

CABINET

7 JUNE 2022

GATEWAY 1 PROCUREMENT COMMENCEMENT - MEDWAY ADULT SUBSTANCE TREATMENT, HARM REDUCTION AND RECOVERY SERVICE

Portfolio Holder: Councillor David Brake – Portfolio Holder for Adults’ Services

Report from: James Williams – Director of Public Health

Report Author: Claire Hurcum / Robin Mitchell, Health Improvement Programme Manager (Substance Misuse and Sexual Health)

Summary

This report seeks the Cabinet’s agreement to commence the procurement of the Medway Adult Substance Treatment, Harm Reduction and Recovery Service Contract. This is a statutory clinical public health service, which must be provided in line with the requirements of the Health and Social Care Act 2012 and the national Drugs Strategy.

Procurement Overview

Total Contract Value (estimated): £10,000,000 based on £2million per annum (plus additional grant funding see financial table)

Proposed Contract Term: Initial term: 36 months (from 1st April 2023 to 31st March 2026), with the option of 2 x 12-Month Extensions (to 31st March 2028)

1. Budget and Policy Framework

1.1. Effective delivery of adult substance support services contributes to a wide range of local and national policies and priorities including:

- Medway Council Plan– children and young people have the best start in Medway; Adults maintain their independence and live healthy lives.
- Public Health Outcome Framework.

- Medway Safeguarding Children Board Plan - Priority One: To improve the life chances of children living with family members with mental health, substance misuse or disabilities.
- The Medway Community Safety Plan.
- National Crime Prevention Strategy.
- National strategies in relation to alcohol misuse and drugs misuse, including the Government Recovery strategy.
- The Kent Police and Crime Commissioner priorities
- Government 'Drugs Strategy' - 'From harm to hope: A 10-year drugs plan to cut crime and save lives'

1.2. By ensuring adult substance support services are available and effective, a significant contribution can be made to:

- Reduce offending in Medway
- Reduce anti-social behaviour
- Reduce rough sleeping/street drinking
- Support Medway Council early intervention services (including reducing numbers of children moving into higher threshold care services)
- Support acute and community-based health services in the management of a complex cohort of patients associated with long term health problems (including mental health and liver disease).
- Supporting families who are affected by substance use including reducing Domestic Abuse
- Preventing increasing substance use from reaching problematic levels or crisis point.

2. Background

2.1. Budget

2.1.1. Funding for the provision of a specialist substance misuse treatment service for adults forms a mandated component of the Public Health Grant that is given to Local Authorities by Central Government. The current contract value for substance support services in Medway is £2million per annum.

2.1.2. In January 2021, the government announced £80 million for drug treatment as part of a £148 million funding package for reducing crime. This was the biggest increase in drug treatment funding for 15 years. The additional funding was available for one year (April 2021 – June 2022) to increase treatment capacity, harm reduction interventions and prevent drug related deaths. Medway's allocation was £313,000, of which a significant proportion was allocated to providers to increase service provision. Medway also received £37,006 for inpatient detoxification which was allocated to the setup of a new Inpatient detox centre in Fareham as part of Southeast Consortium.

2.1.3. In December 2021, the government published a new 10-year Drugs Strategy 'From Harm to Hope' on the back of the Dame Carol Black (DCB) independent review for government (part two) published in July 2021. The strategy included an announcement that all local authorities

would receive at least as much additional funding as last year, plus enhanced funding depending on local needs. The enhanced funding would be offered in a phased way based on need with up to 50 areas starting in 2022/23, with another 50 areas receiving enhanced funding in 2023/24 and the remaining areas starting in 2024/25.

- 2.1.4. A letter was sent to Directors of Public Health to confirm the amounts for each local authority, and Medway's allocation was broken down as follows:

	Year 1 - 22/23	Year 2 - 23/24	Year 3 - 24/25
Supplemental substance misuse treatment and recovery (SSMTRG)	£389,709	£418,090*	£686,277*
Inpatient Detoxification Grant	£37,006	£37,006	£37,006

**Medway will receive enhanced funding from year 2 (2023-24).*

- 2.1.5. Local authority commissioners have been asked to start planning their investment over the next three years, however, to date (12 May 2022) the values are currently embargoed and waiting Departmental and HM Treasury approval.
- 2.1.6. This funding has also been clearly labelled in the Drug Strategy and the Public Health Grant (PHG) agreement letter, that it is additional funding and dependent on maintaining existing Local Authority (2020/21) investment in drug and alcohol treatment.
- 2.1.7. The strategy is for 10 years which suggests longer term funding will be available, however at present the funding has only been allocated for three years (2022-2025) due to governmental procedures (e.g. spending review, elections etc...).

