

**PROCUREMENT OF THE ADULT INTEGRATED DRUG AND ALCOHOL SERVICE
BUSINESS CASE**

Key Decision No CACH P89

CPC MEETING DATE (2019/20)

9th September 2019

CLASSIFICATION:

Open with exempt appendix A

By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

WARD(S) AFFECTED

All Wards

CABINET MEMBER

Deputy Mayor Cllr Clark

Health Social Care, transport and parks

KEY DECISION

Yes

REASON

Affects Two or More Wards

GROUP DIRECTOR

Anne Canning - Group Director Children, Adults and Community Health

1. CABINET MEMBER'S INTRODUCTION

- 1.1 Drug and alcohol use and its associated issues have a substantial impact on individuals, families and communities. This imposes significant economic and social costs on society reflected in the cost of crime, healthcare and provision of public services.
- 1.2 The procurement of an integrated adult drug and alcohol treatment system across the London Borough of Hackney and the City of London Corporation will support the two authorities to deliver on their shared visions of improving positive outcomes for some of our most vulnerable residents, as well as improving the life chances of many of the individuals who choose to live, work and visit here.
- 1.3 Extensive targeted consultation has taken place within local communities and with stakeholders ensuring the views and voices of those impacted by drug alcohol treatment services are embedded within the proposed new service model.
- 1.4 The proposal represents an exciting opportunity for positive outcomes, not only for the residents who will benefit from the drug and alcohol treatment service, but also for their families, the wider communities and the Council.
- 1.5 The delivery of drug and alcohol treatment sits within the 'prevention' work stream of the Integrated Commissioning System in the City and Hackney. A priority for this work stream is to reduce harms from the main causes of poor health (which includes alcohol and other substance misuse). As such, the prevention and effective treatment of drug and alcohol misuse is a shared priority for the local authorities, the Clinical Commissioning Group, the voluntary and community sector and other key stakeholders.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 The procurement of an integrated drug and alcohol treatment service for local adults will help ensure that individuals affected by substance misuse are supported in an effective, safe and responsive way. This will, in turn, safeguard local residents, reduce risks associated with drug and alcohol use, and motivate and support individuals to achieve long term and independent recovery.
- 2.2 The newly designed and commissioned integrated drug and alcohol service for City and Hackney has been informed by key documents including national guidance (for example the National Drug Strategy and Public Health England [PHE] Guidance for Commissioning Drug and Alcohol Services), local strategies and policies, and local evidence and need.
- 2.3 Individuals who engage or require engagement with specialist drug and alcohol services have changed over recent years. This includes, but is not limited to, an ageing treatment population, increased number and record of individuals with both substance misuse and mental health needs, and a significant

reduction of 'alcohol only' service users engaging with treatment services despite estimated need remaining unchanged.

- 2.4 As a result of the ever changing environment, it is important that contracts commissioned to deliver specialist drug and alcohol treatment are reviewed and updated as required, to ensure they are meeting the needs of local residents, delivering on local priorities and outcomes, and offering value for money for the Local Authorities.

3. RECOMMENDATION(S)

- 3.1 That Cabinet Procurement Committee approves the procurement strategy for an adult integrated drug and alcohol treatment system contract for the City of London Corporation and the London Borough of Hackney up to an annual maximum value of £4,930,850 for a period a five years commencing on 1 October 2020 with an option to extend for a further 2 years (plus 2 years) to a maximum contract value of £44,377,650.
- 3.2 Cabinet to note, that Young Hackney will continue to deliver the drug and alcohol service for young people (up to the age of 25 years) as in-house provision, subject to full service monitoring and review (see section 9)

4. RELATED DECISIONS

- 4.1 In February 2018 CPC agreed an STA for the existing contract until 30 September 2020 to allow for service review and redesign [http://mginternet.hackney.gov.uk/documents/s59121/CDM-18849790-v3A-ISMS CPC Report February 2018.pdf](http://mginternet.hackney.gov.uk/documents/s59121/CDM-18849790-v3A-ISMS_CPC_Report_February_2018.pdf)

5. OPTIONS APPRAISAL AND BUSINESS CASE (REASONS FOR DECISION)

- 5.1 Under the Health and Social Care Act 2012, local authorities have the duty to reduce health inequalities and improve the health of their local population by ensuring there are public health services aimed at reducing drug and alcohol misuse. The 2015/16 public health grant included a new condition (that has remained in the most recent grant) that requires: A local authority must, in using the grant, *"...have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services..."*¹
- 5.2 The current contracts in the London Borough of Hackney (LBH) and the City of London (CoL) have been in place since October 2015. These contracts are due to end in October 2020 and the procurement outlined in this report will seek a joined up service across the two authorities into one integrated service managed as a unified system. LBH will lead on the overall contract management of this new service, with CoL having continued oversight and involvement.

¹ Public Health ring-fenced grant 2019/20 circular allocations and conditions, Grant Conditions, point 7

