

**Report of the Interim Deputy Director, Integrated Commissioning, Adults and Health.****Report to the Director of Adults and Health****Date: 9<sup>th</sup> August 2017****Subject: To seek approval from the Director of Adults and Health to utilise the 6 month extension on the existing two contracts with St. Anne's Community Services for both the Residential Alcohol Detoxification and Rehabilitation Service, in accordance with Contracts Procedure Rules (CPRs) 21.1.**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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 type="checkbox"/> Yes <input checked="" 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 checked="" type="checkbox"/> No

**Summary of main issues**

1. Leeds Adult Social Care (ASC) currently has a contract in place with St Anne's Community Services to deliver a 17 bedded residential rehabilitation service for 17 alcohol users at St Mark's House in Leeds.
2. Leeds Public Health (PH) also has a contract in place with St Anne's Community Services to deliver a 5 bedded residential detoxification service at the same location of St Mark's House in Leeds.
3. Both of these contracts expire on 30<sup>th</sup> September 2017, with the option to extend the contract up to a further six months. It is recommended in accordance with CPRs 21.1 that this extension is utilised on each contract.
4. Waivers of CPRs 9.1 and 9.2 were approved in March 2017 for both contracts, using the authority set out in CPR 1.3, to enter into new contracts with St. Anne's Community Services commencing on 1<sup>st</sup> April 2017. The 6 month contract value is £157,157 for the rehabilitation service and £141,430 for the detoxification service.
5. Further to a joint review by ASC and PH which concluded in July 2016, work has been ongoing to realise the impact of the current budget on service provision,

including an options appraisal to understand future commissioning opportunities. These extensions will ensure continuity of service whilst all budget options are explored further.

## **Recommendations**

1. The Director of Adults and Health is recommended to utilise the 6 month extension to the current contract with St. Anne's Community Services, in accordance with CPR 21.1, for the provision of the residential alcohol rehabilitation service in the sum of £157,157.00.
2. The Director of Adults and Health is recommended to utilise the 6 month extension to the current contract with St. Anne's Community Services, in accordance with CPR 21.1, for the provision of the residential alcohol detoxification service in the sum of £141,430.00.

## **1. Purpose of this report**

- 1.1 To seek approval from the Director of Adults and Health in accordance with CPR 21.1 to utilise the 6 month extension period available for the contract for the residential alcohol rehabilitation service.
- 1.2 To seek approval from the Director of Adults and Health in accordance with CPRs 21.1 to utilise the 6 month extension period available for the contract for the residential alcohol detoxification service.

## **2. Background information**

- 2.1 St. Anne's Community Services deliver a 17 bedded residential rehabilitation service at St Mark's House in Leeds. They also deliver a 5 bedded residential detoxification service at the same location of St Mark's House in Leeds.
- 2.2 A waiver of CPRs 9.1 and 9.2 was approved by the Director of Adult Social Services in March 2017 to enter into 6 month contract with St. Anne's Community Services to provide the residential alcohol rehabilitation service, with an option to extend for a further period up to 6 months.
- 2.3 A waiver of CPRs 9.1 and 9.2 was also approved by the Director of Public Health in March 2017 to enter into an additional 6 month contract with St. Anne's Community Services to provide the residential alcohol detoxification service, with an option to extend for a further period up to 6 months.
- 2.4 Both decisions to waive CPRs 9.1 and 9.2 to enter into new contracts from 1<sup>st</sup> April 2017 were made in order to allow further exploration into alternative funding sources, and to further liaise with the service to understand costs.

