

Report of the Head of Commissioning, Adults and Health

Report to the Director of Public Health

Date: 18 April 2018

Subject: Authority to procure the Pharmacy Supervised Consumption Service 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 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 checked="" type="checkbox"/> No

Summary of main issues

- Existing contractual arrangements for delivery of a Pharmacy Supervised Consumption service through pharmacy outlets in Leeds for clients undergoing drug treatment for opiate addiction end on 30 June 2018.
- Supervised consumption is a key element in the treatment of opiate addiction and a recent review of service provision confirms the ongoing need and demand for this service. Authority is being sought to re-procure the service in accordance with CPR 7.1 (below £10k low value procurement) using a non-competitive process for a three year contract period commencing 1 July 2018 with the option to extend up to a further 3 years with an annual budget of £600k.
- The intention is to engage as many pharmacies as possible across the city to offer the service so as to maximise the opportunities for service users, in particular those from vulnerable client groups, to access and meaningfully engage in treatment.
- Pharmacies will continue to be remunerated on a transaction basis for each supervised consumption intervention at the current 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. It is estimated the average expenditure per pharmacy will be circa £3,600 per annum.

Recommendations

5. The Director of Public Health is recommended to grant the authority to re-procure the Pharmacy Supervised Consumption service in accordance with CPR 7.1 (below £10k low value procurement) using a non-competitive process for a three year contract period commencing 1 July 2018 with the option to extend up to a further 3 years with an annual budget of £600k.

1. Purpose of the Report

- 1.1 The purpose of the report is to seek approval to re-procure the Pharmacy Supervised Consumption Service using a non-competitive process for a three year contract period commencing 1 July 2018 with the option to extend up to a further 3 years with an annual budget of £600k.

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 by the client of a prescribed substitute medication for opiates 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 client.
- 2.2 The service is currently available at 164 pharmacy outlets across Leeds through 64 separate pharmacy contracts. 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 proximity to home, transport routes and opening hours. 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. Payment claims are made via the Pharmoutcomes system to CPWY who administer payments on behalf of the Council. This payment is for the act of supervision. The cost of methadone / buprenorphine is recharged separately via the NHS Business Service and is not part of the contracted service provision cost.
- 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. In March 2018, pharmacies were issued with new 3 month contracts for the period 1 April 2018 to 30 June 2018 to ensure continuity of provision while the review of provision and any subsequent re-commissioning was completed.

3. Main issues

- 3.1 Demand - The review has highlighted there is ongoing need and demand for the service. In Leeds, the number of clients in supervised consumption has increased steadily in recent years resulting in year on year increases to the cost of the service. In April 2013 a total of 859 clients were in supervised consumption and this has risen steadily to 1,758 in March 2017. Annual costs have risen year on year from £329,360 in 2013/14 to £641,561 in 2016/17.
- 3.2 The increase is attributed to the increasing complexity of this ageing client group requiring a greater proportion to receive supervised consumption based on clinical need and harm reduction grounds than before. In April 2014, 43% of Leeds adults in opiate treatment were in supervised consumption rising steadily to 65% by March 2017.
- 3.3 Forward Leeds anticipate that the increase should begin to level out. This follows a rise over the past year to eighteen months of new opiate treatment starts in Leeds which is against a general downward trend nationally. Anecdotally this local increase is being attributed to some new users seeing opiates as a drug of choice and because they may also be more widely available locally.
- 3.4 At the same time, the successful completion rate for opiates has been increasing and Forward Leeds have recently reduced the time between client reviews which should ensure those clients who are ready to come off supervised consumption are doing so in a more timely manner. Analysis of more recent data suggests the impact of this is now being felt and that the number of supervisions and monthly costs have peaked and are beginning to reduce to similar levels experienced in 2016/17.

Month	Cost
August 2017	£60,516
September 2017	£58,601
October 2107	£57,306
November 2017	£58,865
December 2017	£54,685
January 2018	£53,166
Monthly Average 2016/17	£53,463

- 3.5 Budget Implications – It is anticipated that the decrease in total supervisions may continue and settle around the £50k per month mark which would be in line with the budget of £600k that has been identified for this service. In the event that the level of supervisions remains above £50k per month it will be necessary to find additional budget as has been the case in recent years. The service is demand led based on clinical assessment of need and any cap on the numbers / length of time in supervision will impact on the effectiveness of drug treatment services and compromise clients' health.
- 3.6 Unit Cost - Continuing to pay the existing rate of £1.45 per methadone supervision and £2.85 per buprenorphine supervision rather than increasing the price will help contain costs. The review highlighted that there has not been an uplift in payment for many years in Leeds and it is likely that any reduction would be met with resistance by pharmacies and reduce the numbers offering the service.