- 5.3 **Case for change:** Individuals who engage or require engagement with specialist drug and alcohol services have changed over recent years. This includes, but is not limited to, the following:
- An ageing treatment population whose complex and/or multiple health and social needs require additional and wrap-around support
 - individuals with co-occurring substance misuse and mental health needs
 - A reduction of alcohol only service users engaging with the treatment service
- 5.4 The needs of LBH and CoL in regards to specialist drug and alcohol treatment has been reviewed extensively including the publication of a Joint Strategic Needs Assessment (JSNA) Substance Misuse Chapter (<http://www.hackneyjsna.gov.uk>), and a significant consultation exercise which sought the views of service users (including current and potential), professional drug and alcohol practitioners, direct partners (such as local GPs, police custody suite officers etc.) and a number of other stakeholders. This has directly informed the design of the new service specification.
- 5.5 The new contract will provide opportunities for innovation in the service delivery and design through a flexible drug and alcohol service framework designed to enable greater responsiveness to the changing needs of the treatment population.
- 5.6 As with many other elements of the Public Health portfolio, this procurement will be carried out by Hackney on behalf of LBH and the CoL. Currently, the local authorities have standalone services. CoL's current specialist drug and alcohol treatment system supports a small number of residents that live or stay within the City, and there are existing partnership arrangements between the local authorities to support these individuals within the current Hackney Recovery Service (HRS) if required (e.g. opiate substitute prescribing and group work interventions). Following a number of consultation and review events, it has been decided to create one integrated system.
- 5.7 A minimum contract length of five years is being proposed following the work undertaken as part of this review and the publication by the [Advisory Council for Drug Misuse \(ACMD\) Recovery Committee Report](#) in September 2017. This report highlights a number of risks associated with frequent reprocurement of substance misuse services including poorer recovery outcomes and recommends commissioning cycles for substance misuse to take place every five to 10 years to minimise the use of vital resources, and disruption to service delivery. Furthermore issues have been identified by the Faculty of Addictions Psychiatry of the Royal College of Psychiatrists that as a consequence of frequent re-tendering there are risks around increased drug overdoses, increase in use of accident and emergency and acute hospitals, and increases in crime. These risks are particularly concerning at a time when drug related deaths are increasing.
- 5.8 **Service redesign** - The service to be procured as outlined in this report will provide specialist and community based drug and alcohol treatment for adults (over 18 years) that reside or stay (with a local connection) in the LBH or the

CoL. The service will be provided by one provider or by a small number of providers that work together/in consortia with a lead organisation accountable to LBH for the delivery of the overall contract.

5.8.1 The service model will be:

- Recovery focussed
- Outcome based
- Inclusive
- Shaped by the needs, views and voices of service users, carers, families and communities in the boroughs
- Accessible and offer focussed support that will be available at any point during a service user's recovery journey
- Evidence based

5.8.2 The following key outcomes will be monitored for those actively engaged in the service as a minimum to assure an effective treatment service:

- Freedom from dependence on drugs and/or alcohol
- A reduction in crime and offending
- Prevention of drug related deaths and blood borne viruses
- Sustained employment, training and/or education
- Ability to access suitable accommodation
- Improvement in mental and physical health and wellbeing
- Improved relationships with family members, partners and friends
- The capacity to be an effective and caring parent and the safeguarding and support of vulnerable children

5.9 The treatment service will deliver on the following key areas in both LBH and CoL:

- Treatment and support for individuals using a variety of substances, including traditional drugs (such as opiates, cocaine etc.) as well as alcohol, novel psychoactive substances, and club drugs. The service will work with GPs on the misuse of prescription medications.
- A treatment service that provides a level of support and treatment at least 6 days a week across LBH and CoL, considering evening and weekend provision. The accessibility of the service is to be widened, maximising opportunities for co-location with partnership agencies, satellite clinics and increasing the level of outreach provided by the service.
- Psychosocial Interventions to address addictive behaviours and/or support sustained recovery from drug and alcohol misuse. This will include comprehensive assessment of need, goal setting, structured interviews and group work sessions.
- Delivery of pharmacological interventions within drug and alcohol treatment including prescribing opiate substitute treatment, supporting community and inpatient detoxification from drugs and/or alcohol, and other prescribing needs (such as withdrawal management medication). This will also include close working relationships with local GPs and hospitals.

- A family and carer service that will support families, friends and carers of drug and/or alcohol users in group and/or individual settings, as well as supporting identified parental substance users (or adults with significant child contact), and ensuring all children are safeguarded.
- Wrap around support to address multiple needs that potential service users might present with such as physical and mental health, family support, and criminal justice involvement. This will be underpinned by significant focus on joint partnership working protocols, information sharing agreements and networking events to ensure service users have equitable access to health and social care services and support in a timely and coordinated fashion.
- Harm reduction interventions to reduce substance related harm and deaths including access to needle exchange provision and naloxone (a drug that reverses the effect of an opiate overdose), in addition to providing testing and treatment for service user's with Hepatitis C (and other blood borne viruses). As such, the new service will support the City and Hackney to eliminate hepatitis C, in line with the NHS England commitment²
- Step down recovery support on completion of treatment which enhances long term and sustained recovery and increases a service user's sense of community.
- An increased responsibility in the overall prevention of drug and alcohol misuse throughout the local authorities. This will be completed via the publication of national and local campaigns and providing training to universal services and front line staff who are likely to have direct contact with individuals at risk of developing problems with drugs and alcohol.

5.10 For strategic context regarding the re-procurement proposal, please refer to section 7

5.11 **Consultation** - Significant consultation has taken place within four key groups including the current provider, potential providers, service users/potential service users and stakeholders for the service. Views have been captured using a variety of methods such as online surveys, focus groups, 1:1 interviews and an all-day consultation event. For additional detail on how consultation was completed, please refer to section 12.

5.12 The targeted consultation informed us there are many areas of the current treatment model that work well, but also some gaps in provision which could be addressed. Shared themes from the consultation that we have considered as part of the service redesign include:

- The service must be able to support complex and multiple health and social care needs

² NHS England sets out plans to be the first in the world to eliminate Hepatitis C – www.england.nhs.uk/2018/01/hepatitis-c-2

- The service needs to be tailored and flexible to individual needs presented by service users. (i.e. 'not one size fits all' when it comes to specialist drug and alcohol treatment)
- A whole person approach is to be adopted when supporting individuals in a specialist drug and alcohol service i.e. support them to improve their sense of community, their use of time and support for families and children
- Equity of access of the service must be reviewed and increased as not everyone can or wants to attend a drug and alcohol treatment office.
- Retaining quality staff must be seen as a priority as this directly impacts service user's experience of treatment, and overall outcomes.

6. BENEFITS REALISATION / LESSONS LEARNED

6.1 The Hackney Recovery Service (HRS) has been operational since October 2015.

Namely, this service was contracted to increase:

- The number of non-opiate users engaged in treatment
- Treatment completion³ and non-representation rates⁴ for non-opiate clients
- Hepatitis B vaccinations and Hepatitis C testing rates
- The proportion of crack cocaine and opiate dependant people currently receiving effective treatment
- Observe a reduction in the proportion of service users that relapse and represent for treatment, including through unplanned emergency presentation to acute services.

