

Report of: Strategy & Commissioning

Report to: Director of Public Health

Date: 23 February 2015

Subject: Approval to establish Interim Contract Arrangements pending the commencement of the new Drug & Alcohol Treatment & Recovery Service for Leeds

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No All Wards
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes <input type="checkbox"/> No

Summary of Main Issues

1. Leeds City Council currently commissions a number of services to support people with drug and alcohol problems, including adults and children. In December 2014, following a comprehensive review and re-commissioning process, a single contract was awarded for the provision of a new city-wide Drug and Alcohol Treatment and Recovery Service.
2. Over 4,500 adults and approximately 250 young people currently access drug and alcohol services in Leeds. This contract award marks an important step towards the development of an integrated treatment service and provides significant opportunities to improve the way that prevention, treatment and recovery support for people experiencing substance misuse is delivered across the City.
3. The new contract was awarded to a local consortium led by DISC and is due to commence on 1 July 2015, allowing for a six month mobilisation period. To ensure continuity of provision, approval is being sought to put in place a number of interim arrangements with providers for existing contracts that are due to expire prior to the start of the new service.
4. There are 12 services that require extensions or interim contract arrangements. This will be for a maximum period of two or three months, as detailed in Appendix 1 of this report. In addition, approval is sought to vary the value of the York Street

Drug Treatment Service (provided by Leeds Community Healthcare Trust) to cover the costs of substitute prescribing for the period 1 April 2014 to 30 June 2015. The combined cost of all these arrangements is £1,811,451 and can be accommodated within existing budget provision.

Recommendations

The Director of Public Health, in consultation with the Directors of Children's Services and Environment & Housing, is recommended to approve and/or waive the relevant Contracts Procedure Rules to establish interim arrangements with existing providers pending the implementation of the new Drug and Alcohol Treatment and Recovery Service from 1 July 2015. The recommendations are fully detailed in Section 6 of this report.

1 Purpose of this Report

- 1.1 The purpose of the report is to seek approval to put in place interim contract arrangements with a number of existing drug and alcohol services as detailed at Appendix 1, in order to maintain continuity of provision until the newly commissioned Drug and Alcohol Treatment and Recovery Service for Leeds commences in July 2015.

2 Background Information

- 2.1 The commissioning of local drug and alcohol treatment services became the responsibility of Leeds City Council in April 2013 following the changes outlined in the Health and Social Care Act (2012). Prior to this, drug services were commissioned from a pooled treatment budget by both the Council and the Leeds Primary Care Trust (PCT). Alcohol services were commissioned and funded by the PCT.
- 2.2 The transfer of Public Health functions into the local authority presented an opportunity to improve the integration of drug and alcohol services for both children and adults, and to look at a greater emphasis on prevention, early intervention and recovery in alignment with national guidance and the priorities of the Leeds Drug and Alcohol Strategy and Action Plan (2013-16).
- 2.3 The Strategy and Action Plan was approved by the Council's Executive Board in November 2013 and brings together objectives from a range of local partners including Public Health and Community Safety. The Leeds Strategy retains a focus on breaking the link between addiction and offending behaviour but also sets a wider ambition to improve health outcomes.
- 2.4 A commissioning review of services for people with drug and alcohol problems commenced in 2013. As well as a financial analysis and work undertaken to map existing service demand, the review involved significant consultation and engagement with service providers, service users, people in recovery, carers, strategic partners (eg Police, Probation, Prisons, Clinical Commissioning Groups) and other key stakeholders.

- 2.5 In January 2014, based on the findings of the review, the Executive Board gave approval to undertake the procurement of a new integrated Drug and Alcohol Treatment and Recovery Service using a three stage tender process and negotiated procedure. In December 2014, the contract was awarded to a local consortium led by DISC, total value £42.5m over a period of five years.

