

**TRAFFORD COUNCIL**

**Report to:** Executive  
**Date:** 19<sup>th</sup> December 2016  
**Report for:** Decision  
**Report of:** Executive Member for for Adult Social Services and  
Community Wellbeing

**Report Title**

Substance Misuse Services

**Summary**

Executive to support the proposal which looks to provide a jointly commissioned Integrated Substance Misuse and Treatment Service.

The report provides an update on plans to implement a lead provider model with Bolton Council and Salford City Council.

**Recommendation(s)**

The Executive is asked to:

- 1) Agree the term of the new contract;
- 2) Approve the governance arrangements as detailed within the MOU;
- 3) Consider the Needs Assessment and draft Service Specification;
- 4) Agree to extend the current substance misuse contracts to align with commissioning partners;
- 5) Support the direction of travel for collaborative commissioning.

Contact person for access to background papers and further information:

Name: Deborah Gent  
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Background Papers: None

## Implications:

Relationship to Policy Framework/Corporate Priorities	The provision of high quality and effective drug and alcohol services will contribute to the Health and Wellbeing Strategy
Financial	The intention is to offer the new contract for a period of 3 +1 +1 years from 1 <sup>st</sup> October 2017
Legal Implications:	Trafford Council will extend contracts with the current service providers until 30 <sup>th</sup> September 2017
Equality/Diversity Implications	An EIA Screening Form has been completed which confirms no major impacts identified and therefore no major changes required.
Sustainability Implications	None
Resource Implications e.g. Staffing / ICT / Assets	None
Risk Management Implications	Destabilisation of the substance misuse provider market
Health & Wellbeing Implications	The procurement process will aim to maintain and where necessary improve service quality and performance
Health and Safety Implications	None

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## 1.Synopsis

- 1.1 This report provides an update to the Executive on the agreed procurement strategy for the joint commissioning of Trafford's substance misuse service with Bolton and Salford. The new service will provide support, delivered by a lead provider, to people with drug and alcohol problems in community settings. It will play a key role in promoting recovery and reducing the harm caused by alcohol and drug misuse, which are a significant cause of health inequalities in Trafford
- 1.2 On 16<sup>th</sup> August 2016, Jill Colbert, Interim Corporate Director, Children, Families and Well-being, agreed the substance misuse services could be recommissioned in conjunction with Bolton and Salford Councils, as part of a joint procurement model. Salford Council will take the procurement lead.
- 1.3 The commissioners have developed a service specification, a needs assessment and a Memorandum Of Understanding to implement this collaborative approach to service delivery. They have also completed a formal consultation process.

## 2. Background

- 2.1 Trafford Council became responsible for commissioning substance misuse treatment services when responsibilities for Public Health functions were transferred to the Council in April 2013.
- 2.2 Substance misuse is a cause of considerable harm to the health and wellbeing of Trafford residents. Trafford has a lower prevalence of drug and alcohol misuse than many other parts of the country but substance misuse remains a cause of considerable harm to the health and wellbeing of local residents and is an important cause of major health inequalities.
- 2.3 Trafford Council currently commissions a range of treatment and recovery services (detailed in appendix 1).
- 2.4 The current position
  - The existing drug and alcohol service model is provided across four main contracts with three separate providers who work in partnership to deliver drug and alcohol services in Trafford. Local GP's and pharmacies are also contracted to deliver a range of substance misuse support services such as supervised consumption and needle exchange.
  - Whilst there are no concerns regarding the quality of the service provided it is believed by commissioners that the number of people successfully completing treatment could be improved through the adoption of the Lead Provider Model.
  - The current level of investment by Trafford is £2.3 million per year. It is estimated that savings of approximately £300k in the first year, will be secured for Trafford through the economies of scale gained from commissioning on a larger geographical footprint and also through having a single accountable lead provider model rather than several separate contracts.
  - Commissioners from Bolton, Salford and Trafford have also extensively compared the

different elements of service provision that exist within their current individual treatment systems and discussed the service offers they would wish to specify for the future. The new specification will provide a more efficient service as it will be much more tightly defined than the existing specification, drawing on best practice from across the country (and wider) and will be outcomes focused.

## 2.5 The way forward

- Given the ongoing pressures on commissioning capacity across GM local authorities, it is proposed that Trafford collaboratively tenders Substance Misuse Services with Bolton and Salford. The Bolton, Salford and Trafford footprint is particularly logical given the authorities make up a joined up geographical area on the west of the conurbation.
- Moreover we already have a strong record of jointly commissioning and procuring services across GM and early work with Bolton and Salford has proved particularly fruitful in terms of sharing experience and knowledge of commissioning.
- It is proposed that Salford City Council act as the Lead Commissioner with necessary support from the Greater Manchester Procurement Hub. To this end, a procurement timeline has been produced. This timeline is necessarily tight in order to ensure that newly designed services are in place for October 2017 and in-year savings are made.

