

Report of Head of Public Health (Healthy Living and Health Improvement)

Report to Director of Public Health

Date: 17 March 2021

Subject: Extension and Variation of Pharmacy Supervised Consumption Service Contracts for 2 years in accordance with Contracts Procedure Rule (CPR) 21.1 (contract extensions) and CPR 21.7 (contract variation) to amend the service specification

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Will the decision be open 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

1. Main issues

- Contracts for delivery of the Pharmacy Supervised Consumption Service which is a key element in the treatment of opiate substance misuse are due to expire on 30 June 2021.
- Approval is being sought to extend all contracts by two years from 1 July 2021 as there remains a clear and demonstrable need for the service to continue. It enables Forward Leeds to provide a safe and effective means of treating opiate misuse in accordance with national guidance. The service is delivering within budget and is deemed to represent value for money. It can only be provided by pharmacies.
- Approval is also being sought to vary the service specification from the same date to include new wording to clarify the notice period pharmacies must give, and the procedures they should follow, when making changes to pharmacy provision in particular the closure or transfer of a pharmacy to new premises or another provider. This will help ensure transitional arrangements, (contractual and operational) can be made in a timely manner with minimal disruption for service users and staff. It is in response to an increase in the number of pharmacy closures and transfers that have taken place during the past twelve months, often with very short notice.

2. Best Council Plan Implications (click [here](#) for the latest version of the Best Council Plan)

- Ensuring safe and effective continuation of the service will enable more people to be supported to lead drug free lives. This is a key aim of the Leeds Drug and Alcohol strategy 2019-2024 and supports the vision in the Best Council plan for Leeds to be the best city for health and wellbeing where more people are supported to make healthy lifestyle choices and to live safely, with choice and control over their health and social care services.

3. Resource Implications

- The total budget for the service is £650k p.a. and is funded by public health.
- The service adds value to existing drug and alcohol provision in Leeds. Without it, Forward Leeds would be unable to comply with NICE guidance regarding safety and effectiveness of treatment and would struggle to deliver the high level of successful outcomes for service users currently being achieved.

Recommendations

The Director of Public Health is recommended to:

- a) approve an extension of two years under Contracts Procedure Rules (CPR) 21.1 to the existing Pharmacy Supervised Consumption Service contracts (DN339056) with effect from 1st July 2021 at a sum of £1,300,000.
- b) vary the contract terms under CPR 21.7 with effect from 1st July 2021 by adding a new section to the Service Specification to clarify the notice period pharmacies must give, and the procedures they should follow, when making changes to pharmacy provision in particular the closure or transfer of a pharmacy to new premises or another provider.

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval to extend the Pharmacy Supervised Consumption Service contracts for a period of two years and to vary the contract at the same time to include clarification regarding pharmacy closures, transfers and other service changes.

2. Background information

- 2.1 Existing contracts were awarded in 2018 following a review of service provision. The contract term was for a period of three years commencing on 1 July 2018 with the option to extend for up to a further three years from 1 July 2021. All community pharmacies were eligible to apply.
- 2.2 There are currently 65 contracts in place with a range of providers from independent pharmacists to large national chains with the service available through 156 pharmacy outlets across the city. This represents the majority of pharmacies in Leeds and facilitates service user choice and access. Service users determine which pharmacy they wish to use on factors such as proximity to home, transport

routes and opening hours and usually remain with the same pharmacy for the duration of their treatment.

- 2.3 The supervised consumption service is a key element in the treatment of opiate substance misuse for those undergoing treatment through the Forward Leeds service. Its primary function 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. It involves a pharmacist observing and supporting the consumption of a prescribed substitute medication for opiates where supervision has been requested by the prescriber.
- 2.4 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 monthly and administered by CPWY on behalf of the Council using the PharmOutcomes system. The payment is solely 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 cost.

3. Main issues

Service Need

- 3.1 There is an ongoing requirement for a supervised consumption service as it is a key element in the treatment of opiate substance misuse for those undergoing treatment through the Forward Leeds service. It enables treatment to be delivered safely and effectively in accordance with national clinical guidance and contributes to the achievement of key public health outcomes.
- 3.2 Demand for the service has been temporarily affected by the Covid-19 pandemic but remains strong. At the start of the Covid-19 pandemic the numbers in supervision dropped from 1,800 per month to circa 200 per month. This followed a review by Forward Leeds of prescribing arrangements in response to social distancing and shielding requirements for service users and limited capacity at pharmacies during the first lockdown. Taking a risk based approach, alternative take home arrangements were made in place of supervision for a significant number of clients.
- 3.3 Since then numbers in supervision have steadily increased and now exceed 680. New treatment starts have continued and pharmacy capacity is no longer an issue. A number of existing service users have also had supervised consumption reinstated where this was deemed beneficial. Numbers are expected to continue rising although it is unclear if or when they will return to pre-Covid levels.
- 3.4 This service can only be provided by pharmacies and without it treatment for opiate misuse would be ineffective and impact on successful completions and the overall performance and cost effectiveness of the Forward Leeds service.

