

**Report of the Head of Commissioning, Adults and Health**

**Report to the Director of Public Health**

**Date: 21 February 2018**

**Subject: Request to award contracts to existing Pharmacies providing a Supervised Consumption Service in Leeds for the period 1 April 2018 to 30 June 2018 in accordance with CPR 7.1 (below £10k low value procurement).**

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**

- Existing contractual arrangements with 164 pharmacies across Leeds for delivery of a Supervised Consumption service for clients undergoing drug treatment for opiate addiction end on 31 March 2018.
- A review of provision is underway but further work is needed so that a fully-informed decision regarding the required service specification and pricing model that will deliver best value for the longer term commissioning of the service can be made. The intention being to complete the review late February 2018, seek approvals in March/April and go out to tender in April / May with new contracts effective from 1 July 2018.
- The continuation of current arrangements through the awarding of interim contracts to existing providers for a period of three months from 1 April 2018 to 30 June 2018 is being requested. This will ensure continuity of provision whilst a review of service provision and subsequent re-commissioning of the service is completed.
- Pharmacies are remunerated on a transaction basis for each supervised consumption intervention at a rate of £1.45 for methadone and £2.85 for buprenorphine. The current budget for the service is £600k per annum and it is anticipated that the total cost for the three month period 1 April 2018 to 30 June 2018 across all pharmacies in Leeds will be circa £150k averaging £915 per pharmacy.

## **Recommendations**

1. The Director of Public Health is recommended to approve the award of new contracts to existing pharmacies providing a Supervised Consumption Service in Leeds for the period 1 April 2018 to 30 June 2018 in accordance with CPR 7.1 (below £10k low value procurement). The terms and conditions to remain the same as current contracts.

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

- 1.1 To seek approval to award new contracts to existing pharmacies providing a Supervised Consumption Service in Leeds for the period 1 April 2018 to 30 June 2018 in accordance with CPR 7.1 (below £10k low value procurement). The terms and conditions to remain the same as current contracts.

### **2. Background Information**

- 2.1 The supervised consumption service is a key element in the treatment of opiate substance misuse for those undergoing treatment through the Forward Leeds service. It involves a pharmacist observing and supporting the consumption of a prescribed substitute medication for opiates to patients where supervision has been requested by the prescriber. The primary function of the service is to reduce (and eventually replace) illicit opiate use and in so doing reduce harm and improve the health and psychological well-being of the patient.
- 2.2 There are 164 pharmacy outlets across Leeds currently contracted to offer a supervised consumption service. This represents the majority of pharmacists in Leeds and provides city-wide coverage facilitating access to provision and service user choice. The service is used by an average of 1,700 service users per month.
- 2.3 Service users determine which pharmacy they wish to use on factors such as opening hours, location to home etc and the pharmacy is remunerated on a transaction basis for each episode of supervised consumption at a rate of £1.45 for methadone and £2.85 for buprenorphine. Note this is for the act of supervision with the cost of methadone / buprenorphine being recharged via the NHS Business Service.
- 2.4 In practice, many service users remain with the same pharmacy for the duration of the supervised consumption element of their treatment which in accordance with NICE guidance is usual for the first three months of treatment but may be for longer where appropriate.
- 2.5 Responsibility for the service was transferred to Leeds City Council in April 2013 following NHS changes to the delivery of services. As part of this transfer the contracts held with pharmacies were reviewed and new contracts were awarded based on the Local Authority/Department of Health standard terms and conditions, commencing on 1st April 2014 for one year with the provision to extend for a further period of 2 x 12 months (maximum of 3 years in total).
- 2.6 Prior to these arrangements expiring on 31 March 2017 pharmacies were issued with a further one year contract to 31 March 2018 with a view that the service would be reviewed prior to any longer term commissioning arrangements being put in place.

### **3. Main issues**

- 3.1 The continuation of current arrangements through the awarding of interim contracts to existing providers for a period of three months from 1 April 2018 to 30 June 2018 is being requested to ensure continuity of provision whilst a needs analysis / service review and subsequent re-commissioning of the service is completed.
- 3.2 Allowing sufficient time to complete the review in a considered way will ensure a fully-informed decision, regarding the required service specification and pricing model that will deliver best value for the longer term commissioning of the service, can be made.
- 3.3 Three months is considered an appropriate length of time for completing the review and undertaking re-procurement. This will involve tendering the service on a non-competitive basis as the aim is to have as many pharmacies as possible across Leeds offering supervised consumption. Pharmacies will not be required to submit method statements as they are in effect signing up to offer the service in accordance with the pre-determined specification. Procurement of the service will be subject to a separate decision.
- 3.4 As highlighted at 2.1, the supervised consumption service is a key element in the treatment of opiate substance misuse for those undergoing treatment through the Forward Leeds service. Maintaining service provision is vital in ensuring that Forward Leeds service users can continue to access safe and effective treatment whilst re-procurement of the service takes place.
- 3.5 The award of interim contracts will help maintain the trust and confidence of pharmacies in their business relationship with the Council which may be damaged if existing contracts are allowed to lapse without formalising ongoing arrangements.
- 3.6 Instructing pharmacies to cease delivering the service until re-procurement takes place is not considered an option as it would result in treatment being withdrawn from a significant number of existing service users and prevent new service users from starting treatment until the service resumed.
- 3.7 The award of interim 3 month contracts to pharmacists is considered the best option for ensuring continuity of a safe and effective service which supports service user choice and results in successful treatment outcomes.

