



Author/Lead Officer of Report: Helen Phillips-Jackson – Strategic Commissioning Manager for Substance Misuse

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Report of: *John Doyle*

Report to: *Cabinet*

Date of Decision: *19th June 2019*

Subject: *Adults Substance Misuse Services re-tender in Sheffield*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
- Expenditure and/or savings over £500,000		<input checked="" type="checkbox"/>		
- Affects 2 or more Wards		<input checked="" type="checkbox"/>		
Which Cabinet Member Portfolio does this relate to? <i>Health and Social Care</i>				
Which Scrutiny and Policy Development Committee does this relate to? <i>Healthier Communities and Adult Social Care</i>				
Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 559				
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				

Purpose of Report:

In July 2018 Cabinet approved the 2018-22 Sheffield Drug Strategy, which set out an all age partnership vision and action plan to tackle problems caused by drugs to individuals, families and communities.

This report, in line with the Strategy, sets out the proposed approach to recommissioning drug and alcohol treatment and support services for adults aged 18 and above in Sheffield. The current contracts end on 31st March 2020 and fall within the council's public health duties.

Recommendations:

- That Cabinet approves the proposed procurement process and service model as set out in this report, to secure services for the support and treatment of the adult residents of Sheffield with substance use disorders.
- That Cabinet delegates authority to the Director of Commissioning, Learning and Inclusion, in liaison with the Director of Legal and Governance Services, Director of Finance and Commercial Services, and the lead Cabinet Member for Health and Social Care, to approve the procurement strategy for the tender for the Adult Substance Misuse Services.
- That Cabinet delegates authority to the Director of Commissioning, Learning and Inclusion, in liaison with the Director of Legal and Governance Services, Director of Finance and Commercial Services, and the lead Cabinet Member for Health and Social Care to agree appropriate contract terms and approve a contract award following the tender process.

Background Papers:

Appendix 1 – Consultation summary



Appendix
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Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Liz Gough
		Legal: Louise Bate/Marcia McFarlane
		Equalities: Ed Sexton EIA reference 559 Approved 12 th April 2019
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>		
2	EMT member who approved submission:	John Doyle
3	Cabinet Member consulted:	Cllr George Lindars-Hammond
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	Lead Officer Name: Helen Phillips-Jackson	Job Title: Strategic Commissioning Manager: Substance Misuse
	Date: 5th June 2019	

1. PROPOSAL

1.1 Summary:

Sheffield City Council (SCC) is required to commission sufficient good quality treatment and support services for people affected by problems with drugs and alcohol. Good quality drug and alcohol support and treatment services are proven to help to keep people safe, reduce harm, to identify their needs and to support them to achieve a positive outcome for themselves as individuals, their families and children, and the wider community. Treatment services support the reduction of crime and anti-social behaviour, improve people's health, and support families to stay together and to keep children safe.

Current adult drug and alcohol treatment and support is commissioned by SCC through four contracts:

- *Opiate Service*
- *Non Opiate Service*
- *Alcohol Service*
- *Arrest Referral and Criminal Justice Integrated Team (CJIT)*

In the course of an average 12 month period of delivery, around 3,600 people receive a structured treatment intervention through these contracts, and many more receive brief contacts, interventions, and contact via outreach.

In the Drug Strategy approved by Cabinet in July 2018 we set out our intention to end all of the above four contracts on the same date – 31st March 2020, in order to allow us the scope to implement our vision for drug and alcohol support in the city through a whole system re-tender.

The Sheffield Drug Strategy set out an 'all age approach' to recognising and responding to drug use in Sheffield, from education and prevention, to treatment and reducing crime. We will commission all services as part of an overall framework of provision which can meet the needs of different groups, including children and young people and addressing the impact that substance use has on families.

However, it is important, for well-established clinical and safeguarding reasons that ***clinical treatment services*** for adults and children are delivered separately. The nature of drug and alcohol problems in children and young people have a very different profile to those of adults, and the support interventions are quite different. The UK drug misuse and dependence guidance states:

'Specialist drug treatment and competencies for young people are different to those for adults. The treatment services that address young people's substance use problems need to sit within the wider framework and standards for young people that support both engagement and access of children and young people to services and appropriate responses to young people and their parents.'^[1]

[1] <https://www.gov.uk/government/publications/drug-misuse-and-dependence-uk-guidelines-on-clinical-management>

Therefore the children and young people's treatment service will be commissioned separately but the processes will be linked in order to ensure there is a consistency of quality in the city, that bidders are able to respond to both published tenders during the same period, and that the contracts commence on the same date. Requirements will be put in place during both procurement processes that the successful bidders meet post award and ensure they work together and their transitions approach from young people's into adult services, where this transfer is necessary, is safe and comprehensive.