Budget Implications

- 3.5 The service is demand led and has an annual budget of £650k. The cost of delivering the service in 2019/20 was £646,215 and the service is on course to be within budget during 2020/21 and for the foreseeable future.
- 3.6 When numbers in supervision dropped significantly at the start of the pandemic, it was agreed to remunerate pharmacies by paying a monthly fee equivalent to the average amount paid from January to March 2020 which totalled £54,528. This was an interim measure in which recognised that pharmacies were still dealing with the

same number of service users albeit in the majority of cases to dispense take home medication instead of supervision and was in line with the type of interim payment measures introduced in other local areas. The Council made payments on this basis from April to September 2020 then reverted to activity based payments from 1 October 2020.

- 3.7 Numbers in supervision have increased steadily since the drop at the start of the pandemic and are currently at 40 % of pre-pandemic levels. With new treatment starts continuing, this month by month rise is expected to continue. This will be monitored closely in conjunction with Forward Leeds to ensure that individual prescribing reviews, to assess whether supervised consumption can be reduced or cease, are undertaken at regular intervals. This will help contain costs and keep the service within budget.
- 3.8 The amount paid per supervision is £1.45 for methadone and £2.85 for buprenorphine. There has been no uplift in these rates since Leeds City Council became responsible for the service in 2013.
- 3.9 Community Pharmacy West Yorkshire, who represent local pharmacies, advises that commercial pressures are increasing and pharmacies are being encouraged by the Pharmaceutical Services Negotiating Committee to ensure full cost recovery for services delivered. A reduction in unit cost, could therefore threaten the future viability of the service.

Length of extension

- 3.10 It is recommended that the contracts be initially extended for two of the three years available to 30 June 2023. This would align the service with the current Forward Leeds contract end date and aid planning of future drug and alcohol provision.
- 3.11 Extending for two years rather than just one year provides more stability for pharmacies at a time when they are facing unprecedented challenges in delivering services during the Covid-19 pandemic.

Contract Variation

- 3.12 Pharmacies have reported difficult trading conditions in recent years and during the past 12-18 months there has been an increase in the number of pharmacy closures and transfers that have taken place as businesses seek to consolidate their operations. These have often been with limited notice which has made it challenging to ensure appropriate operational and contractual arrangements are in place to maintain safe and effective provision for service users.
- 3.13 It is therefore proposed, that when contracts are extended, the service specification which forms part of the contract terms will be varied to include new wording to clarify the notice period pharmacies must give, and the procedures they should follow, when making changes to pharmacy provision, in particular the closure or transfer of a pharmacy to new premises or another provider.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Consultation has taken place with the Director of Public Health, Chief Officer (Healthy Living and Health Improvement), Procurement and Commercial Services (PACS), Forward Leeds and CPWY (Community Pharmacies West Yorkshire). (Expected position at 4 March when report submitted for DDP)

- 4.1.2 Because of Covid-19 restrictions, direct consultation with service users and pharmacies has not been feasible however their respective views are represented by Forward Leeds and CPWY.
- 4.1.3 Briefing of the Executive Member for Public Health is scheduled for 11 March 2021.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 The majority of clients accessing supervised consumption are from priority groups including those who are homeless / vulnerably housed, affected by domestic violence or may have a history of offending. Many have complex needs including enduring mental and / or physical health needs and are from some of the most deprived areas of Leeds. Extension 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.
- 4.2.2 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed and shows that all relevant aspects have been considered (see Appendix 1).

4.3 Council policies and the Best Council Plan

- 4.3.1 Ensuring safe and effective continuation of the service will enable more people to be supported to lead drug free lives. This is a key aim of the Leeds Drug and Alcohol strategy 2019-2024 and supports the vision in the Best Council plan for Leeds to be the best city for health and wellbeing where more people are supported to make healthy lifestyle choices and to live safely, with choice and control over their health and social care services.
- 4.3.2 It also contributes to the Leeds Joint Health and Wellbeing Strategy outcome of “People will live longer and have healthier lives” and “People can access support where and when it is needed” which is a key aspiration of the Leeds vision ‘to be the best city in the UK by 2030’.

