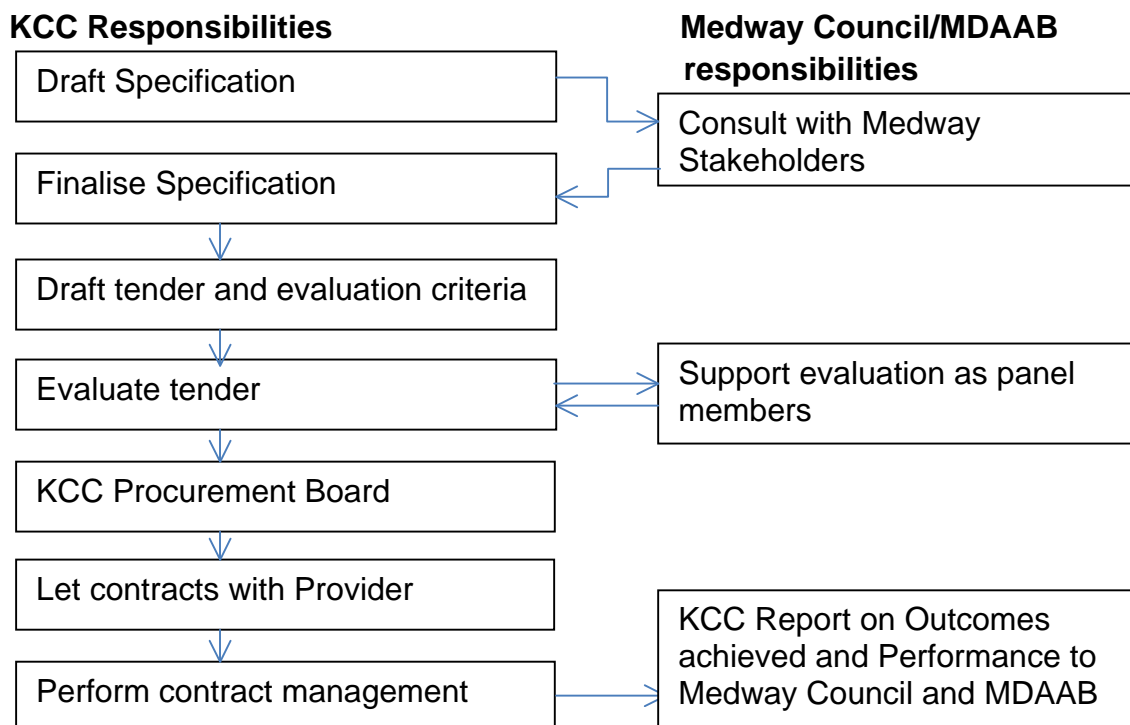
Option 1

- 3.1 Medway council do not currently have the capacity to commission the services however the council could recruit a team to support the commissioning of substance misuse services.

Option 2

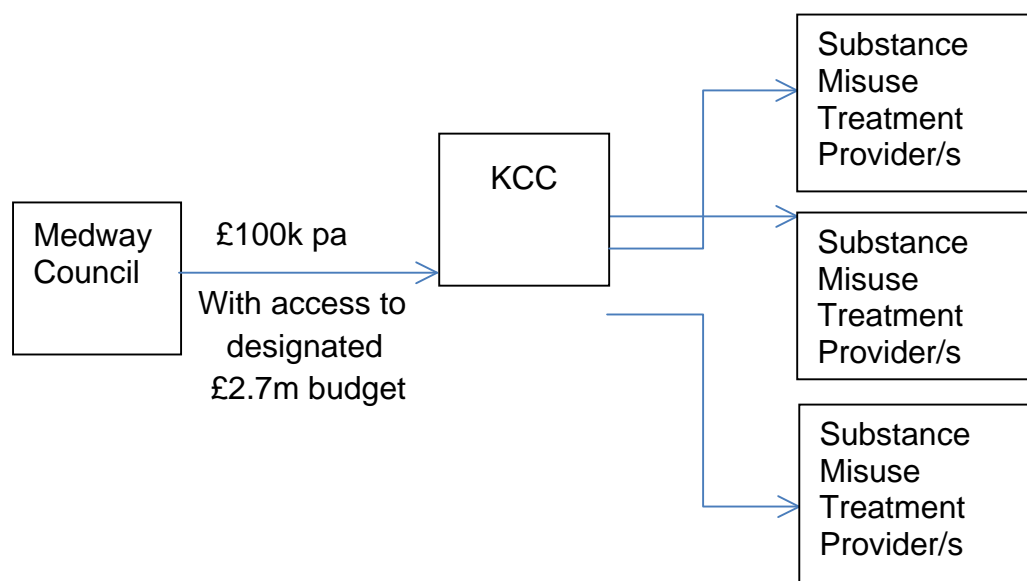
There is an option to discharge the commissioning of substance misuse treatment services for adults through 3.3 Development of a Medway Commissioning Strategy - which is evidenced based and takes into account local needs assessment produced by Medway Council.