- 3.7 Service Specification – the specification has been refreshed to bring it up to date with clinical/national guidance and other requirements such as data protection and safeguarding etc. The review highlighted general satisfaction with existing provision and therefore no major changes to the pharmacy-based model of delivery have been required.
- 3.8 Public Health programme board has agreed that the scope of the service specification should remain for a pharmacy-based service only. The review highlighted a relatively new requirement for a small number of clients to receive drug treatment at home because of chronic illnesses such as COPD or cancer. Due to the cost, quality assurance and risk management implications associated with delivering supervised consumption at home, Public Health Programme Board has agreed that further work is needed to explore the options for meeting this need and that a report setting out recommendations on how best to deliver this should be taken to Public Health Programme for consideration in due course.
- 3.9 Public Health Programme Board also agreed the specification will allow for pharmacies to continue providing supervised consumption for non-Forward Leeds clients including some from out of area which is the case at present.
- 3.10 This will benefit other GPs or agencies in Leeds who have a need to prescribe supervised consumption for their patients/clients. Work will be undertaken, in conjunction with public health colleagues and Forward Leeds to support these GPs/agencies in referring clients into the Forward Leeds service where they can benefit from the full range of recovery focused, specialist services available. Where clients do not wish to transfer, these prescribers will be encouraged to ensure supervision is part of a longer-term plan with other wrap-around support provided and regular review of prescriptions.
- 3.11 Allowing out of area referrals from further afield mirrors the service Forward Leeds clients experience when visiting other parts of the country (e.g. when going on holiday). The frequency and duration of supervised consumption for the small number of clients who appear to be living in neighbouring authorities but are accessing supervised consumption in Leeds will be carefully monitored and steps taken to address this should numbers increase.
- 3.12 Non-competitive procurement – The service is to be procured on a non-competitive basis as the aim is to have as many pharmacies as possible across Leeds offering supervised consumption so as to maximise the opportunities for service users, in particular those from vulnerable client groups to access and meaningfully engage in treatment. Pharmacies wishing to deliver the service will sign and return the contract documentation to confirm their intent and acceptance of the Public Health terms and conditions including the service specification and unit price. The contract documentation will be signed and issued by Adults and Health then returned to the pharmacist.
- 3.13 The opportunity to deliver the service will be advertised on the CPWY website and existing pharmacies will be notified in writing. The terms and conditions including the service specification will be available on CPWY's website along with instructions and timescales for responding. Responses will be to a dedicated email address within the Commissioning Team. This will provide any new or other pharmacies not currently delivering the service with the opportunity to bid to deliver it. This approach is being used to simplify the process and ensure that small independent pharmacies who would be deterred from applying using YORtender are able to participate.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 As part of the review, extensive consultation has been undertaken with pharmacies, service users and staff at Forwards Leeds including prescribers, clinical administrators, recovery co-ordinators and senior management to obtain their views on the current service and whether any changes are needed to ensure it continues to meet requirements. Community Pharmacies West Yorkshire (CPWY) which is the representative body for local pharmacies from small independents to large chains has also been consulted.
- 4.1.2 Public Health Programme Board members have been updated with key findings from the review and gave their support at the meeting on 22 March 2018 to the proposals for re-commissioning the service as set out in this report. The Executive Member for Health, Wellbeing and Adults was briefed on 4 April 2018.
- 4.1.3 The specification has been updated in consultation with CPWY and Forward Leeds with clinical advice from Spectrum and will be approved by Public Health Programme Board members prior to the contract opportunity being advertised.

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. Re-procurement of the service will ensure that all Leeds residents, but in particular these vulnerable client groups continue 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). This indicates that sufficient due regard has been considered through the undertaking of the review and that a full equality assessment is not required at this point in time.
- 4.2.3 Monitoring will be undertaken as part of the ongoing contract management of existing substance misuse services including the re-procured Pharmacy Supervised Consumption Service to ensure the service continues to give due regard to equality diversity and community cohesion considerations.

4.3 Council policies and best council plan

- 4.3.1 The pharmacy supervised consumption service plays a key role in the treatment of drug misuse. By helping people lead drug free lives it directly addresses the priorities set out in the Leeds Drug and Alcohol Strategy and Action Plan for 2016 – 2018, in particular increasing the number of people who recover from drug misuse.
- 4.3.2 The service also supports people to make healthy lifestyle choices and to live safely which is in accordance with the vision contained within the Best Council Plan for Leeds to be the best city for health and wellbeing.
- 4.3.3 In conjunction with other aspects of drug service provision, supervised consumption contributes to the proportion of all in drug treatment, who successfully complete treatment and do not re-present within 6 months which is a key indicator within the

Public Health Outcome Framework (PHOF 2.15) and is used as a national measure of the effectiveness of drug treatment services.

4.3.4 Supervised consumption supports drug users to reduce and stop taking illicit drugs and is an important part of the treatment journey towards achieving full recovery and supporting every individual to live a life free from drugs which are key aims of the National Drug Strategy 2017.

4.4 Resources and value for money

4.4.1 A supervised consumption service provided by pharmacists is in accordance with recommended national guidance and best practice for providing safe and effective treatment for opiate substance misuse. It is an integral part of treatment without which existing drug treatment services in Leeds, primarily Forward Leeds would be unable to function. Re-procurement of the service is essential in maintaining safe and effective treatment for Leeds residents and ensuring other commissioned services can operate effectively.

