

REPORT TO: Executive Board Sub Committee

DATE: 18th November 2010

REPORTING OFFICER: Strategic Director, Adults & Community

SUBJECT: Six month extension to current Drug Service contracts

WARD(S) Borough-wide

1.0 PURPOSE OF THE REPORT

1.1 To seek authority to extend the contracts of ARCH Initiatives, Trust The Process Counselling, Addaction & 5 Boroughs Partnership NHS Trust until August 31st 2011. Current contracting arrangements expire on the 31st March 2011.

2.0 RECOMMENDATION: That:

- 1) **It is recommended that the Operational Director (Prevention & Commissioning) be authorised to award the following existing contracts direct and without tendering:**
 - a) **Open Access to the contractor ARCH Initiatives in the sum of £86k;**
 - b) **Drug Intervention Programme & Outreach services to the contractor AddAction in the sum of £150k;**
 - c) **Abstinence & Recovery services to the contractor Trust The Process Counselling in the sum of £100k; and**
 - d) **Community Prescribing services to the contractor 5 Boroughs Partnership NHS Foundation Trust in the sum of £212k;**
- 2) **the contract extensions be for a period up to 1st April 2011 to 31st August 2011; and**
- 3) **in the light of the exceptional circumstances that Procurement SOs be waived for purposes of SO 1.8.2, namely that emerging national policies relating to the changes in structure of the NHS and the National Treatment Agency necessitate reappraisal of future service provision options.**

3.0 SUPPORTING INFORMATION

- 3.1 In March 2009 the Executive Sub Committee delegated authority to the Operational Director Culture & Leisure Services to extend the contracts of ARCH Initiatives, Trust The Process Counselling & Addaction for one year until March 2011. It was anticipated that an open tendering process would have been undertaken during 2010/11 with the outcome of awarding a single contract to one provider of drug services from April 2011.
- 3.2 In July 2010 the Executive Committee agreed proposals to establish a multi-area approach to the commissioning of alcohol & substance misuse services with St Helens Council. However, since then there have been a number of significant national developments that have caused a review of this decision. The main areas include:
- The efficiencies to be gained by commissioning a drug service across the Halton & St Helens PCT footprint was one of the significant factors in deciding to move forward in a collaborative arrangement with St Helens. However, under the Government's White Paper for NHS reform; 'Equity & Excellence, Liberating the NHS', Primary Care Trusts will be phased out.
 - The White Paper also seeks to establish a Public Health Service. The National Treatment Agency, the Arms Length Body currently responsible for overseeing the development of drug services is to be subsumed within the new Public Health Service.
 - An indication of the strategic direction the Government are preparing to take can be found in The Centre for Social Justice Green Paper; Criminal Justice & Addiction. It proposes that in the future it would be Local Authorities, within a robust partnership arrangement, who would lead on the commissioning of substance misuse services.
 - It can also be found in the recent Government consultation on a new drug strategy where greater emphasis is being placed on services being paid as a result of supporting more individuals to achieve abstinence. The new drug strategy is due to be published in December 2010, but as yet there are no further details on 'payment by results' in this field.
- 3.3 The growing 'localism' agenda also calls for more involvement with & accountability to people who use services and their communities.
- 3.4 Therefore to prevent any gaps in service provision it is necessary to extend contracts for a further 6 months allowing the Local Authority & Partners to develop a service specification that reflects the changed national policy and structures.
- 3.5 An open tendering exercise will then be undertaken with a new service in place on 1st September 2011. Halton Borough Council, in

partnership with Halton & St Helens PCT will explore the tendering for a substance misuse service that incorporates both drugs & alcohol. This will be in line with the government proposals to place responsibility for these services under the Health and Wellbeing Board in 2012. It also offers the opportunity for potential efficiencies as well as better outcomes for people who may need to access a range of services. Should this be possible then, a further report will be submitted to the Committee for their consideration.

3.6 Business Case Supporting the Proposal to Waive

Value for Money & Competition

The abolition of Primary Care Trusts, the rising emphasis on 'localism' and the uncertainty over future levels of funding means that a rapid reappraisal of potential options needs to be undertaken. The time left following the completion of this urgent review would be insufficient to undertake a tender process and to award contracts commencing on 1st April 2011

3.7 In 2009/10 over 600 people accessed drug treatment in Halton and it is anticipated that there will be similar numbers in 2010/11. Tendering and awarding a 6 month contract from 1st April 2011 to 31st August 2011 would cause significant disruption to service delivery to those service users and staff in provider services.

3.8 Local targets and identified areas for improvement have been agreed with service providers. Robust performance monitoring processes that include comparators with regional and national performance measures are in place to ensure both value for money and achievement of standards.

3.9 The Council, in partnership with Halton & St Helens PCT will lead on an open competitive tendering process in 2011. The outcome of this tender will realise not only improvements in quality for service users, carers & their families, but also monetary efficiencies through the reduction in the number of contracts and underpinning performance management arrangements.