## **3. Main issues**

- 3.1 Following discussions with St. Anne's, they have identified that they are currently subsidising delivery of the service from their balance sheet reserves as the combined value of the two contracts does not allow for full cost recovery.
- 3.2 Staff sickness has been an issue and St. Anne's are taking steps to reduce the level of absenteeism and the associated cost of agency cover and sick pay which has contributed to this. St. Anne's are currently using their balance sheet reserves to cover the shortfall which is unsustainable in the long run.
- 3.3 Extensions are required on both contracts to allow for work to take place to establish a budget that can support a residential alcohol rehabilitation and detoxification service. Following an options appraisal and exploration into alternative models of provision, it is not viable to procure the services at the current contract values.
- 3.4 Utilising the 6 month extension on each contract will ensure service continuity whilst this work takes place. Both of the extensions requested in this report are required in order to further explore potential funding from the Clinical Commissioning Groups (CCG's) and to determine future commissioning options for the service.
- 3.5 The Director of Commissioning for the CCG's is taking a paper to Leeds CCG's Partnership SMT meeting on 2<sup>nd</sup> August 2017, seeking a financial contribution to the clinical/medical costs attached to the detox.

- 3.6 Both of these recommendations have been made within this one report as Adult Social Care and Public Health have now merged underneath one directorate of Adults and Health. The Director of Public Health is a member of the Directorate Leadership Team and Delegated Decision Panel, which is overseen by the Director of Adults and Health.
- 3.7 Both of the proposed contract extensions relate to two separate contracts held with St. Anne's Community Services. However, both contract extensions are in relation to services provided by St. Anne's within the same address of St Mark's House in Leeds. It is intended that any future decisions in relation to these contracts will be considered jointly in light of the merger of Leeds ASC and PH into the Adults and Health directorate, and to support the co-ordination and delivery of these contracts.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The decisions to extend both the detoxification and rehabilitation contracts do not involve a change to current service provision, so have not involved specific service user consultation.
- 4.1.2 The extension period being proposed for both the detoxification and rehabilitation contracts will allow for further work to be undertaken, in order to explore the budget and commissioning options for this service. Commissioners will ensure that service users and people in recovery are involved in the future development of this service where appropriate.
- 4.1.3 On 24<sup>th</sup> July 2017, the Executive Member for Health, Wellbeing and Adults was briefed on the proposed extensions of these two contracts. The Director of Public Health has also been informed of these proposed decisions, and is a member of the Delegated Decision Panel in which these decisions will be taken.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed and is attached to this report as Appendix 1.

### **4.3 Council policies and Best Council Plan**

- 4.3.1 Residential rehabilitation and residential detoxification provision in the city directly contribute to the priorities set out in the Leeds Drug and Alcohol Strategy and Action Plan for 2016 – 2018, in particular by increasing the number of people who recover from alcohol misuse.
- 4.3.2 The vision contained within the Best Council Plan for Leeds to be the best city for health and wellbeing is supported through the delivery of residential rehabilitation and residential detoxification for alcohol users. This includes supporting more people to make healthy lifestyle choices and to live safely, and by giving people choice and control over their health and social care services.

### **4.4 Resources and value for money**

- 4.4.1 The table below provides an overview of where the funding for each of the 6 month extensions will be provided from. Further to the 5% reduction to Public Health

budgets that was planned to be applied to both of the services from April 2017, the Director of Adult Social Services agreed to fund the 5% reduction to ensure the services could continue to be delivered effectively and reduce additional financial pressure on St. Anne's.

	<b>Rehabilitation 6 month contract value</b>	<b>Detoxification 6 month contract value</b>
<b>Funding from PH budget</b>	£149,300	£134,360
<b>Funding from ASC budget (to fund the 5% reduction of the PH budgets)</b>	£7,857	£7,070
<b>Total</b>	£157,157	£141,430

4.4.2 The above funding has been agreed as available to use for this extension by relevant officers representing the PH and ASC budgets.

4.4.3 As discussed in the previous waiver reports for both the detoxification and rehabilitation contracts, the weekly unit costs for the services compare very favourably with existing out of area residential treatment services (see table below). Out of area residential treatment would be the only alternative option available to the Council if the proposed contract with St Anne's is not implemented:

	<b>St Anne's</b>	<b>Other (out of area)</b>	<b>Variance</b>
<b>Detox</b>	£1,088	£1,500 to £1,750	£412 to £662
<b>Rehab</b>	£356	£470 to £650	£114 to £294

4.4.4 The summary of points above demonstrates that financial resources have been identified and value for money has been considered for both contracts.