3. Background Information and Procurement Deliverables

- 3.1. Medway Council currently commissions an adult substance misuse service through two contracts. The treatment element of the contract is provided by Turning Point, and the recovery and wellbeing element is provided by Open Road. The contract was awarded in 2018 following a robust tendering process, for a 3-year initial term with 2 x 12-month extensions available.
- 3.2. The intention of the current contract was to provide a wellbeing and recovery service distinct from the treatment service which would enable those who had completed treatment to move to a new environment free from any experiences in the treatment process and focus on sustained recovery.
- 3.3. However, to improve transitions between the two services and improve the experience of service users, the new contract will use an integrated single-provider model of treatment and recovery. This will enable more

efficient pathways and clearer routes to visible recovery while reducing challenges experienced between providers.

- 3.4. Within the current contract a key priority for the treatment service was to increase numbers into treatment, along with numbers successfully completing treatment. Whereas the recovery service contract was aimed to support people with their recovery journey and support clients to improve their overall health and wellbeing, including supporting employment and training needs. While numbers in treatment nationally have remained relatively stable, in Medway there has been a year-on-year increase in treatment places offered with the most impressive gain seen in alcohol dependent users.
- 3.5. Over the past 2 years, the Covid-19 pandemic has impacted service delivery for substance misuse services, and treatment providers were required to focus on keeping service users safe and focus on harm reduction. This resulted in longer treatment periods for service users, which increased numbers in treatment and reduced completions in some quarters, particularly during and following lockdown periods.
- 3.6. Services also had to adapt to a new way of delivering services and move away from clients coming into the main hub or collecting medications from pharmacies. This included increased support given to service users over the phone and the setup of online meetings/groups. Despite significant challenges, the treatment service remained open for essential clinical assessments/urgent care for complex clients.
- 3.7. The current estimates for Opiate and Crack Cocaine Users (OCU's) in Medway is 1,459, of which an estimated 59.2% are not in treatment. There are an estimated 2,891 dependent drinkers, of which 87% are not in treatment³.
- 3.8. In 2020, 30.5% of those in treatment for alcohol successfully completed, which was lower than the England average (35.3%). This is a reduction in comparison to 2019 (49.5%). However, it must be noted that 2020 was significantly affected by the pandemic and the treatment provider was asked to keep service users safe and in treatment, to reduce representations and reduce risks in unprecedented times. Success rates for alcohol users in Medway over the past 5 years have predominantly been above the England average.
- 3.9. In 2020, 6.5% of those in treatment for opiates successfully completed, which was significantly higher than the England average (4.7%). A number of service users will have 'high' or 'very high' levels of complexity in their lives, which as a result will have a significant impact on success rates.
- 3.10. Nationally there has been an upward trend in deaths from drug misuse. From 2011-2013, drug-related death rates in Medway soared to almost double the England average. However, there has been significant success in stabilising these numbers with figures from 2015 to present being in line with the England average (25 reported drug related deaths

in 2020). Investment in life-saving overdose reversing Naloxone in 2021 is expected to impact these numbers in coming years.

- 3.11. Deaths specifically from alcohol use in Medway are below the England average. However, it has been reported nationally that alcohol related deaths have increased by 20% in 2020, in comparison to 2019. Medway has also noticed a recent increase in alcohol related deaths and noticed an increasing concern that referrals into service are taking place at crisis point or when the client is extremely unwell. In the new service specification providers will be expected to focus on building effective pathways between relevant services (e.g. primary care and acute services) to prevent people falling between the gaps and increase early identification/referrals into treatment services.
- 3.12. Medway currently has an exceptional rate of continuity of care from prison services. The national average is 37% but Medway sits at 71%. In line with the Drug Strategy, this figure will need to increase to 75% during the new contract.
- 3.13. A needs assessment of current services and how Medway compares to the key priorities of the 2021 Drugs Strategy is currently in final draft stage and will be shared when completed.
- 3.14. A new contract will give the opportunity to improve accessibility and maximise the number of people who can access treatment within the available resources.
- 3.15. The tender for a new arrangement of services and interventions will include:
 - An integrated substance support service delivered by one provider, which provides prevention, treatment and recovery services in proportion to local need.
 - An emphasis on co-production, service delivery and development with peers that have both lived and living experience. Including close partnership working with peer support networks in the community.
 - A service that is community-based. There will be a main hub to act as an operational base, but the service will provide a blend of 'going to where people are' alongside traditional 'come to us' service.
 - Effective partnership working as a key part of every care plan, building relationships with existing services accessed by service users (SU) as well as developing new partnerships to support SU's needs.
 - One patient record system across all elements of the service to ensure smooth transition throughout the SU's journey.
 - An emphasis on transitions to support service users upon release from prison, hospitals and other settings.
 - An emphasis on substance misusing parents and improving outcomes for children through effective partnership working
 - Local promotion and marketing of substance support services available in Medway. With frequent campaigns, promotional events and celebrating success stories to increase awareness of support services and visible recovery locally.