3.10 Transparency & Accountability

The choices regarding the extension of these contracts will be available for audit and inspection.

3.11 Details of expenditure and performance are reported to the Safer Halton Partnership.

3.12 The Officers supporting the award of these contracts will comply with the Public Contracts Regulations 2006.

3.13 Functional accountability for the contract will be with the Operational Director, Prevention & Commissioning, and the contract would be subject to internal and external audit & PPB scrutiny.

3.14 Propriety & Security

The contract documents will include the council's standard integrity clauses and staff only with a need to know will have commercial information about the contracts.

3.15 Position of the contract under the Public Contracts Regulations 2006

under the Public Contracts Regulations 2006 Health and Social Services are a part-exempt service. It is in any event subject to fundamental transparency and non-distortion of competition requirements and the award of the contract must be advertised in the Official Journal within 42 days of the award of the contract.

4.0 **SUPPORTING INFORMATION**

4.1 ARCH Initiatives currently provide the screening and assessment, carers support and structured counselling services at Ashley House. The full year contract value for these services in 2009/10 is £177k and is met by the Drug Action Teams ring fenced Pooled Treatment Budget. This will be subject to revision once allocations for 2011/12 are known.

4.2 Addaction currently provide the Outreach Service and the Drug Intervention Programme targeted at drug using offenders. The full year contract value for these services in 2009/10 is £301k and is met by the Drug Action Teams ring fenced Pooled Treatment Budget. This will be subject to revision once allocations for 2011/12 are known.

4.3 Trust The Process Counselling deliver abstinence & recovery programmes. The full year contract value for this service in 2010/11 is £200k and is met by the Drug Action Teams ring fenced Pooled Treatment Budget. This will be subject to revision once allocations for 2011/12 are known.

4.4 The 5 Boroughs Partnership NHS Foundation Trust delivers the Community Prescribing service. The overall contract value for this service in 2009/10 is £809k. However, of this £328k is paid by Halton & St Helens PCT through their block contracting arrangement. The remaining £424k is met by the Drug Action Teams ring fenced Pooled Treatment Budget. The overall contract value will be subject to revision once allocations for 2011/12 are known.

5.0 **POLICY IMPLICATIONS**

5.1 The proposal supports the local implementation of the national drug strategy 2008-18, Drugs: Protecting Families and Communities and the National Treatment Agency guidance on drug treatment systems, Models of Care and Commissioning for Recovery.

5.2 It also supports the anticipated responsibilities the Partnership will need to deliver following the publication of the new national drug strategy.

6.0 **FINANCIAL IMPLICATIONS**

6.1 All contract values will be met through existing resources. If the allocation of the Pooled Treatment Budget to the Drug Action Team is reduced in 2011/12, contract values will be adjusted accordingly.

7.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

7.1 **Children & Young People in Halton**

Whilst there has been significant progress in drug service providers looking beyond the immediate needs of the service user to their role as a parent or carer, or in ensuring adequate safeguarding arrangements are in place, the Think Family approach will be firmly embedded in any new service delivery.

7.2 **Employment, Learning & Skills in Halton**

Current treatment arrangements focus on accessibility and retention. Whilst these are important features of an effective treatment system future commissioning will increasingly focus on service user's progression and social reintegration particularly in relation to education, employment and training.

7.3 **A Healthy Halton**

Current treatment arrangements have undoubtedly delivered significant health outcomes in stabilising and retaining service users previously involved in the chaotic use of street drugs. Service users now have a greatly improved access to screening and vaccination programmes for blood borne viruses. However, many also suffer generally poor physical health, anxiety, depression and low self esteem. Future service delivery will also need to address these wider issues of health inequality resulting in both an improved quality of life for the individual but also a reduced monetary burden on the NHS and Social Care services.

7.4 **A Safer Halton**

Current treatment arrangements have delivered a significant 'crime

reduction dividend' through rapid access to substitute prescribing and the excellent partnership working between the Drug Intervention Programme, local prisons, the Prolific Offenders Team and the Problem Solving Court. This will be further sustained through the development of partnership work with the Integrated Offender management programme.

7.5 Halton's Urban Renewal

None identified

8.0 RISK ANALYSIS

8.1 Not approving contract extensions would result in significant loss of service delivery until at least September 2011, and mitigate against achieving the LAA and national target – NI 40, Numbers of drug users in effective treatment

8.2 The loss of these services will result in increases in drug related crime, increases in presentations to NHS services and increased risks to children and young people of drug using parents.

9.0 EQUALITY AND DIVERSITY ISSUES

9.1 There are no specific equality and diversity issues. Contractors will be expected to comply with current legislation.

10.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Halton Treatment Plan 2010/11	Runcorn Town Hall	Steve Eastwood Joint Commissioning Manager Drug & Alcohol Action Team