3 Main Issues

- 3.1 The new Drug and Alcohol Treatment and Recovery Service will commence on 1 July 2015 following a six month mobilisation. In the meantime, it is imperative that existing services continue to provide treatment and recovery support for people experiencing substance misuse. Any disruption to provision is likely to have a significant impact, with over 4,500 adults and approximately 250 young people currently accessing drug and alcohol services in Leeds.
- 3.2 A number of the existing contracts are due to expire at the end of April or May 2015. Due to the size and complexity of the new service (which has an annual contract value of £8.5m), requirements for TUPE and changes in premises, bringing forward the commencement date to May or June is not an option. Interim arrangements of up to three months duration are therefore required to ensure continuity of provision for service users.
- 3.3 For those contracts with provision to extend, the maximum extension would be three months with some contracts only requiring two months, as detailed in Table 1 of Appendix 1. Not all of the contracts have any extension provisions remaining therefore new short term contracts will need to be put in place, maximum length two or three months. Table 2 of the Appendix provides further details including service providers and existing contract end dates.
- 3.4 An issue has been raised by Leeds Community Healthcare Trust concerning York Street Drug Treatment Service and the cost of drugs for substitute prescribing (Buprenorphine and Methadone). The General Practice at York Street has usually absorbed this cost but is no longer able to do so. Based on previous expenditure, the estimated cost for 2014/15 is £25k with a pro-rated amount of £6,250 for the period 1 April to 30 June 2015 (Table 3 of Appendix 1).
- 3.5 York Street provides a specialist service for substance misusers who are homeless or at risk of homelessness, including asylum seekers. Most have complex needs and require an intensive package of support, including help with housing and other health and medical conditions. Continuity of service for this vulnerable client group is vital. Payment of York Street drugs costs would bring their contracting arrangements in line with other drug and alcohol services that undertake substitute prescribing.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The review and re-commissioning of drug and alcohol services has involved extensive consultation and engagement with a wide range of stakeholders including existing service users and providers, people in recovery, carers, strategic partners

(eg Police, Probation, Prisons, CCGs) and Elected Members. Executive Members whose portfolio includes services within scope of the review have been kept fully briefed.

- 4.1.2 A Project Board was established at the outset of the review and will oversee the mobilisation of the new contract, including exit plans with existing services. Membership includes representation from across the Council (Public Health, Children's Services, Environment & Housing, Adult Social Care, PPPU) as well as key external partners (PHE, Probation Service, West Yorkshire Police).
- 4.1.3 Providers have been notified of the Council's intention to establish interim contracts to ensure continuity of service up to 1 July 2015, subject to approval of this report. Ongoing dialogue with outgoing services will help to ensure the best possible transition for staff and service users as part of the mobilisation. This includes detailed discussions between the incoming provider and staff affected by TUPE.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality impact assessment screening tool (EIA) has been completed and is included as a background document to the report. A full equality assessment was undertaken in November 2013 to inform the review and re-commissioning of drug and alcohol services. Appropriate policies and procedures with regards to equality and diversity were considered as part of the tender and are in place with the new provider.

4.3 Council Policies and City Priorities

- 4.3.1 Services commissioned by the Council to support people with drug and alcohol problems contribute directly towards the following ambition within the Leeds Drug and Alcohol Strategy and Action Plan 2013:

"Leeds is a city that promotes a responsible attitude to alcohol and where individuals, families and communities affected by the use of drugs and alcohol can reach their potential and lead safer, healthier and happier lives."

- 4.3.2 These services contribute towards wider strategic plans and priorities relating to Health and Wellbeing, Community Safety, and Children and Young People. The new service will increase access to treatment while ensuring a greater emphasis on prevention, early intervention and recovery. This will lead to improved outcomes for individuals, families and communities contributing towards the Vision for Leeds to be the 'best city'.

4.4 Resources and Value for Money

- 4.4.1 The maximum cost of the proposed arrangements is £1,811,451, with existing budget provision/ responsibility for different services sitting across the three directorates of Public Health, Children's Services and Environment & Housing. Details of the individual contracts (including values) are provided in Appendix 1 of the report.
- 4.4.2 These arrangements are short term only to maintain provision until the new service commences in July 2015. The contract was awarded following a full review and

competitive tendering process which has resulted in a more integrated drug and alcohol service. The new contract will realise significant cost savings for the Council (around £849k in the first full year) whilst also contributing to a wider set of outcomes and priorities for the City, ensuring best value.

4.4.3 All services are contract managed by the Strategy & Commissioning Team in the Office of the Director of Public Health. Robust contract management processes allow for the on-going monitoring of performance and will help to ensure that value for money is achieved for the duration of the interim arrangements with existing providers.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This is a Key Decision and will be subject to call-in as the maximum combined cost of the interim contract arrangements is in excess of £250k. A notice was published on the List of Forthcoming Key Decisions on 27 January 2015.

4.5.2 Advice has been provided through the Public Private Partnerships & Procurement Unit (PPP&PU) to ensure compliance with the relevant Contracts Procedure Rules. PPP&PU has supported the review and retendering process throughout.