6.2 During the service provision, a number of contract variations were agreed and implemented.

- Payment by Results allocation – How the service was monitored regarding payments by results changed throughout the contract relating to changing priorities, data availability and changes in financial envelope.
- Safeguarding minimal expectations - the contract was updated with the new guidance from City and Hackney Safeguarding Children's Board in 2017
- Contract Extension – An STA to extend for up to 2 years as agreed to allow for service review and avoid disruption to service users.
- Service Specification - following the contract extension, the original service specification was amended to include the following additions:

³ The number and proportion of service users that successfully complete treatment over a 12 month period

⁴ The number and proportion of service users that returned to treatment within 6 months of successfully completing it

- The recruitment of a GP with Special Interest
- Provision of digital alcohol interventions
- Provision of naloxone to include those not in contact with the treatment system
- Development of a prescribed drug misuse pathway
- Prescribing provision for under 18 year olds

6.3 The Hackney Recovery Service has been monitored using six key performance indicators as follows. Commentary includes lessons learned from the service provision:

Key Performance Indicator	Target	2017/18 Performance ⁵	Direction of Travel from contract start	Commentary
New Presentations to treatment - All Groups	1005	893	↓	Overall, the Hackney Recovery Service has not achieved its target in increasing new presentations to the specialist drug and alcohol treatment. There are now fewer new presentations per year to HRS than there were prior to the recommissioning in 2015. However, the picture in Hackney is reflected throughout the country, with recent statistics demonstrating there has been an overall reduction in people engaging with specialist drug and alcohol treatment systems ⁶ . The most significant reduction in engagement is observed in service users that are dependent on alcohol only. A recent PHE inquiry ⁷ suggests that recent reductions in the funding envelope for drug and alcohol treatment may have reduced the offer of specialist alcohol treatment and support within a system integrated with illicit drug users.
New Presentations to treatment - Opiate users	350	348	↓	
New Presentations to Treatment - Alcohol Only users	250	201	↓	
Treatment Retention - Proportion of new treatment presentations that remain engaged for 12 weeks and over, or completing treatment within 12 weeks	84%	91%	↑	Overall, the service's ability to engage service users effectively within the treatment system is positive. There is a marked improvement in performance for treatment retention since the HRS started treatment deliver in 2015.
Proportion of eligible service users that are	50%	67%		The service has demonstrated positive movement within this target throughout the contract, and is performing in line with the contract's targets.

⁵ Data must be at least 12 months old to be shared on a publically available document

⁶ Alcohol and drug treatment for adults: statistics summary 2017 to 2018 (2018); accessible via www.gov.uk

⁷ PHE enquiry into the fall in numbers of people in alcohol treatment: findings (2018); accessible via www.gov.uk

offered and accept a test for Hepatitis B			↑	Furthermore, recent benchmarking demonstrates Hackney has some of the best outcomes in this indicator when compared to comparator local authorities.
Proportion of eligible service users that are offered and accept a test for Hepatitis C	78%	83%	↑	
Proportion of service users successfully completing treatment, and not re-presenting to treatment within 6 months of discharge - opiate users	9.1%	7.1%	↓	<p>The data presented for this indicator is over an 18 month time period to demonstrate the proportion of service users who successfully completed treatment over a 12 month period, and how many of these service users did not re-present to treatment within 6 months of discharge. This indicator is used to demonstrate long term freedom from the dependency of substance misuse.</p> <p>Opiate Group - Although HRS have demonstrated recent improvements in outcomes for opiate service users, the performance has reduced since the new service was commissioned in 2015, and is not in line with the set targets. It is important to note that HRS service users are highly complex (51% of the caseload defined as highly or very highly complex by PHE⁸). PHE advise the more complex the service user group, the more challenging it can be to increase rates of successful completion. PHE compare Hackney's performance with other Local Authorities with similar complexity levels. Hackney only needed 5 more successful opiate completions in 2017/18 to be within the top quartile range for comparator local authorities (top 25% for performance) and is performing above the national average (6.6%). As such, the target set for this service may have been overly ambitious.</p> <p>Non-opiate group - improvement in outcomes is observed for the non-opiate group over the contract length, and the service is now performing in line with the target</p> <p>Positively in 2017/18, Hackney was performing in line with the national average for non-opiate successful completions, although we would need improved performance be in the top quarter range for this cohort.</p> <p>Alcohol group - improvement in outcomes is observed for the alcohol group over the contract length, and the service is now performing in line with the target. Furthermore, Hackney's outcomes are above that seen across the country.</p>
Proportion of service users successfully completing treatment, and not re-presenting to treatment within 6 months of discharge - non-opiate users	29.9 %	36.3%	↑	
Proportion of service users successfully completing treatment, and not re-presenting to treatment within 6 months of discharge - Alcohol users	31.4 %	43.3%	↑	

⁸ Hackney Recovery Diagnostic Toolkit, NDTMS, September 2018

% of successfully completed Alcohol Treatment Orders and Drug Rehabilitation Requirements	60%	57%	N/A	This performance indicator was not measured prior to the current contract. Despite the service just missing this target in 2017/18, the HRS has generally met the target throughout the contract length.
The proportion of service users waiting longer than 3 weeks to start treatment	0%	0.1%	↑	With rare exception, all service users start treatment within 3 weeks of referral which demonstrates an efficient response to referrals. This is improved performance when compared to pre- 2015.