- Developing Service specification(s) based on local needs assessments – that reflect national policy direction consultation with Medway stakeholders and Service User consultation seeking public and patient views.
 - Undertaking tendering and market testing for services promoting Best Value Principles.
 - Preparation for ensuring services are tendered within a whole systems approach encompassing a recovery focussed treatment system as outlined by Public Health England with provision taking into consideration care pathways and interdependencies across the network of services.
 - Contract monitoring and managing performance
 - Management of Serious Incidents and Drug and Alcohol related deaths making recommendation to the relevant parties to improve performance
- 3.2 KCC services will cost £100,000 per annum to perform the procurement and contract management activities on Medway Council's behalf, in accordance with the diagram below.



3.3 Secondly, KCC will contract the treatment providers in line with the diagram below.

Contracting route being proposed



4. Advice and analysis

- 4.1 Public Health England (PHE) developed a Value for Money (VfM) tool that enables local areas to demonstrate the value for money of their local drug treatment systems. The VfM tool covers the period of the Spending Review 2010 i.e. the data are recent and relate to 2011-12 to 2014-15.
- 4.2 Costs to society of drug misuse are incurred through drug related crime, health problems, children being placed in Local Authority care and unemployment, among others. The VfM tool models the costs, costs savings and natural benefits of providing effective drug treatment. The tool provides an overview in terms of crime and health cost savings and natural benefits as a result of drug users entering treatment and overcoming their dependency.
- 4.3 During the spending review period Medway is estimated to have a cost-benefit ratio of 1:5.32. So for every £1 spent on the local treatment system, £5.32 is estimated to be gained in benefits. The report shows that for every £100,000 disinvested 549 crimes are more likely to occur.
- 4.4 A secondary PHE tool called Cost Effectiveness Tool (CET) demonstrates the cost of Medway treatment compared to national average investment (see table 1 below). Table 1 (below) shows the cost per day per structured treatment intervention in Medway in 2011/12 compared to national averages. The figures are variable across the pathways but the total cost per day demonstrates that Medway's treatment is cheaper than national averages. The following should be considered when reading the table:
 - the tool only looks at drug treatment and not alcohol
 - harm reduction and aftercare services are not included in the comparison

- as Medway has a single contract for several services some pathways such as structured psychosocial interventions will be combined with day programmes and other structured interventions making them appear more expensive. The data show that there was activity against psychosocial interventions but no cost attached.

Table 1: 2011/12 cost per day for structured treatment Intervention

INTERVENTION	COST PER DAY		
	Medway towns	Top Quartile	National
Community prescribing	£6.75	£5.12	£5.92
Structured day programmes	£56.85	£41.66	£27.88
Structured psychosocial interventions	£0.00	£12.31	£13.85
Other structured drug treatment	£59.39	£26.81	£18.14
Inpatient treatment	£302.93	£389.45	£413.06
Residential rehabilitation	£69.49	£163.05	£162.37
Total	£495.40	£638.39	£641.22

4.5 Medway does not currently have the resource to commission and manage substance misuse services. The minimum estimated costs of delivering this internally in terms of staff are £101,000 (the 2011 DAAT submissions show that the commissioning costs were £249,000 at the time). Option 1 will require recruitment of at least 1.5 WTE posts in addition to support from existing posts. This option will cause a significant further delay to the procurement, which is already delayed due to the transition to Local Authority. In addition recruitment to the DAAT has proved difficult in the past with the commissioning manager post being covered by interim/agency staff for the last three years.