Adult substance misuse services have a significant impact on the success and safety of families: parents accessing good quality treatment interventions for substance use disorders are supported to consider the impact of their use on their children, to reduce risk in the household, to prioritise the wellbeing of the child, and to ultimately recover from their substance use disorder which supports families to stay together.

Alongside the newly commissioned treatment service contract we will continue to commission a post of Children's Safeguarding lead working into these adult treatment services, whatever the outcome of the tender. This family focused approach links substance misuse treatment, children's safeguarding and maternity services and is a well-established and proven model which has had national recognition as best practice. This strategic approach will also ensure that an increased proportion of our overall resources go to more preventative and early intervention services for children and young people.

In line with Cabinet approvals, the Opiate and Non-Opiate services were granted a 6 month waiver to 31st March 2020, and the Alcohol and CJIT services contracts will also end on this date. The organisations delivering these contracts have all accepted the terms of these extensions, and have been notified formally of our intent to terminate these contracts on 31st March 2020. We must now deliver a thorough and time bound competitive tender process to ensure that there are services in place for a contract start date of 1st April 2020 to minimise disruption to the system and ensure there is a high quality support offer to people with substance use disorders in Sheffield.

This report follows a comprehensive four month consultation process and the detail of the delivery and outcomes of this is detailed in Appendix 1 of this document. ***The primary result of the consultation is the decision to integrate the four contracts listed above into one contract for the delivery of all facets of the treatment and support system for adults with substance use disorders, from 1st April 2020.***

The benefits of this include:

- Removal of any system duplication for service users;
- Simplicity in the pathway;
- Improved information sharing with fewer barriers;
- Reduced resource required for service overheads allowing most resource to be utilised on frontline service

Feedback during the consultation period has shown overwhelming support for this; both from staff working in the currently commissioned provision, service

users, and wider stakeholders.

The procurement process will ensure that the service is commissioned in line with local needs assessment, clinical guidance, national strategic guidelines and outcome measures. Commissioning will streamline provision, will achieve cost savings required on the Public Health Grant, and will offer value for public money.

In order to allow a sensible mobilisation period for the new contract, the Invitation to Tender will be published on Monday 2nd September 2019, with the award decision announced in December 2019 and a 16 week mobilisation period between public award announcement and contract commencement on 1st April 2020. The contract period sought will be a minimum of 5 years, with an option to extend period of an additional 3+2 years. This will be confirmed in the procurement strategy being prepared to implement after the June cabinet. The competitive tender process will be delivered in line with Sheffield City Council's 'Ethical Procurement Policy'¹ which sets out in detail the process by which the council ethically sources providers for its contracts, across the following broad principles: that SCC trades with suppliers that comply with ethical codes of conduct, that social outcomes are improved for Sheffield, and that the power of procurement increases local economic impact.

Current indicative budget for the service is around £5 million per annum, subject to final confirmation from the two funding sources. The funding sources for the service are: primarily the Public Health Grant, and an annual contribution from the Office of the Police and Crime Commissioner (OPCC). The final budget on publication of the tender will include the reduction on current spend of the Public Health Grant that is required for the 20/21 period onwards and these savings will be reflected in the budget planning process with finance business partners. The OPCC currently provide annual funding of £550k for these services, and are expected to confirm their final contribution well in advance of the competitive tender process. Resource will be scaled dependent on the final confirmed budget at the point of publication of the tender in September 2019.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The strategy will contribute to the Corporate Plan as follows:

The proposed tender exercise will result in a support and treatment model which utilises the best of existing provision (for example, open access services where there is no need to be referred by a professional – people can walk in and access an assessment there and then), along with utilising the benefits of a one contract model streamlined to release resource in areas where we need to provide more interventions, more successfully (e.g. enhanced community outreach provision with a prevention focus).

Delivery via one contract will make the system more straightforward for service users who will be able to access a range of support through a single point,

¹ <http://democracy.sheffield.gov.uk/documents/s30435/Ethical%20Procurement%20Policy.pdf>

including one IT system. Information will only need to be taken once, information sharing will apply across the whole service, and people will not need to have multiple assessments to access different elements of the service.

The service will provide personalised responses to people experiencing a range of substance use disorders, and in varying degrees of need, and promote the achievement of positive outcomes for these individuals through reduced harm, engagement in services, and recovery from their substance of use. They will also support parents to successfully manage their families and parent their children in a safe and effective way. This will allow us to meet the best practice in current clinical guidelines.