4.5.3 This report does not contain any exempt or confidential information.

4.6 Risk Management

4.6.1 Governance arrangements are in place to manage the risks associated with the review and re-commissioning of the new service. This includes regular meetings of the Project Board to discuss progress against the timescales and key milestones. The Risk Register will be continually reviewed and updated to reflect any additional issues arising from the mobilisation, for example in relation to premises or staffing.

4.6.2 Without any interim arrangements, services will fall out of contract causing significant risk to the Council, its providers and service users. This could result in vulnerable people being without treatment and support for their drug and/or alcohol addiction. Any uncertainty for staff could result in them leaving which would mean that their experience and knowledge would be lost to the new service.

4.6.3 During the interim contract period, services will continue to be performance managed by officers in Strategy & Commissioning (Public Health). Exit plans and arrangements between outgoing and new providers will be developed to ensure a smooth transition to the new service for staff and clients. This includes a detailed Communications and Engagement Plan.

5 Conclusions

5.1 With the exception of ADS, all of the organisations detailed in this report will be involved in provision of the new drug and alcohol service from July 2015, either as consortium members or sub-contractors. Maintaining contract arrangements with these providers, who are part of the winning tender and have therefore demonstrated their expertise and effectiveness in the face of open competition, is critical to ensure ongoing support and delivery of treatment outcomes.

6. Recommendations

6.1 The Director of Public Health, in consultation with the Directors of Children's Services and Environment & Housing, is requested to:

6.1.1 Approve the application of Contracts Procedure Rule 21.1 in order to extend existing contracts for the following services:

- **ADS – Alcohol Treatment Service** – from the current contract end date of 1 April 2015 by 3 months to 30 June 2015 at a maximum cost of £86,750.
- **DISC – Platform Service for Young People** – from the current contract end date of 1 May 2015 by 2 months to 30 June 2015 at a maximum cost of £116,798..
- **LYPFT – Leeds Addiction Unit Service** – from the current contract end date of 1 April 2015 by 3 months to 30 June 2015 at a maximum cost of £751,814.
- **St Anne's Community Services – Alcohol Floating Support Service** – from the current contract end date of 1 May 2015 by 2 months to 30 June 2015 at a maximum cost of £4,808.
- **St George's Crypt – Faith Lodge Floating Support Service** – from the current contract end date of 1 May 2015 by 2 months to 30 June 2015 at a maximum cost of £5,166.

6.1.2 Approve the waiver of Contracts Procedure Rules 8.1 and 8.2 in order to put in place new short term contracts with existing providers for the following services:

- **BARCA – Harm Reduction Services** – 2 month interim contract from 1 May to 30 June 2015 with a maximum value of £35,174.
- **St Anne's Community Services – Harm Reduction Services** – 2 month interim contract from 1 May to 30 June 2015 with a maximum value of £38,133.
- **Leeds Community Healthcare Trust – Clinical Services (Platform)** – 3 month interim contract from 1 April to 30 June 2015 with a maximum value of £16,750.
- **Leeds Housing Concern – Sustain Floating Support Service** – 3 month interim contract from 1 April to 30 June 2015 with a maximum value of £15,941.

6.1.3 Approve the waiver of Contracts Procedure Rules 9.1 and 9.2 in order to put in place new short term contracts with existing providers for the following services:

- **DISC – Community Drug Treatment Service** – 2 month interim contract from 1 May to 30 June 2015 with a maximum value of £396,332.
- **SMHS – Prescribing and Medical Intervention / Community Alcohol Detox Service** – 2 month interim contract from 1 May to 30 June 2015 with a maximum value of £239,785.

6.1.4 Approve the application of Contracts Procedure Rule 21.5 to vary the existing **York Street Drug Treatment** contract with **Leeds Community Healthcare Trust** to

include the cost for substitute prescribing up to a maximum cost of £25,000 for the period 1 April 2014 to 31 March 2015.

- 6.1.5 Approve the application of Contracts Procedure Rule 21.1 to extend the **York Street Drug Treatment Service and York Street Alcohol Nurse Service** by 3 months to 30 June 2015 when the new integrated drug and alcohol service will commence.

7 Background Documents¹

- 7.1 Equality, Diversity, Cohesion and Integration screening paper.
- 7.2 Report giving approval to proceed with procurement of the new Drug & Alcohol Treatment & Recovery Service – February 2015
- 7.3 Report giving approval to award contract – December 2015

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.