- 6.4 As demonstrated above, the current HRS has provided some good outcomes on behalf of Hackney Council during their contract.
- 6.5 However, there are various aspects of the current treatment model that we can learn from and improve upon. The current treatment system is ‘traditional’ in its model whereby there is a main treatment hub that most service users must attend in order to receive their treatment. This can mean the so called ‘hard to reach’ or ‘resistant to engage’ substance users are not represented within the current treatment population. Such groups may need more assertive engagement to support them into treatment. The chaotic nature of some substance users can result in treatment attrition as service users miss appointments or struggle to attend the treatment centre for various reasons (e.g. mobility issues, mental health, risk factors). A new treatment model will learn from this, and rethink our approach - rather than considering potential service users as ‘hard to reach’, we should consider if we are ‘hard to access’, and if so how can we remove any barriers to treatment. As such, future services will be designed to be safe, attractive and accessible to potential service users at a range of locations, and times to suit different groups.
- 6.6 We know more is needed to engage with under-represented groups in Hackney, including women, individuals from black, Asian or minority ethnic groups (BAME), the street homeless and non-opiate users such as alcohol dependant adults and crack cocaine users.
- 6.7 Consultation with key stakeholders (including current and potential service users) suggested the following areas of good practice in treatment delivery in the City of London and Hackney:
- Passionate and experienced staff
 - Criminal Justice links – including presence in local custody suites, courts and prison in-reach work
 - Partnership working across the borough
 - Reintegration and recovery support – including meaningful activities, links to education, employment and training, and mutual aid
 - Dedicated support for family members, including children
 - CoL focus on loneliness and social inclusion
 - CoL smoking cessation support

6.8 Consultation with key stakeholders advised the following areas for development within the new drug and/or alcohol treatment delivery in the City of London and Hackney. Each of these areas have been highlighted within the new service specification:

- Increase equity of access for the diverse groups that live, work and visit CoL and Hackney – including BME, LGBTQ, and street homeless populations.
- Outreach and in-reach work (e.g. via satellites) to be more assertive and within all areas of the borough (e.g. using the neighbourhood model)
- Use a trauma informed approach to ensure individualised treatment – understanding what drives their use of substances, and offering personalised care.
- Increase digital offer of support
- Enhance treatment options to support the multiple and/or complex health and social needs service users may present with (e.g. BBVs, sexual health, smoking cessation support, wound dressing, mental health support etc.)

7. STRATEGIC CONTEXT

7.1 A number of national policies were considered as part of this procurement proposal. This includes:

- The National Drug Strategy⁹ which builds on the country's existing approach to prevent drug misuse, support people to recover from dependence and restrict the supply of drugs. The Strategy promotes a smarter, partnership-based approach to enhance the outcomes across three strands (reducing demand, restricting supply and promoting recovery), and introduces a fourth strand on global action.
- Public Health England (PHE) have provided advice to inform policy and practice for national and local government to support effective drug and alcohol treatment with long lasting outcomes¹⁰. This includes:
 - Ensure treatment continues to address a broad range of outcomes, including harm reduction, social integration and recovery, through integrated treatment and recovery support systems.
 - Expand the breadth of outcomes in drug and alcohol treatment to include treatment penetration rates, good access to treatment, incident rates of BBVs, cessation of illicit opiate use whilst in treatment, treatment entry rates following prison release and access to employment and housing support services
 - Separate outcomes expected by different treatment groups – including new and historic opiate users who are known to have different rates of recovery
 - Maintain a realistic recovery ambition for the ageing cohort of heroin users with complex needs, accepting that the proportion of

⁹ Drug Strategy 2017; available via www.gov.uk

¹⁰ An evidence review of the outcomes that can be expected of drug misuse treatment in England (2017), Public Health England.

people who successfully complete treatment is likely to continue to fall

- Provide longer term employment and housing support including in-work support, to help people gain and maintain employment and appropriate housing
- Develop strategies to address the recent increases in drug related deaths
- National Institute for Clinical Excellence (NICE) provides a number of guidance documentation that have been considered throughout this reprocurement process including guidance for managing alcohol use disorders, drug misuse management, patients with co-existing severe mental illness and substance misuse in the community setting¹¹.

7.2 Additionally, a number of local evidence reviews have been completed and considered as part of the proposal to recommission the specialist drug and alcohol services in LBH and CoL. This includes:

- Hackney and City's Public Health JSNA Substance Misuse Chapter, which identified a number of opportunities for the future of the community specialist drug and alcohol service in LBH and CoL. This included supporting currently underrepresented cohorts into treatment (e.g. women, individuals from BME communities, etc.), increasing support for individuals with co-occurring mental health and substance misuse, to review and increase the offer for parents and/or carers who use substances and also to reduce substance misuse related mortality and hospital admissions.
- A Hackney Drug Market Assessment, completed with the Community Safety Partnership in LBH. This concluded there was a continued need to invest in services which reduce the demand for illicit drug use including prevention, drug and alcohol specialist treatment, and treatment that responds to an individual's holistic needs including mental health. Following the evidence observed in this assessment, the Community Safety Partnership in LBH identified 'alcohol related crime/disorder, licensing and safer socialising' and 'substance misuse, treatment and drug dealing' as two of their three priorities to address over the next three years.
- Hackney Drug Related Death Audit (2016). This observed a 150% increase of drug related deaths in Hackney between 2012 and 2016 (from 20 drug related deaths registered in 2012, to 50 in 2016). Drug and alcohol treatment is known to be protective: it reduces the risk of overdose or suicide and other drug related health harms. Therefore, if we are to reduce the number of drug related deaths we must support more people into specialist treatment. It is also recommended that services are commissioned to provide harm reduction and overall health interventions to reduce drug related deaths for people who are not engaging in treatment. This includes easy access to needle and syringe exchange programmes, availability of naloxone and access to other protective health tests and treatment that may affect this cohort, e.g. Hepatitis C testing and treatment.