4.4.2 Supporting people to engage in treatment and lead drug free lives has knock on benefits for other council services and public services across Leeds for example, clients are better able to maintain tenancies, enjoy improved health, commit less crime etc.

4.4.3 According to Public Health England (Alcohol and Drug Prevention Treatment and Recovery: Why Invest ? published 18, February 2018) the costs of alcohol and drug misuse to society are significant with the harm from illicit drug use costing an estimated £10.7bn per annum. These include costs associated with deaths, the NHS, crime and, lost productivity.

4.4.4 Providing appropriate services is considered good value for money because it cuts crime, improves health, and can support individuals and families on the road to recovery. It is estimated that drug treatment reflects a return on investment of £4 for every £1 invested, which increases to £21 over 10 years.

4.4.5 The above PHE cost / benefit data is for all types of drug misuse. A report commissioned by the Pharmaceutical Services Negotiating Committee (PSNC) indicates the benefits specific to supervised consumption clients are much greater. It estimates that for each patient treated with supervised consumption this generated in excess of £4,000 of additional benefits in 2015 alone, and a further £7,500 in the long term including the avoided costs of premature deaths, criminal activity and lost economic output. The short term avoided costs from overdose incidents and poisoning of non-users was also considered material.

4.4.6 In terms of the unit price, it has been agreed by Public Health Programme Board that Leeds will continue to pay pharmacies the existing rate of £1.45 per methadone supervision and £2.85 per buprenorphine supervision. As part of the review, pricing data from other local authorities has been requested and analysed. Leeds comes in below the average cost for methadone and whilst above average for buprenorphine is still well below some of the higher prices paid by other authorities.

Local Authority Comparison	Methadone	Buprenorphine
Leeds	£1.45	£2.85
AVERAGE*	£1.87	£2.52
MINIMUM*	£1	£1
MAXIMUM*	£3.50	£4

* based on responses from 41 local authorities for methadone and 35 for buprenorphine

4.4.7 According to CPWY, the pharmacy supervision service provides very good value for money as the payments in West Yorkshire are generally lower than in many other areas and have not had any uplift for many years.

4.4.8 A budget of £600k p.a. has been identified for this service.

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 pharmacy contracts is expected to be in the region of £600k p.a. which makes re-procurement of the service a key decision and subject to call-in. A notice was published on the list of Forthcoming Key Decisions on 18 October 2017.

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

4.5.4 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.

4.5.5 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. Supervised consumption is an integral part of treatment without which existing drug treatment services in Leeds, primarily Forward Leeds would be unable to function. Re-procurement of the service is essential in maintaining safe and effective treatment for Leeds residents and ensuring other commissioned services can operate effectively. Not going ahead with re-procurement, or placing any restrictions on numbers or length of time in supervised consumption to contain costs would jeopardise the effectiveness of treatment services in Leeds and have an adverse impact on clients' health including the risk of increased drug related deaths.

5.2. Progress regarding 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.

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. As there has not been an uplift in the unit price for at least 5 years there is a risk that some pharmacies may view the service as unviable. In the event that large numbers of pharmacists don't sign up to deliver the service or start to drop out during the contract term because they deem the unit price no longer viable, the terms and conditions of the contract would allow us to vary the unit price if this was deemed necessary to ensure safe and effective drug treatment provision in Leeds.
- 5.5. The specification has been updated to ensure it reflects current national guidance and best practice so that the commissioned service continues to be safe and effective. Terms and conditions take account of relevant legislation including the new General Data Protection Requirement (GDPR) which comes into effect during May 2018 prior to new contracts commencing on 1 July 2018.
- 5.6. Contracts will be managed by officers from the Adults and Health Commissioning team to ensure safe and effective delivery of the service. This will include ongoing performance monitoring, risk management and cost analysis which will be undertaken in conjunction with public health colleagues, Forward Leeds and CPWY as appropriate to ensure the service continues to meet requirements including quality standards and value for money.

6. Conclusions

- 6.1. The pharmacy supervised consumption service is an integral part of treatment for opiate substance misuse without which existing drug treatment services in Leeds, primarily Forward Leeds would be unable to function. The service aligns with city priorities and the national drugs strategy and enables service users, in particular those from vulnerable client groups to access and meaningfully engage in treatment.
- 6.2. The review of provision has demonstrated there is ongoing need and demand for the service and the proposals are deemed to be cost effective and represent value for money.
- 6.3. Re-procurement of the service is therefore considered essential in maintaining safe and effective drug treatment for Leeds residents and ensuring other commissioned treatment services in particular Forward Leeds can operate effectively.

7. Recommendations

- 7.1. The Director of Public Health is recommended to grant the authority to re-procure the Pharmacy Supervised Consumption service in accordance with CPR 7.1 (below £10k low value procurement) using a non-competitive process for a three year contract period commencing 1 July 2018 with the option to extend for up to a further 3 years with an annual budget of £600k.

8. Background documents¹

- 8.1 Equality, Diversity, Cohesion and Integration Screening Tool (Appendix 1)

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.