An in touch organisation

While the process has to be completed due to these contracts ending on 31st March 2020, the plans for the one contract model has been developed by listening to those that it will impact upon the most through the four month consultation period delivered between January and April 2019. The outcome of the consultation will support us to commission a contract which keeps the best elements of our current provision, streamlines it, and will encourage innovation for improvement. The service will be open access, and will be designed by and with commissioners, providers, and service users, to meet current and future need of people using substances. As with the Sheffield Drug Strategy, these services will seek to understand the diverse needs of Sheffield residents using substances, their friends, families, children and carers, and deliver a whole system flexible support response in line with evidence and best practice and which responds to emergent substance use issues quickly and effectively.

Strong economy

The cost of drug and alcohol use to individuals, communities, their families and children, and the pressure it places on services is significant.

The annual cost of illicit drug use in the UK is around £10.7 billion a year, and the annual cost of alcohol related harm in England is £21.5 billion a year. These costs include lost economic productivity, crime, policing and NHS.²

It is in the interests of the national and local economy that good quality substance use disorder support and treatment is in place, and the pending contract will deliver all elements of the commissioned response to adult substance use flexibly and efficiently within one contract.

The evidence of return for the investment in these services is significant³:

- Needle and syringe provision costs around £200 per service user, per year and delivers a £22k-£41k saving per year for every case of Hepatitis C prevented, and a £10k-£42k saving per year for each case of HIV prevented;
- Nationally the combined benefits of drug and alcohol treatment is equivalent to £2.4 billion;

² <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

³ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

- Drug treatment provides a £4 social return on every £1 invested;
- Alcohol treatment provides a £3 social return on every £1 invested.

Around 72% of people entering alcohol treatment, and 80% of those entering drug treatments, are not in paid employment⁴. The provision of successful treatment also increases the likelihood of recovery and a successful employment outcome.

Thriving neighbourhoods and communities

Adult substance use impacts individuals, families, children, and communities. The impact is disproportionate in some areas of the city, with deprived communities experiencing higher levels of substance use related harm. Substance use can impact on communities and their safety and atmosphere significantly, with anti-social behaviour, offending, public drug and/or alcohol consumption and intoxication, related litter, and visible drug dealing all being issues that cause problems for communities in the city. By ensuring that there is good quality, accessible treatment in Sheffield, this will make a significant contribution to reducing these harms. This includes secondary and tertiary prevention of parental substance use which is a known cause of Adverse Childhood Experiences (ACEs) and is likely to result in poorer outcomes for children in those families affected.

The contract will include criminal justice interventions delivered at Shepcote Lane custody suite, HM courts, and in the community, when all four contracts currently delivered are streamlined into one. The Office of the Police and Crime Commissioner provide funding for the criminal justice specific elements of the service. Investment in substance use services has a significant impact on reducing offending and its associated costs to society:

Drug and alcohol treatment in England in 2016/17 resulted in 4.4 million fewer crimes:

- 44% reduction in the number of dependent individuals re-offending;
- 33% decrease in the number of offences committed.

The service will be commissioned to ensure comprehensive community coverage via outreach, treatment clinics, and recovery groups and activities, so that services and recovery are visible in the community and that the needs of different communities are met, by planning the activity in consultation with these communities, and working flexibly for and with the needs of the very different communities across our city.

Better health and wellbeing

The proposed service has a positive impact on individuals' physical, mental and emotional wellbeing.

Drug related deaths are increasing nationally, which is mirrored locally. The reasons for this are numerous.

All evidence shows that *being in treatment is the single most significant*

⁴ Government Drug Strategy 2017

protective factor against drug related deaths.

The cost of substance use, both to organisations treating the health problems associated with them, and to the individuals suffering them and their families, can be extreme. The service will have a specific focus on physical health and wellbeing as part of its delivery, as well as seeking to work closely with mental health services to prevent and respond to people with mental ill health alongside their substance use. The service will prioritise prevention of these health problems occurring, and proposes effective responses to reduce the harm from substance use, achieving positive outcomes and promoting recovery.

Tackling inequalities

Substance use levels are disproportionately high in deprived communities, and in those who have experienced adverse childhood experiences (ACEs). Inequalities and ACEs increase the risk of substance use significantly, and in those who use substances, of dependent/high risk use into adulthood. Families in communities at risk will be supported by this service: addressing parental substance use early and quickly will prevent the occurrence of this particular ACE for children currently growing up in the city and increase the chance of successful parenting and family life. For example, ⁵ nationally, 20% of children ‘in need’ are affected by parental drug use, and around 18% by alcohol use. Parental substance use features in 25% of cases on the child protection register, and substance misuse is involved in 38% of serious case reviews.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 An extensive consultation on this proposal has been carried out.