¹¹ All available via www.nice.org.uk/guidance

7.3 Finally, the service will contribute to Council wide initiatives to address alcohol and drug misuse, and their associated impacts on physical and mental health, and wider communities including:

1. Hackney Council's Alcohol Strategy (2017-2020) which has 4 objectives:
 - a. Encourage healthier drinking behaviours
 - b. Commission appropriate and responsive treatment services
 - c. Support families, carers and young people affected by alcohol misuse
 - d. Promote responsible drinking environments.
2. Hackney Council's Community Safety Partnership Strategic Assessment. As part of the annual assessment for community safety, a strategic assessment was completed and three priority areas were identified for Hackney:
 - a. Gangs, youth crime/disorder, youth victimisation and engagement
 - b. Alcohol related crime/disorder, licensing and safer socialising (including hate motivated and sexual offences)
 - c. Substance misuse, treatment and drug dealing (including the open market and the night time economy)
3. Hackney's Health and Wellbeing Board's strategic priorities which promotes good mental health for the borough.

7.4 **Local Policy Context:** In addition to the local strategies and reviews, the service will also be linked to the Council's Corporate Plan, including but not limited to the following ways:

- Enhancing the quality of life for service users, their friends and family and the overall community.
- Increasing service user's recovery capital including their involvement in education, employment and/or training and overall sense of community in their borough of residence
- Providing evidence based harm reduction interventions, including a needle syringe exchange programme which is known to be effective in reducing the transmission of blood borne viruses such as hepatitis B and C and HIV, as well as reducing the littering of drug using paraphernalia in public spaces.
- Evidence illustrates that service users commit less crime when they are engaged in specialist drug and alcohol treatment, compared to when they are not. As such, an effective treatment system will support a safer community for the borough.

7.5 The new service will target underrepresented groups and will support Hackney's Single Equality Scheme (2018) advancing equality in the borough over the next three years.

7.6 The Sustainable Procurement Strategy focuses on good quality of life, residents fulfilling their potential, and improved health and wellbeing. This strategy has

been considered throughout all elements of the procurement, including a method statement question within the tender regarding sustainability as well as enhancing the social value of the service (e.g. the service will be contracted to recruit and train Peer Mentors with lived experience to enhance their employability and provide visible recovery within the service, as well as increase the capacity of the service).

8. PREFERRED OPTION

- 8.1 Hackney Council leads on the procurement of an integrated drug and alcohol treatment system which supports adults living or with a local connection in either the CoL or LBH. Hackney Council will issue a jointly designed service specification and procurement tender that will assure a high quality service that meets the needs of the local populations and offers value for money for the Local Authorities.

9. ALTERNATIVE OPTIONS (CONSIDERED AND REJECTED)

- 9.1 **Option 1, Allow current contract to come to an end, and not provide a specialist drug and alcohol service from October 2020.** This is not recommended. Hackney Council has a duty to provide services to reduce health inequalities, increase the uptake of drug and alcohol treatment and provide effective outcomes for substance users and the wider community via the allocation of the Public Health grant. In addition, we know that the impact of drug and alcohol use continues to be significant throughout the borough - with 1,600 alcohol specific hospital admissions a year and drug related deaths increasing. Substance misuse is also linked with criminal activity, increased unemployment rates and homelessness. As such the health, social and financial impact of substance misuse remains significant. Research by PHE has demonstrated that investment in specialist drug and alcohol services in the UK are effective and contribute to improvements and wellbeing, as well as providing value for money (it is estimated there is a £4 social return on every £1 invested in drug treatment, and £3 social return on investment in alcohol treatment throughout the country.)
- 9.2 **Option 2, The service model to remain as it is, and the current contract is extended.** The current service model has been in operation since October 2015 on a three year contract, which was extended for 2 years in 2018. Since 2015, the demography for local Hackney residents and their needs as part of drug and alcohol treatment has changed, as previously mentioned. It is recommended that a new service is designed to meet the ever changing needs of the drug and alcohol using cohort, and to increase treatment engagement throughout the borough.
- 9.3 **Option 3, To insource adult specialist drug and alcohol treatment via Hackney Council.** Due to the clinical aspect of the service, the service requires an approved clinical body to deliver safe and efficient prescribing care needs (e.g. an NHS Trust). The clinical requirements of this service are significant,

and it would be a challenge for the Council to take this on. For example, the Council would be required to recruit the specialist qualified staff who require clinical supervision, training and insurance in order to provide a safe and effective service. Further detail on how in-sourcing this service was considered is available in Appendix A.

- 9.4 **Option 4, Jointly commission a specialist drug and alcohol service that supports all ages (including under 18 year olds).** Specialist drug and alcohol treatment for young people up to their 25th birthday is currently provided by a substance misuse team in Young Hackney, and Public Health explored the possible benefits of including the young person provision within the scope of this procurement exercise. The current budget allocated to this service via the Public Health Grant is £386,000.00.

Guidance¹² for the commissioning of young person drug and alcohol treatment recommends that interventions delivered must be age appropriate and tailored to the various needs and risk factors that may be presented by young people - e.g. interventions to develop resilience, provide social service support, able to respond to safeguarding needs etc. Unlike the service user profile seen in the adult service, young people are more likely to use substances such as cannabis and alcohol and less likely to present using Class A drugs. As such, the needs of young people can be significantly different to the adult drug treatment population.

Stakeholders consulted on this proposal acknowledged that one provider could deliver the young person and adult drug and alcohol treatment in LBH. However, all stakeholders agreed that adults and young people need separate services in location, delivery and even service branding for effective treatment outcomes and risk management/safeguarding for the different age groups. Stakeholders also suggested links with other young person services could be lost if removed from the Young Hackney system, for example, wrap-around support such as youth services, children's social care, and links with the youth offending service. Although it was agreed continuity of care and partnerships between the adult and young person drug and alcohol services may be improved if delivered by one provider, it was felt this benefit alone was not enough to enhance the service, and can be easily addressed within the newly designed service specification.

As such, it is felt there is no obvious advantage to this proposal. It is therefore recommended that Young Hackney continue to deliver the drug and alcohol service as an in-house provision, subject to a full service review in the future to ensure this service is well designed and contracted to meet the needs of young people in Hackney.