- A strong focus on workforce development and ensuring staff are well supported, have access to a wider range of training opportunities, feel valued in their role and at the centre of the organisations vision and values.

3.16. Importance of Report

The Contract is required to be awarded in December 2022 to enable the transition to a transformed Medway Adult Substance Treatment, Harm Reduction and Recovery Service to be in place by 1st April 2023.

3.17. Parent Company Guarantee/Performance Bond Required

No, unless requested within the tender documentation.

4. Procurement Dependencies and Obligations

4.1. Project Dependency

4.1.1. The Adults Substance Support Service will be commissioned independently. However, there are several connected services that are commissioned by Medway Council, NHS Kent and Medway CCG, NHS England and the Police and Crime Commissioner (PCC) that have close links with this procurement.

4.1.2. Currently the Medway Young Persons Substance Misuse service is commissioned by North East London Foundation Trust (NELFT) and independent of adult commissioned services for substance use. The young person's contract is due to end in 2024, and it is possible that the commissioning set up may change in future. For now, adult substance use services will continue to be commissioned independently.

4.2. Statutory/Legal Obligations

4.2.1. Since 2013 local authorities have responsibility for improving health and wellbeing of their local population, including services aimed at reducing alcohol and drugs misuse. The responsibility of local authorities is set out in the Health and Social Care Act 2012. The funding to local authorities for commissioned Public Health Services is ring fenced under the Public Health Grant.

4.2.2. The Act is also the basis for the ring fenced Public Health Grant to Local Authorities to meet the responsibilities under the Act; a Local Authority Circular on Public Health conditions (LAC(DH)(2014) 2) stipulates that ' 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 services'.

4.2.3. The Local Authority has a statutory duty to carry out assessments and arrange provision to meet needs where eligible and appropriate (NHS and Community Care Act 1990; Care Act 2014). The Children's Act

(1989) places a responsibility to 'safeguard and promote the welfare of children within their area' – adult substance misuse services directly contribute to this responsibility through working with parents.

5. Business Case

5.1. Procurement Project Outputs / Outcomes

5.1.1. As part of the successful delivery of this procurement requirement, the following procurement project outputs / outcomes within the table below have been identified as key and will be monitored as part of the procurement project delivery process.

Outputs / Outcomes	How will success be measured?	Who will measure success of outputs/ outcomes	When will success be measured?
1. Number of alcohol users successfully completing treatment.	Increase in number of individuals who successfully complete specialist alcohol treatment, abstaining from alcohol use or reporting significant reduction in overall alcohol use.	National Drug Treatment Monitoring System (NDTMS) and Public Health.	Quarterly Monitoring Quarterly NDTMS reporting
2. Number of opiate clients successfully completing treatment	Increase in number of individuals who successfully treatment for opiate use, including abstaining from use and/or reporting significant reduction in	National Drug Treatment Monitoring System (NDTMS) and Public Health.	Quarterly Monitoring Quarterly NDTMS reporting

	overall drug use.		
3. Number of alcohol users accessing treatment	Increase in number of individuals aged 18 years and above who access treatment for alcohol support.	National Drug Treatment Monitoring System (NDTMS) and Public Health.	Quarterly Monitoring Quarterly NDTMS reporting
4. Number of opiate clients accessing treatment	Increase in number of individuals aged 18 years and above who access treatment for opiate support.	National Drug Treatment Monitoring System (NDTMS) and Public Health.	Quarterly Monitoring Quarterly NDTMS reporting
5. % of initial assessments completed within 4 weeks of first contact with client.	Service to evidence that the percentage of initial assessments that take place within four weeks of first contact with client is above set value.	Medway Public Health Commissioning	Quarterly Monitoring Monthly meetings between provider and commissioner
6. Number of Medway residents receiving harm reduction for people who use alcohol and drug use.	Increase in harm reduction advice given and reduction in drug related deaths.	Medway Public Health Commissioning	Quarterly Monitoring Monthly meetings between provider and commissioner
7. Number of people with lived and living	Service can evidence co-design and co-delivery	Medway Public Health Commissioning	Quarterly Monitoring Monthly meetings

experience involved in service delivery and development	alongside people with lived and living experience (such as peer mentors and service users).		between provider and commissioner
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5.2. Procurement Project Management