#### **4.5 Legal implications, access to information, and call-in**

4.5.1 The decisions to extend these contracts are each a Significant Operational Decision which are not subject to call-in. The report does not contain any exempt or confidential information under the Access to Information Rules.

4.5.2 CPRs 21.1 permits the extension of a contract where it is in accordance with the contract terms, is made before the expiry date of the contract and will deliver Best Value. Due to the matters set out in this report at sections 3 and 4.4 above it is considered that these requirements have been met.

#### **4.6 Risk management**

4.6.1 If the extensions for these two contracts are not approved, there is a risk that the existing services will either cease or continue on an implied basis. If the service were to terminate, this would significantly impact the drug and alcohol treatment system in Leeds, by reducing the number of people with an alcohol issue who can access residential detoxification or rehabilitation. Allowing the service to terminate would also impact upon the budget for out of area residential detoxification and rehabilitation, which is already under pressure. Although the numbers of people

accessing out of area residential provision would increase, the overall numbers of people accessing residential provision would be less as out of area unit costs are higher.

- 4.6.2 The proposed contract will continue to be performance managed by officers in ASC and PH Commissioning. This includes regular reviewing of performance information and quarterly contract management meetings with the provider, at which any service delivery issues are discussed.
- 4.6.3 As discussed in point 3.1 above, St Anne's are currently subsidising delivery of the service from their balance sheet reserves as the combined value of the two contracts does not allow for full cost recovery. Officers will continue to work with St Anne's during the extended contract periods to monitor the cost and quality of service provision and provide support and guidance in managing these risks.
- 4.6.4 There is a risk that once a decision is taken regarding future commissioning when budget considerations are finalised, there will not be sufficient time to complete the options available which include re-commissioning the service through a competitive exercise, or de-commissioning the service.
- 4.6.5 Discussions with the CCG's regarding funding options are taking longer to conclude than originally anticipated, therefore further interim contract arrangements beyond March 2018 will have to be considered if appropriate depending on the outcome of the discussions.

## **5. Conclusions**

- 5.1 The proposed contract extension for the residential alcohol rehabilitation service will ensure that there is continuity of service delivery whilst further work is undertaken to explore longer term commissioning options, including the available budget and the service delivery model.
- 5.2 The proposed contract extension for the residential alcohol detoxification service will also ensure that there is continuity of service delivery whilst further work is undertaken to explore longer term commissioning options, including the available budget and the service delivery model.

## **6. Recommendations**

- 6.1 The Director of Adults and Health is recommended to utilise the 6 month extension to the current contract with St. Anne's Community Services, in accordance with CPR 21.1, for the provision of the residential alcohol rehabilitation service in the sum of £157,157.00.
- 6.2 The Director of Adults and Health is recommended to utilise the 6 month extension to the current contract with St. Anne's Community Services, in accordance with CPR 21.1, for the provision of the residential alcohol detoxification service in the sum of £141,430.00.
- 6.3 The Director of Adults and Health should note:
  - The Council's Programmes, Projects and Procurement Unit (PPPU) will be requested to issue the 6 month extensions for each contract.

- Both of the contract extensions will commence on 1<sup>st</sup> October 2017 and expire on 31<sup>st</sup> March 2018.
- The Adult Commissioning Manager is the officer responsible for implementation of the Residential Alcohol Rehabilitation contract extension, and will liaise with PPPU to oversee the implementation of the extension before the existing arrangement expires on 30<sup>th</sup> September 2017.
- The Head of Commissioning (Adults and Health) is the officer responsible for implementation of the Residential Alcohol Detoxification contract extension, and will liaise with PPPU to oversee the implementation of the extension before the existing arrangement expires on 30<sup>th</sup> September 2017.

## **7. Background documents<sup>1</sup>**

### **7.1 None**

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<sup>1</sup> 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.