Over 260 individuals have been spoken to in person as part of the process.

We have carried out over 100 one to one interviews as well as a number of group consultations, and an online survey via Citizen Space. The survey available to the public and was circulated via numerous channels. The consultation period was open from early January to early April 2019.

In developing an inclusive and relevant plan for the commissioning of substance misuse services the following consultations have been carried out in line with the Government’s Consultation Principles and Involvement Guide:

Those consulted included:

- Staff currently delivering the existing four contracts at all levels;
- A specific management event with representation from each of the above services;
- Group consultations with current service users of all the existing four services;
- Waiting room consultation sessions held at the Fitzwilliam Centre;
- Group consultations delivered with and by organisations involved in substance misuse pathways in Sheffield but not commissioned by DACT, including SASS and Drink Wise Age Well;

⁵ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

- Attendance at recovery / SMART groups to access people post structured treatment;
- Sheffield Recovery Ambassadors;
- People not currently in treatment (either have never been or have been in the past) via low threshold groups such as Breakfast Club;
- Online survey – an online survey was designed and was open for 8 weeks in total this was shared across all of our networks of providers, stakeholders, and service users including made public via social media pages such as Facebook Recovery Page and Twitter to allow the public to respond.

The consultation has been carried out well in advance of the tender publication in order to ensure the service design is based on the views of those consulted with.

The full details of the consultation process and the themes and feedback received as a result of it can be found in Appendix 1 embedded below.



Appendix
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Based on the outcomes of our needs analysis, and consultation exercise, we will be asking bidders to focus particularly on the following areas during delivery of the contract:

- **An increased focus on prevention, including prevention of ACEs in the children of substance using parents** (both drug and alcohol use), as well as substance use related offending, through a dedicated outreach function which can respond quickly and flexibly to emergent themes;
- **Retaining the open access treatment model:** this is highly valued and seen as an excellent offer;
- **Delivery of more community based interventions**, both of treatment clinics and recovery activities, and diversionary activities to reduce offending and reoffending;
- **Increased community based training and awareness sessions** to be delivered with a view to improving access to information for families and supporting integrated locality working;
- **An increase in support groups and recovery activities** across the service;
- Supporting people in treatment to improve their **mental and physical health** through focussed interventions offered alongside treatment;
- **Retention of the criminal justice interventions** which prevent and disrupt offending and divert people to treatment in order to remove the need to offend, but with some possible refocus to maximise the resource available;
- **Retention of the Sheffield specific innovations** that have been fed back on consistently positively on during consultation, for example the bespoke Spice Clinic and the Juice Clinic for people using image and performance enhancing drugs;
- **Continued commitment** to high standard **evidence based**, high coverage and low threshold **harm reduction and treatment** interventions;
- **An improvement on our outcome data** of successful completions from treatment with no re-presentations within 6 months. However, efforts to do this will not include any methods that prevent individuals re-entering

treatment if they need to.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 The report is focussed on the elimination of discrimination and, as such, directly supports the council's Public Sector Equality Duty which is set out in section 149 of the Equality Act 2010. People using substances are often discriminated against and experience multiple and complex disadvantages. The process aims to ensure quickly and easily accessible, compassionate, individualised support at the right time for people using substances.

There is overwhelming evidence that drug and alcohol use disorders disproportionately impact on disadvantaged groups in society, including people with disabilities (especially mental health issues), BME and deprived communities. In addition, relating specifically to alcohol use, people resident in more deprived communities will experience disproportionately high levels of harm from the same alcohol consumption as someone resident in a more affluent community, due to the impacts of other health inequalities they experience.

4.1.2 A thorough Equality Impact Assessment (reference 559) has been undertaken. It considers how the strategy would potentially benefit groups with protected characteristics, including age, gender, disability and sex; and its wider impacts on health, poverty and other issues.

4.2 Financial and Commercial Implications

- 4.2.1 Very high level financial information is contained within the report.

The cost of the proposed contract is approximately £5m per year dependent on final confirmed allocations from SCC's PH grant and funding from the Office of the Police and Crime Commissioner. The final budget will reflect the savings required on the PH Grant, as referenced earlier in the report.

Our intention is to offer the following savings to the PH Grant spend on substance misuse contracts:

Year 1 of contract – 2020/21 – 2.6% reduction on 19/20 total contract spend

Year 2 and 3 of contract – further 5% reduced from the Y1 value providing a static budget for years 2 and 3.