5.2.1. The management of this procurement process will be the responsibility of the Category Management team.

5.3. Post Procurement Contract Management

5.3.1. The management of any subsequent contract will be the responsibility of the Public Health Programmes Commissioning Team.

6. Market Conditions and Procurement Approach

6.1. Market Conditions

6.1.1. There are a number of providers delivering services across the South East leading to some competition. Providers are reporting workforce shortages which may adversely affect the mobilisation of a new service; this will be explored during the procurement process.

6.2. Procurement Options

6.2.1. The following is a detailed list of options considered and analysed for this report:

6.2.1.1. **Option 1 – Do nothing:** This is likely to result in increased deaths due to alcohol and other drug use, as well as an increase in hospitalisations and long-term health conditions. It would also cause an increase in criminal and antisocial behaviour associated with substance use, and place additional demands on other services such as Adult and Children’s Social care, supported housing, and Domestic Abuse support.

6.2.1.2. **Option 2 – Joint procurement across the Medway and Swale ICP footprint:** The service for Swale residents is delivered by a different provider to Medway and is covered by the East Kent Substance Misuse contract. A joint procurement could result in commissioning delays due to variations in contract dates as well as differences within the contracts (such as key performance indicators and outcomes). Medway Public Health have developed links with other stakeholders across the Medway footprint, this work could be diluted if a larger footprint and multiple providers were procured.

6.2.1.3. **Option 3 – Bring the service in-house to the Public Health Team:**

The current provider is CQC registered with clinical expertise in many roles. Most staff in the Public Health Team do not have experience in clinical delivery, and the main office is not a suitable to deliver such service. A council led service could also create a barrier to access if clients lack trust with local authority/government organisations.

6.2.1.4. **Option 4 – Open procurement process (this is the preferred option):**

This option gives the commissioner and provider the flexibility to adapt the contract, if required, to suit local need without potential constraints of joint commissioning. Procuring a new Medway-only contract from 1st April 2023 will ensure continuous contract coverage after the end of the current contract, allowing consistency and less disruption to service users. This option also allows for a smoother transfer of client management databases and staff transition (via TUPE) between providers if required. In addition, Option 4 gives us the ability to work with the market around innovation for the enhanced investment as well as planning for investment changes beyond 2025.

6.3. Procurement Process Proposed

6.3.1. The preferred procurement route is via Option 4 above as this route ensures the council obtains the best value for money through competition.

6.3.2. It is recommended that the contract duration be for 36 months (3 years) with the option to extend for 24 months (2 x 12-month periods) by mutual agreement.

6.4. Evaluation Criteria

6.4.1. The evaluation will be weighted 70% for quality and 30% for price to deliver best value. A higher weighting is being attributed to the quality component of the service to ensure that standards are kept appropriate for this high-risk service.

7. Risk Management

7.1. Risk Management

Risk Description	Risk Category	Plans to Mitigate
Data for patients is currently held on the provider's database. This may pose a problem should the incumbent not be successful in winning the tender. It is possible that treatment plans, medication logs etc. are	D2	Begin discussions with incumbent before tender goes out. In tender documents ask bidders their policy on passing information to incoming providers. 3-month mobilisation period to enable data transfer.

Risk Description	Risk Category	Plans to Mitigate
not available to the incoming provider. This presents a health risk to the patient.		
It is increasingly difficult for substance misuse services to recruit staff. Any loss of staff during the recommissioning process or who chose not to TUPE across could impact on the new service's ability to deliver.	C2	Providers are aware that TUPE list is required. This will be obtained early. Include possible retention and recruitment incentives as part of additional funding proposal.
Providers may choose not to submit bids for a number of reasons including profitability, ability to deliver, contract length. If the incumbent is unwilling or unable to extend contract (or places unrealistic demands on commissioners) Medway could be left without a service.	D2	Hold additional market warming events. Make sure bids include the Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG) uplifts and show government plans for increased expenditure.
The commissioning timeline is not met, causing a delay in service implementation and possible service gaps, as notice will have been served on current contracts.	D3	Regular communication between commissioners and Category Management officer to ensure timelines are followed, issues/obstacles identified and mitigated prior to causing delays.
Enhanced funding does not continue beyond 2025 and contract is 5 years	D2	Nationally providers will be aware of investment periods. As part of the tender process providers will be expected to plan for cuts and this will be built into terms and conditions of the contract.