¹² Young people substance misuse commissioning support 2019 to 2020: Principles and Indicators, PHE (2018); accessible on www.gov.uk

10. SUCCESSFUL CRITERIA/KEY DRIVERS/INDICATORS

10.1 The service will be regularly reviewed to understand its impact on treatment related indicators on the Public Health Outcome Framework (PHOF) which includes:

- Indicator 2.15i - Successful completion of drug treatment - opiate users
- Indicator 2.15ii - Successful completion of drug treatment - non-opiate users
- Indicator 2.15iii- Successful completion of alcohol treatment
- Indicator 2.16 - Deaths from drug misuse
- Indicator 2.16 - Adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison

10.2 Other key performance indicators that will be monitored as part of this service are as follows:

- The number of non-opiate users (including adults dependent on alcohol only) in treatment
- Engagement and treatment support for Hackney's diverse communities including, but not limited to, individuals who represent black and/or minority ethnic groups (BME), people with both physical and learning disabilities, mental health issues, individuals that identify themselves as lesbian, gay, bisexual, transgender and/or intersex (LGBTI)
- Increase wrap around support available to everyone, with particular focus on individuals with multiple disadvantage and/or need, including mental health, criminal justice and/or homelessness issues - for example, the service will be monitored on the proportion of service users who achieve employment, education or training opportunities on a planned exit from treatment.
- Evidence of excellent partnership building and maintained relationships with key stakeholders. At least 1 partnership/alliance event to be organised and hosted by the service per year.
- A reduction in high level outcomes observed in the City and Hackney including substance related hospital and/or A&E admissions, and drug related mortality
- Evidence that the service is supporting alcohol users in line with [Hackney's Alcohol Strategy](#) and associated action plan.
- Proportion of service users testing positive for Hepatitis C referred and completing Hepatitis C treatment

A detailed list of proposed key performance indicators are outlined in Appendix 1.

11. WHOLE LIFE COSTING/BUDGETS

11.1 The budget for this service will be held by the Public Health team in Hackney Council, and consists of funds provided via the Public Health Grant each year. City of London and the Mayor Office for Policing and Crime (MOPAC) will be contributing to the overall budget for this service. Finally, an addition is being made by LBH Adult Social Care as the service will be responsible for co-ordinating and

sourcing residential rehabilitation placements for the most vulnerable service users. All budget lines are subject to change throughout the length of the contract, and will be managed in collaboration with the successful provider to ensure the service continues to deliver on its key performance indicators.

Proposed Budget 2020	£ (per year)
Hackney Public Health Contribution	£4,221,850
MOPAC contribution – Hackney (funding agreed for 19/20 and 20/21)	£210,000
Total Hackney Public Health Contribution	£4,431,850
Hackney Adult Social Care Contribution	£183,000.00
City of London substance misuse service (including City of London Police contribution)	£316,000.00 (To be confirmed by the time this report is presented at CPC)
Total City of London contribution	£316,000.00 (TBC)
Total substance misuse net budget	£4,930,850

11.2 Bidders will be asked to demonstrate in their tender how the budget will be allocated throughout the contract length, including capital investment on equipment, buildings, and digital interventions for example as well as the ongoing costs relating to operational delivery and the maintenance of investment. Detailed financial reports will be scrutinised on a quarterly basis throughout the contract.

12. CONSULTATION/STAKEHOLDERS

12.1 The following internal governance structure was agreed to ensure effective and well informed consultation took place:

- a design group which is made up of senior managers across the City of London Corporation and Hackney Council (including Public Health, Integrated Commissioning, Community Safety, and Adult Social Care), and the City and Hackney Clinical Commissioning Group (CCG). This group has been directly involved in the design of the service specification and had final endorsement of this document.
- an operational group made up of officers from the current treatment system, potential providers and key stakeholders including, but not limited to, local

GPs, housing support officers, probation/community rehabilitation company, the police, mental health providers, and the Job Centre. This included an all-day consultation event which offered the opportunity for stakeholders to comment on priorities for the new service design, challenges, and themes to be considered (including the scope of the service, and its integration with other areas). This was facilitated via an all-day consultation event hosted by Hackney Council, and was concluded via a Webinar Event illustrating the proposed new service design, and welcoming comments and feedback prior to the tender being published, delivered in July 2019.

12.2 Consultation with current service users was completed within the HRS, in addition to interviewing Peer Mentors who have lived experience of substance misuse, but also have a role in advocating for other service users. Potential, non-service users were trickier to engage with. However, this was completed by engaging with local hostels.

12.3 The feedback received via these groups is summarised in section 5.12.

13. RISK ASSESSMENT/MANAGEMENT

Risk of Procurement	Likelihood	Impact	Overall	Action to avoid or mitigate risk
	L – Low; M – Medium; H - High			
Provider failure	L	H	M	Provider failure is a genuine risk in the substance misuse sector, illustrated by the collapse of large provider The Lifeline Project in 2017, which ran 70 drug and alcohol projects with 1400 staff supporting about 80,000 clients a year. The minimum financial requirements and how we assess financial information will be clearly outlined in the Selection Questionnaire. Procurement documentation may ensure that bidders are under a continuous obligation throughout the procurement process to update Hackney Council where any information they may have submitted as part of the selection/pre-qualification stage (including the financial information) has changed. This is particularly important as there is an anticipated number of months between contract award and the contract start date.
Unsuccessful Transition/Impl	L	H	M	As part of the procurement process, shortlisted organisations will be