This approach will deliver a 7.6% saving to the PH Grant allocation to the adult services by the end of Y2 of the contract, which is an over-commitment on the required saving, offered earlier, in order to secure a static contract spend in Y2 and Y3. This supports both the aims of the council in needing to plan realistic and deliverable savings, but also meets the needs of bidders during a competitive tender who have expressed during consultation a preference for savings to be taken early in the contract period to allow planning for sustainable service

delivery. In years 4 and onwards of the contract, annual negotiations will be carried out between commissioner and provider regarding funding.

Indicative saving amounts have been provided in the table below by People Portfolio Financial partners, who have confirmed they are satisfied with this approach to the required savings and budget planning.

	Public Health		
	Current Value £000	Grant £000	PCC £000
Opiate	2573	2573	0
Non Opiate	586	586	0
Alcohol	747	691	56
CJIT & Arrest Referral	1336	909	427
	5242	4759	483
Expected saving 2020/21 - 2.6% of current PH Grant		124	
Expected saving 2021/22 - 5% of current PH Grant		238	
Total saving		362	

4.3 Legal Implications

- 4.3.1 Section 6 of the Crime and Disorder Act 1998 places a duty on the local authority to implement a strategy for combatting the misuse of drugs, alcohol and other substances in the local authority's area. When implementing the strategy the local authority must comply with its general duty under S3(1) Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised; such improvement includes effective service delivery, value for money and ensuring the project outcome is achieved.

Sheffield City Council's Drugs Strategy includes the recommissioning of services and this will involve procurement and contract award processes. When doing these processes the Council must comply with relevant provisions of the Council's Constitution including its Contracts Standing Orders and Financial Regulations. Where the Public Contract Regulations 2015 applies, the Council must not breach or unlawfully avoid them.

When contracting with providers, the Council uses its general powers under [Section 111](#) of The Local Government Act 1972 to enter contracts in order to the discharge the council's function. The Public Sector Equality Duty requires the Council in the discharge of its function to give regard to the need to eliminate discrimination advance equality of opportunity and foster good relations between different people when carrying out their activities.

Since the proposals do not suggest any possibility that the council intends providing any of the currently outsourced services for itself, there are no Employment implications from these proposals.

4.4 Other Implications

(Refer to the Executive decision making guidance and provide details of all relevant implications, e.g. HR, property, public health).

All other implications have been captured in the processes above.

5. ALTERNATIVE OPTIONS CONSIDERED

(Outline any alternative options which were considered but rejected in the course of developing the proposal.

- 5.1 There is not a 'do nothing' option available: all SCC commissioned substance misuse support contracts now end on 31st March 2020 and in order to ensure there is legally contracted provision from 1st April 2020 a new commissioning process must be carried out in a timely manner. The ending of all the contracts on the same date allows us the opportunity to ensure our vision as set out in the drug and alcohol strategies are realised via the commissioned treatment provision, and achieve savings and efficiencies by streamlining and integrating the service and remove barriers for service users such as duplication and issues with information sharing.

The commissioning process also allows us to review our outcomes, and focus attention and prioritise areas where improvement is required.

The alternative option in terms of the model would be to commission two or more separate contracts to mirror the current provision. However, the outcome of the consultation was overwhelmingly that a one contract model was preferred by staff, stakeholders and service users. It also offers the opportunity for reduced overheads in a time when savings are required, and so is the sensible approach to providing these savings while minimising the impact on frontline service.

Another option considered is the council taking on the delivery of these services and running them as a council service. This has been rejected for a number of reasons. Firstly, the services involve a significant element of clinical expertise and delivery of high volume clinic based activity. Secondly, the Council has no experience or delivery knowledge of these services and has no past precedent for running them, whereas there is a well-developed market of qualified and experienced providers who would be willing and able to deliver these services if successful in the competitive tender process. This is evidenced through our current service delivery arrangements. Finally, the Council has no systems in place for clinical supervision of a workforce, licences to hold medication, is unable to manage safe prescribing: and the costs of setting this up would be disproportionately high and poor value for money when existing fit for purpose options exist in this market.

6. REASONS FOR RECOMMENDATIONS

Good quality drug and alcohol support services are essential to help individuals turn their lives around and build stronger families and communities in Sheffield.

The Council has a duty to organise and arrange drug and alcohol treatment and support services for the people of Sheffield. The council cannot directly run these services, so a recommissioning process is required.

The current legal contractual arrangements in place for these services expire on 31 March 2020, so carrying out this process at this time will allow us to ensure there is continuity of service, with new contracts commencing on 1st April 2020, and to offer the necessary savings to the PH Grant with minimum impact on frontline service. This was the over-arching action set out in the Drug Strategy 2018-2022.

The service will be based on local need and trend analysis, and performance data for current service provision will inform where change and improvement is needed for the forthcoming contract period.