4.5.1 Option two would require KCC commissioned services to manage the commissioning and contract management on behalf of Medway council. The advantage of this option is that there is already a qualified and subject expert team in place. This team has recently retendered both East and West Kent recovery focussed substance misuse services separately, with the East Kent award taking effect in April 2013. The outcomes that will be commissioned for include:

- Improved long-term mental and physical health, well-being, and quality of life for people affected by substance misuse,
- Freedom from substance dependency,
- Well-informed and supported families, children and young people,
- Reduced substance misuse related crime, anti-social behaviour and re-offending,
- Improved public health and reduced health inequalities in Medway, including but not limited to; prevention of substance misuse related deaths and blood borne viruses,

- Increased employment and reduced financial burden on local communities and public services,
 - The ability to access and sustain suitable accommodation.
- 4.6 There would be no time delay; the procurement process can commence as soon as the delegation agreement has been signed.
- 4.7 The delegation agreement requires that any efficiencies gained are brought back to Medway for decision on re-investment.

5. Risk management

Risk	Description	Action to avoid or mitigate risk	Risk rating
1) Commissioned services won't reflect local needs	By using KCC commissioned services the contract won't reflect the specific requirements of Medway clients	Medway Council will retain the responsibility for development of local needs assessment which will inform the commissioning strategy and will also agree the service specification.	E2
2) Funding will be reduced if Public Health Outcome target is not achieved	If the current decline in successful outcomes continues there will be a reduction in Public Health Grant	Recovery focussed services need to be commissioned. The commissioning consultation plan is already developed and ready to roll out as soon as agreement between councils has been ratified.	C2
3) Loss of control of contract process leading to poorer outcomes for Medway	By making use of KCC services, Medway will not receive sufficient focus.	Medway Council will be fully consulted on the specification development, will be a member of the tender panel. Moving forward KCC will be held to account on the outcomes of the services by the Medway DAAT board and PHE.	D2

6. Consultation

- 6.1 Medway DAAT Board is made up of members from NHS England, Medway Clinical Commissioning Group, Police, Probation and Medway Council. The board has approved the use of KCC commissioned services.
- 6.2 As KCC have specific skills, expertise and established local partnerships, in commissioning drug and alcohol treatment services, the Monitoring Officer, in consultation with the Procurement Board has, through an exemption, approved the use of KCC commissioned services.
- 6.3 Legal advice has proposed the transfer of these Drug and Alcohol treatment Services functions to KCC is through a delegation arrangement with KCC. This advice was given subsequent to the Procurement Board submission and requires Cabinet approval, which is now sought.

7. Financial and legal implications

- 7.1 The arrangement with KCC will cost £100,000 per annum for the duration of the agreement (currently set at 3+1 years). KCC will procure services on our behalf to the value of £2,7 million per year, the provider contract will be co-terminus so as not to outlast the arrangement with KCC.
- 7.2 Medway Council can use Section 10.2 (b) of Article 10 of the Constitution, which allows the Leader to discharge executive functions jointly through a joint committee or provide for them to be discharged directly by another authority.

8. Recommendations for Cabinet

- 8.1 Cabinet recommends to the Leader to approve the delegation for the procurement of Adult Drug and Alcohol Treatment Services as detailed in paragraph 3.3 of the report to Kent County Council.
- 8.2 Cabinet approves the delegation of a delegation agreement with Kent County Council in a form to be approved by the Assistant Director, Legal and Corporate Services.

9. Recommendation for the Leader

- 9.1 That the Leader approves the delegation for the procurement of Adult Drug and Alcohol Treatment Services as detailed in paragraph 3.3 of the report to Kent County Council.

10. Suggested reasons for decision(s)

- 10.1 Approving this recommendation will mean a more expedient tendering of local services and that services are commissioned by substance misuse experts with a full understanding of how to achieve a recovery focused treatment system.

Lead officer contact

Aeilish Geldenhuys, Senior Public Health Manager, Gun Wharf Level 2, 01634 333147 (aeilish.geldenhuys@medway.gov.uk)

Background papers

Drug and Alcohol Misuse Treatment Services – KCC to commission – report submitted to Procurement Board 17 April 2013.

NTA (2012) Estimating the crime reduction benefits of drug treatment and recovery. Available at: <http://www.nta.nhs.uk/uploads/vfm2012.pdf>

Webster, Russel (2012) AN ASSESSMENT OF THE DRUG AND ALCOHOL NEEDS OF MEDWAY

NTA (2010) Commissioning for recovery. Available at:

http://www.nta.nhs.uk/uploads/commissioning_for_recovery_january_2010.pdf