<p>ementation of new treatment model</p>				<p>expected to provide detail on how they will ensure a safe and effective transfer of service users into the new service. A minimum of 6 months implementation time will be included as part of the transition. Recognising the risks associated with frequent reprocurement and transition / implementation phases, as well as the costs associated with this, it is proposed that any new contract will operate on a longer term basis for a minimum period of 5 years</p>
<p>An unsuccessful tender</p>	<p>L</p>	<p>H</p>	<p>M</p>	<p>In December 2017, the fourth State of the Sector report was produced by Adfam on behalf of the Recovery Partnership, funded by the Department of Health. Within the report, a number of respondents voiced concern that too many tenders are published where the contract length is too short, and/or expectations for service activity and outcomes do not match the budget for the contract. The risk of a perceived 'undeliverable' contract for substance misuse was evident in Bristol in 2018, where no drug and alcohol providers bid for the published tender. Bristol City Council has described this as a 'market failure' acknowledging that they set commissioning expectations too high, and at too low a cost. According to a recent benchmarking exercise, Hackney Public Health's financial envelope for specialist drug and alcohol treatment is in line with our local neighbours. The service specification will also be designed to allow providers some space to design and innovate their treatment programme to meet the contract expectations, in line with what the provider believes can be delivered within the allocated budget. The proposed length of contract is likely to be attractive.</p>

14. **MARKET TESTING (LESSONS LEARNT/BENCHMARKING)**

The delivery of specialist drug and alcohol treatment services in the community is well established and there are a number of Providers who are suitable to deliver such a service in Hackney and the CoL. This includes a number of large third sector organisations and NHS foundation trusts.

A benchmarking exercise was completed by Hackney Public Health which evidenced that the LBH offers a suitable and attractive financial envelope to potential bidders which will aid a successful tender and a well-resourced and high performing service. The addition of the CoL element to this contract increases the attractiveness of the bid for potential providers and will increase the breadth and offer of treatment for people who live and stay in the CoL.

Furthermore, potential bidders were involved within the consultation exercise, and views on what makes a tender both attractive and realistic will be considered within the service redesign. This includes considerations such as contract length, financial envelope, and key performance indicators.

15. **SAVINGS**

The current service contribution from Hackney's Public Health Grant is approximately £4.5m. A saving of £300k for this service delivery has been approved at Hackney's Labour Group in July 2019 and will be achieved via the bids received throughout the tender process. Value for money within this contract will be reinforced via the 30% weighting on cost of delivery within the tender.

Our ambition is to get the balance right between quality, price and value for money within this procurement. We want to ensure we have designed a sustainable service that contracts a provider(s) to deliver what is realistic within the financial envelope available.

16. **SUSTAINABILITY ISSUES**

16.1 **Equality Impact Assessment and Equality Issues** - The redesign of the drug and alcohol services in LBH will minimise any impact on the protected groups, as demonstrated by the Equality Impact Assessment (EIA) which is attached to this business case in appendix 3. It is important to note, however, that the drug and alcohol using population is continuously changing. Unknown or undiscovered groups of need (at the time of this service design) may become known throughout the contract length, and commissioners will work with the service provider to support as many people as possible into effective treatment, within the resources available.

16.2 **Environmental Issues:** There were no environmental issues highlighted in the PRIMAS. A positive environmental impact was noted within the PRIMAS as the service will be contracted to provide a needle syringe exchange programme which will promote the safe disposal of injecting equipment, in addition to the service ensuring appropriate disposal of medication.

16.3 **Economic Issues:** There were no economic issues highlighted in the PRIMAS. The service will provide value for money as specialist drug and alcohol treatment is evidenced to have a good return on investment by reducing A&E attendances and/or criminal behaviour, for example.

17. PROPOSED PROCUREMENT ARRANGEMENTS

17.1 **Procurement Route and EU Implications:** The procurement process will follow OJEU regulations as stated in the Public Contract Regulations 2015. The process will be a restricted tender, which means that there will be specific criterion outlined for bidders to meet if they are to be considered eligible to submit a tender response. This will be managed through the Council's eProcurement system and available to organisations who have signed up to the website. The tender will also be advertised on Contracts Finder and Public Health will encourage all potential bidders who took place in the consultation event and Webinar to bid.

17.2 **Resources, Project Management and Key Milestones:** The procurement project will be led and overseen by the Public Health Senior Management Team whose members cover LBH and the CoL. Additional support will be offered via the commissioning team in both the LBH and CoL and through the Design Steering Group which is made up of partner agencies. The core tender panel will comprise the following officers;

LBH Public Health Strategist
LBH Consultant in Public Health
LBH Public Health Senior Practitioner
CoL Consultant in Public Health
CoL Commissioning Manager

Additional colleagues will support the evaluation of specific questions, in line with their expertise. For example:

Mental Health Lead –Hackney and City CCG
LBH Strategic Communications Advisor
Operational Lead – Adult Social Care (including substance misuse)
Programme Manager (ICS unplanned care workstream, City and Hackney)

The tender panel will be chaired by a member of the commissioning team and the Tender documentation will be evaluated using the e-Procurement system.

The Quality/Price scoring ratio will be 70:30.

Below is a project timeline:

Key Milestones	
Business Case Report to CPC	9 September 2019

OJEU Advert placed	10 September 2019
Closing date for Selection Questionnaire (SQ)	27 September 2019
SQ evaluation	30 September - 4 October 2019
Issue Tender	7 October 2019
Tender returns	12 November 2019
Tender Evaluation	13 November - 22 November 2019
Contract Award Report considered at CPC	10 February 2020
Standstill Period	11 - 25 February 2020
Mobilisation period	2 March - 30 September 2020
Start on site / Contract start	1 October 2020

17.3 **Contract Documents: Anticipated contract type:**

17.3.1 A detailed specification is being finalised which includes areas that are set by national standards and evidence base. Other parts of the service specification have been influenced by consultation, completion of a joint strategic needs assessment and involvement of the design steering group. The involvement of stakeholders in the consultation on the specification gives us full confidence that they have bought into the process.

17.3.2 The tender pack will include the terms and conditions that are currently used by Public Health, which includes the very latest updates to the clauses covering GDPR and safeguarding, both of which will be assessed within the Method Statement questions.

17.3.3 The contract will be provided by one provider or by a small number of providers that work together/in consortia with a lead organisation accountable to Hackney Council for the delivery of the overall contract.