8. Consultation

8.1. Internal (Medway) Stakeholder Consultation

In February 2021 Public Health arranged a series of focus groups on key topic areas to inform the objectives and outcomes of the Health

Needs Assessment (HNA). We invited both internal and external partners to input into these discussions.

- 8.2. As part of the HNA stakeholders across a multitude of services (including Housing, Social Care, and Medway Taskforce) were consulted in numerous ways:
 1. Stakeholder interviews
 2. Professional survey
 3. A HNA task and finish group with key partners to review drafts and final report
 4. Focus group with staff from the Probation Service specifically researching how their service users have engaged with the existing service, and what an 'ideal' service/system looks like.

8.3. External Stakeholder Consultation

The HNA also consulted with various external stakeholders using a variety of methods, including:

1. A public survey
2. Focus groups with people with lived and living experience of substance use and engaging with local services
3. Professional survey
4. Stakeholder Interviews (including the regional lead at Public Health England, and consultants at Alcohol Change UK and George Charlton Consultancy)

9. Financial Implications

- 9.1. The procurement requirement and its associated delivery as per the recommendations will be funded from existing revenue via the Public Health Grant, plus additional funding from government grants (such as the SSMTRG mentioned above).

10. Legal Implications

- 10.1. The statutory basis for this service is set out in paragraph 4.2. above.
- 10.2. Under the Council's Contract Procedure Rules, the proposed procurement is a high-risk procurement, and the process set out in this report meets the requirements for such procurements. The proposed procurement must also be advertised on the Kent Business Portal, in compliance with rule 3.3 of the CPRs.
- 10.3. Medway Council has the power under the Local Government (Contracts) Act 1997 and the Localism Act 2011 to enter into contracts in connection with the performance of its functions.
- 10.4. The process described in this report complies with the Public Contracts Regulations 2015 and Medway Council's Contract Procedure Rules.

11. Other Implications

11.1. TUPE Implications

- 11.1.1. TUPE will apply during this procurement. This will only apply to eligible posts within the current commissioned adult substance misuse services.

11.2. Procurement Implications

- 11.2.1. Due to the limited nature of the market the Open procedure is recommended for the procurement process.

11.3. ICT Implications

- 11.3.1. There are no ICT implications associated with this procurement.

11.4. Social, Economic & Environmental Considerations

- 11.4.1. The services will make a direct contribution to addressing levels of inequality in Medway by supporting adults and families affected by substance misuse to access effective treatment provision. Adults will be directly supported in opportunities to access employment, training and education alongside other issues that enable recovery from dependent substance misuse. The services will contribute to a number of the Council's wider priorities including: children and young people have the best start in Medway; Adults maintain their independence and live healthy lives.
- 11.5. The services will ensure environmental considerations are incorporated into service delivery. This includes the delivery of Needle Syringe Programmes to encourage people who inject drugs to return used needles to distribution sites and use sharps bins for disposal, which in turn aims to reduce drugs litter in Medway.
- 11.6. The Public Health Team have built good relationships with Environmental Services and the commissioner of Medway Council's waste contract. Information of 'hotspots' and reports of drugs litter is shared between teams and fed back to the provider outreach team to incorporate these locations into their visits.
- 11.7. The provider will also be encouraged to reduce their carbon footprint by using an online database and using digital means of contact to clients (telephone, email and texts instead of letters) where appropriate, as well as encouraging staff to use public transport or car share in roles where regular travel is not required.

12. Recommendation

- 12.1. The Cabinet is asked to note the report and approve the commencement of the Open Procurement procedure as per the preferred option identified in paragraph 6.2.1.4.

13. Suggested reasons for decision

- 13.1. Cabinet approval will authorise the commencement of the procurement process to renew the service contract.

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Appendices

Exempt Appendix 1 – Financial Analysis

Appendix 1 – Diversity Impact Assessment

Appendix 2 – Notification of indicative additional funding from the Office for Health Improvement and Disparities

Background Papers

[From Harm to Hope: A 10-year drugs plan to cut crime and save lives](#)