Climate Emergency

- 4.3.3 The availability of the service from 156 pharmacies across the city means access to provision is within walking distance for many service users. This helps to reduce carbon emissions and environmental pollution which contributes to city actions to better manage air quality. In response to the Covid-19 pandemic, Forward Leeds reviewed prescribing arrangements for all service users. This resulted in changes to the frequency that service users need to attend the pharmacy with a number of days take home medication replacing daily supervision where this was safe to do so.
- 4.3.4 Supporting service users to lead drug free lives has demonstrable health improvements as many have underlying health needs often caused by prolonged substance misuse. In turn this reduces GP/health service visits and the prevention of hospital admissions which helps reduce use of resource intensive (and high footprint) health and care services.
- 4.3.5 The service specification requires that Pharmacies shall follow Legislation, Guidance and Good Industry Practice in environmental management and the objectives of the Authority’s sustainability policies when delivering the service.

4.4 Resources, procurement and value for money

- 4.4.1 The cost of the service is currently met from Public Health revenue funding. Budget provision of £650k p.a. for its continuation has been made.
- 4.4.2 The decision to extend the contracts is being made in accordance with CPR 21.1 which allows for extensions where value for money can be demonstrated and the decision is made prior to expiry of the contracts.
- 4.4.3 The service is deemed to represent value for money because
- It is an integral part of drug treatment and adds value to the Forward Leeds drug and alcohol service. It enables Forward Leeds to provide treatment that complies with recommended best practice for safe and effective treatment as set out in the Department of Health's Drug Misuse and Dependence: UK guidelines on clinical management (updated 2017). Without the service, treatment for opiate misuse would be ineffective which in turn would impact on successful completions and the overall performance and value for money of the Forward Leeds service.
 - Supporting people to engage in treatment and lead drug free lives also has direct benefits for other council and public services in Leeds for example, clients are better able to maintain tenancies, commit less crime etc.
 - The service contributes towards a number of strategic priorities in the city including reducing demand on the health and care system and reducing health inequalities.
 - There has been no uplift in unit cost following responsibility for the service transferring to Leeds City Council on 1 April 2013 which has helped contain costs.
- 4.4.4 The purpose of the variation is to provide further clarity regarding changes to how the existing service is carried out in order to ensure it remains safe and effective. As such it is not deemed to be a material change to the scope of the contract and as the existing contract terms make provision for variations to be made, the requirements of CPR 21.7 governing scope are satisfied.

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

- 4.5.1 The original decision to procure the service was a key decision and included provision to extend the contract by up to 3 years. In accordance with CPR 21.1 the decision to extend the contract can therefore be treated as a consequence of the original decision. As such it will be a Significant Operational Decision and will not be subject to call in.
- 4.5.2 There are no grounds for treating the contents of this report as confidential under the Council's Access to Information Rules.
- 4.5.3 Although there is no overriding legal obstacle preventing the extension and variation of this contract under CPRs 21.1 and 21.7 respectively, the contents of this report should be noted. In making their final decision, the Director of Public Health should be satisfied that the course of action chosen represents best value for the Council.

4.6 Risk management

- 4.6.1 Ongoing contract management will be undertaken 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 service user needs, performance criteria and value for money requirements.

- 4.6.2 If the extension of the contract is not approved there is a risk that the service will automatically cease. If the service was terminated, Forward Leeds would be unable to comply with NICE guidance regarding safety and effectiveness of treatment and would struggle to deliver the high level of successful outcomes for service users currently being achieved.

5. Conclusions

- 5.1 Supervised consumption 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 safely or effectively. It can only be provided by pharmacies.
- 5.2 The service aligns with city priorities including the Leeds Drug and Alcohol Strategy 2019-24, and the Best Council Plan for Leeds as well as the national drugs strategy. It enables service users, in particular those from vulnerable client groups including areas of deprivation to access and meaningfully engage in treatment.
- 5.3 There is ongoing need and demand for the service and an extension of two years is deemed to be cost effective and represent value for money.
- 5.4 Throughout the extension period, the contract will continue to be robustly contract managed to ensure that performance, quality and value for money is being achieved for the Council.

6. Recommendations

- 6.1 The Director of Public Health is recommended to :
- a) approve an extension of two years under Contracts Procedure Rules (CPR) 21.1 to the existing Pharmacy Supervised Consumption Service contracts (DN339056) with effect from 1st July 2021 at a sum of £1,300,000.
 - b) vary the contract terms under CPR 21.7 with effect from 1 July 2021 by adding a new section to the Service Specification to clarify the notice period pharmacies must give and the procedures they should follow when making changes to pharmacy provision in particular the closure or transfer of a pharmacy to new premises or another provider.

7. Background documents¹

- 7.1 The original decision to procure the service was a key decision. The decision report and delegated decision notice “Re-procurement of the Pharmacy Supervised Consumption Service” were published on the Council’s website in April 2018.

8. Appendices

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

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.