17.4 **Contract Management:** The contract will be managed by Hackney's Public Health team. This will include a minimum of quarterly review meetings and contract monitoring forms which will be used to review service delivery and performance against required service levels and key performance indicators. In addition to this, the current provider will also be contract managed to ensure that if a new Provider is selected, there is a smooth transition process.

17.5 **TUPE:** TUPE will apply and the data is currently being collated and should be available for the tender publication date.

17.6 **Key Performance Indicators:** Contracts for commissioned services specify the outcomes to be achieved and these outcomes are regularly reviewed and monitored. How a service like this is monitored in terms of KPIs has been an emotive topic of conversation throughout the consultation exercise. Measuring progress of a service which supports chaotic and vulnerable people with addictive behaviours in a fair and transparent way whilst acknowledging person-led achievements can be challenging. In addition, if a long contract

length is agreed, KPIs will be subject to change as the needs and priorities of the local population changes.

Within the service model, there must be a strong emphasis on the following:

- a. A treatment model which is designed to offer interventions and a service that can adapt to the changing needs and/or evolving complexity of need over time
- b. Adopt a trauma informed approach to treatment to increase efficacy of treatment, as well as the service user support experience.
- c. A commitment to encourage individuals in both clinical and psychosocial treatment interventions to improve the overall treatment benefits and outcomes.
- d. A focus on supporting people to become independent from their substance use, maximising on all opportunities to progress long term service users who can be considered as 'stuck'.
- e. Build a whole person approach to recovery which supports building an individual's social value, sense of community and positive use of time

Further detail on the key performance indicators that will be used within this contract are detailed in section **10** and appendix 1.

18. COMMENTS OF THE GROUP DIRECTOR FINANCE AND CORPORATE RESOURCES

- 18.1 The recommendation of this report to approve the procurement strategy for an integrated adult drug and alcohol treatment system for the London Borough of Hackney in collaboration with the City of London Corporation. The annual contract value will be for a maximum of £4.93m, and the proposed contract value will commence in October 2020. The contract will be for a five year period with the option to extend for a further four years (5+4). The breakdown of funding from partners for the £4.748m is illustrated in section 11 of the report. The total value over the maximum life of the contract is £44.37m.
- 18.2 The length of the contract is linked to findings from the Advisory Council on the Misuse of Drugs (ACMD) which found that the frequent re-procurement of services has created unnecessary churn and disruption resulting in poorer recovery outcomes – at least in the short term. A longer contract will have benefits for residents accessing these services, and will lead to a more efficient service provision.
- 18.3 The majority of the funding for the new service (£4.222m) will be met from the Public Health ring-fenced grant. The risk in relation to this funding is that we are unclear what level of grant will be available in future years. To mitigate this risk, break clauses should be built into the contract to allow a review in light of reduced funding. This risk would also extend to MOPAC and the City of London Corporation contributions to the service.

- 18.4 A saving of £300k from Hackney's Public Health grant has been approved and has been recognised within the proposed contract value, and this will be achieved through the procurement process. This will go towards offsetting an element of the anticipated grant reduction in 2020/21.
- 18.5 In-sourcing the service was considered, however it was deemed that the clinical aspect of the service would require an approved clinical body to deliver safe and efficient prescribing care needs (e.g. an NHS trust). Additionally, the integrated way of working means that it is not desirable to split services into lots although consortium bids are not ruled out

19. VAT Implications on Land & Property Transactions

N/A

20. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

- 20.1 The procurement process in this Report has been assessed as High Risk and therefore pursuant to paragraph 2.7.10 of Contract Standing Orders the approval to progress to market will be with Cabinet Procurement Committee.
- 20.2 The services to be procured in this Report are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015 and are of an estimated value above the threshold of £615,278 for such services. Therefore it will be necessary to publish an OJEU notice in respect of the procurement of the services. It is proposed to use the Restricted Procedure under Regulation 28 of the Public Contracts Regulations 2015 to undertake the procurement process.
- 20.3 The London Borough of Hackney is the contracting authority under the Public Contracts Regulations for the procurement process in this Report but the services are also for the benefit of the City of London Corporation. Such arrangements are permitted under Regulation 38 (Occasional joint procurement) which permit two or more contracting authorities to agree to perform certain specific procurements jointly. The Council and the City of London Corporation will also need to enter into contractual and financial arrangements with each other to cover the provision of the services to be procured.

21. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

- 21.1 The services outlined in this report fall under the Light Touch Regime of the Procurement Contract Regulations 2015. The team have chosen to follow a restricted procedure to enable those bidders with the appropriate technical skills to complete a tender.
- 21.2 The leading officers in Hackney have carried out extensive engagement and consultation to ensure that the specification is fit for purpose and meets local need. There is a lot of synergy with other areas of the health and care system and the team have involved representatives from local partner agencies to ensure that the services to be commissioned will meet local need.

- 21.3 The model of this service is in the last stages of finalisation and this should be complete by the time the business case reaches CPC. It is important that whoever takes on this contract is able to deliver high quality standards and evidence these. The long contract length is important to ensuring that a partnership is formed between the various agencies in the local health and social care system to enable the effective improvement of outcomes for local people; this includes arrangements with City of London.
- 21.4 TUPE will apply and details are currently being collated. Insourcing the service has been considered, but the clinical specialism required is not available in the Council. Additionally, the integrated way of working means that it is not desirable to split services into lots although consortium bids are not ruled out. Integrated working and close cooperation in the service are required to ensure that service users receive the high quality provision we aspire to deliver.

EXEMPT

By Virtue of Paragraph 3 Part 1 of schedule 12A of the Local Government Act 1972 **appendix A** is exempt because it contains information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document

On submission to Hackney Council's Cabinet Procurement Committee, the updated substance misuse chapter for City and Hackney's JSNA had not been published. As this document is referenced throughout this report, and was relied upon throughout service re-design, it has been deemed necessary to add this as a background paper.

This chapter presents data relating to substance misuse and its impact in Hackney and the City and why this is an important issue locally.

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