### **4. Corporate considerations**

#### **4.1 Consultation and engagement**

- 4.1.1 The request to enter into short term contracts with existing pharmacists does not involve a change to current service provision and therefore has not involved specific consultation on this proposal with providers or service users.
- 4.1.2 Extensive consultation has been undertaken with appropriate stakeholders including pharmacies, service users and Forward Leeds as part of the service review to inform the longer term recommissioning of the service that will take place prior to 1 July 2018 which is the intended start date for contracts following re-procurement.

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

- 4.2.1 The majority of clients accessing supervised consumption have multiple complex needs and are from priority groups including those who are homeless / vulnerably

housed, affected by domestic violence or may have a history of offending. Many have enduring mental and or physical health needs and are from some of the most deprived areas of Leeds. The award of interim contracts will ensure that this vulnerable client group continues to have access to safe and effective drug treatment services in accordance with recommended best practice including the Department of Health's Drug Misuse and Dependence: UK guidelines on clinical management (updated 2017).

4.2.2 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed and is attached to this report (Appendix 1).

### **4.3 Council policies and best council plan**

4.3.1 The supervised consumption service plays a key role in the treatment of drug misuse which helps people lead drug free lives and addresses 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 drug misuse.

4.3.2 The service supports people to make healthy lifestyle choices and to live safely in accordance with the vision contained within the Best Council Plan for Leeds to be the best city for health and wellbeing.

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

4.4.1 Maintaining provision through interim contracts with existing pharmacies is considered value for money in that it ensures continuity of provision for Leeds residents undertaking drug treatment with the Forward Leeds service and maintains good relationships with pharmacies.

4.4.2 The benefits of maintaining provision for a three month period as described in Section 3 above are deemed to outweigh by far any monetary savings that would be achieved by not putting in place interim contracts between when existing arrangements end on 31 March 2018 to the intended start date of 1 July 2018 for new contracts following re-procurement. Besides the impact on costs and achievement of performance outcomes there is a serious risk to client health as any disruption to treatment could result in clients returning to illicit drug use which can endanger their health and life.

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

4.5.1 This is deemed to be a low value procurement in accordance with CPR 7.1 as each pharmacy is remunerated on a transactional basis for each supervised consumption intervention per client at a rate of £1.45 for methadone and £2.85 for buprenorphine. There is no guarantee that a pharmacy will receive any payment as each service user is free to select which pharmacy they use.

4.5.2 The total cost of provision that will be incurred across all 164 pharmacies for the period 1 April 2018 to 30 June 2018 is estimated to be circa £150k which makes this a significant operational decision and therefore not subject to call-in.

4.5.3 This report does not contain any exempt or confidential information under the Access to Information Rules.

- 4.5.4 Awarding new contracts directly to the existing providers without advertising the opportunity could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. The risk of this is minimal as there are only a small number of pharmacies in Leeds who are not currently providing the service and these pharmacies will have the opportunity to apply to deliver the service with effect from 1 July 2018.
- 4.5.5 Given this contract is dependent on provision of the services at a very local level it is considered that the scope and nature of the services is such that it would not be of interest to contractors in other EU member states.
- 4.5.6 Although there is no overriding legal obstacle preventing the awarding of new low value contracts in this manner, the above comments should be noted. In making his final decision, the Director of Public Health should be satisfied that the course of action chosen represents Best Value for the Council.

## **5. Risk management**

- 5.1. If the request to enter into new three month contracts for the service is not approved existing pharmacies will either cease providing the service of their own accord or continue on an implied basis. Any withdrawal of the service by a pharmacist would interrupt the treatment of existing service users and reduce service user choice for those about to commence treatment.
- 5.2. Any disruption or break in supervised consumption can result in clients having to restart supervised consumption and remain in treatment for longer. Not only would this increase supervised consumption and associated drugs costs but it directly impacts on the cost effectiveness of the Forward Leeds service and achievement of successful treatment outcomes which is a nationally monitored performance indicator. Some clients may also become temporarily disengaged or drop out of treatment completely and resume illicit drug taking which can endanger their health and life with a possible knock on effect for crime levels and presentations at A&E
- 5.3. Issuing of the contracts will be overseen by officers in the Commissioning Team within Adults and Health. The return of signed documentation will be carefully monitored to ensure that all pharmacies are continuing to offer the service. Any pharmacy not returning contract documentation by the stated return date will be contacted as a priority to ascertain their intentions. Forward Leeds will be notified of any pharmacies who decide not to continue offering the service so that alternative arrangements can be made for drug treatment clients.
- 5.4. Progress regarding completion of the review and re-commissioning of the service will be monitored through regular monthly project team meetings and interim meetings of officers involved in the work to ensure longer term delivery arrangements are in place for 1 July 2018 when the interim contracts expire.

## **6. Conclusions**

- 6.1. The awarding of interim contracts to existing providers for a period of three months from 1 April 2018 to 30 June 2018 is considered the most appropriate course of action to ensure continuity of provision whilst a needs analysis / service review and subsequent re-commissioning of the service is completed.

## **7. Recommendations**

- 7.1. The Director of Public Health is recommended to approve the award of new contracts to existing pharmacies providing a Supervised Consumption Service in Leeds for the period 1 April 2018 to 30 June 2018 in accordance with CPR 7.1 (below £10k low value procurement). The terms and conditions to remain the same as current contracts.

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

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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.