2.6 A competitive process will be initiated in December 2016, which will award a new contract from 1<sup>st</sup> October 2017.

## 3. Procurement Strategy

3.1 Both Trafford's legal team and STAR procurement have advised throughout the development of this proposal to ensure the process is undertaken within the appropriate legal frameworks.

## 4. Financial Implications

4.1 Trafford Council currently receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its substance misuse services. As a consequence of Department of Health cuts to the grant allocations and projected further budget reductions the proposal is to make a reduction of £300,000 on the new contract.

4.2 It is suggested that £1,985,305 per year of the Public Health grant funding is committed to deliver this new three year contract that includes the option of an extension - subject to satisfactory performance - up to a further two years.

4.3 The joint procurement approach detailed in this report will help to deliver significant efficiencies through economies of scale. The total cost of the joint contract will be approximately £8m per year; Trafford will contribute almost £2m. This recommissioning contributes to approximately a 15% saving compared to 2016/17 in the cost of substance misuse services in Trafford.

4.4 The population in treatment to council spend ratio is detailed in the table below:

	<b>Bolton</b>	<b>Salford</b>	<b>Trafford</b>
<b>Opiate</b>	1271	797	384
<b>Non-opiate</b>	338	459	327
<b>Alcohol</b>	560	648	415
<b>Total number of people in treatment</b>	2169	1904	1126
<b>% Number of People in Treatment</b>	<b>42%</b>	<b>37%</b>	<b>22%</b>
<b>Approximate spend</b>	£3,000,000	£3,000,000	£2,000,000
<b>% Spend</b>	<b>38%</b>	<b>38%</b>	<b>25%</b>

## 5. Legal Implications

- 5.1 The procurement of the services will be undertaken in accordance with the EU Public Contract rules as well as in compliance with the Contract Procedure Rules of the council. The contract has a provision that gives each party the right to end the agreement early by giving proper notice.
- 5.2 The council will make all contract payments to Salford Council, in respect of the substance misuse service.

## 6. Risk Management

- 6.1 There are risks inherent in reducing the level of investment into substance misuse services and the level of savings required. These risks will be mitigated through the joint procurement strategy and the economies of scale gained through a reduction of fixed costs and overheads.
- 6.2 Work has been undertaken with a range of partners to inform the direction of travel and we are confident of our vision for improvement and delivering better outcomes for less through this new model.
- 6.3 The new provider will be expected to use every opportunity at their disposal to bring additional investment and capacity into substance misuse services using alternative sources of funding. A track record of securing investment and social value will be one of the criteria in the tendering process.

## 7. MOU

- 7.1 Procurement Colleagues at Salford Council have created a Memorandum of Understanding (MOU) for the joint commissioning of the Integrated Substance Misuse and Treatment Service (appendix 2). The Legal Team at Trafford have been consulted on this document and initiated a number of small amendments. This document delegates the decision to award the contract to Salford Council.

## **8. Needs Assessment**

- 8.1 In support of the procurement process, New Economy (who work on behalf of the Greater Manchester Combined Authority and the Greater Manchester Local Enterprise Partnership have worked with Bolton, Salford and Trafford to develop the Needs Assessment (Appendix 3). This has informed the service offer in the contract specification.

## **9. Draft Service Specification**

- 9.1 Representatives from the three local authorities have worked together to develop a draft Service Specification (Appendix 4).
- 9.2 The specification outlines our commissioning priorities, based on the needs assessment, stakeholder feedback, local and national policy and guidance, and evidence of what works.

## **10. Consultation**

- 10.1 Work has been undertaken with current service users and a range of stakeholders, using the Working Together for Change (WTfC) model (an 8-step process to make sure that commissioners are taking into account the needs, wishes and aspirations of the people who need support and other stakeholders) to inform the direction of travel. Colleagues in Bolton and Salford, along with ourselves have held a series of consultation events with service recipients using this model to give the service user group a voice in the procurement process and during the development of the new specification.
- 10.2 Appendix 5 provides the feedback from the Trafford event:

## **11. Other Options Considered**

- 1.1 Commissioners have considered the appropriate length of the contract. A shorter-term contract may deter many providers from 'pump-priming' or making other upfront investments in a new lead provider model, fearing their contract will not be renewed and they will not reap the benefits of investment. The 3+1+1 contract, presented here, allows for a longer term investment, it provides a 4-6 month lead in time and allows time to embed system change.

## **12. Reason for recommendations**

- 12.1 Trafford requires a range of substance misuse services that meet the needs of residents in a flexible way. Alcohol and drug misuse causes significant harm to the health and wellbeing of individuals, families and communities. Levels of mortality and illness among people who are problem drug users are high.
- 12.2 The Executive is asked to:
1. Agree the term of the new contract. The proposal is to award a new contract for 3 years with an option to extend by 2 years, up to a maximum of 5 years.

Extensions will be based on performance related quality measures and delivery of key outcomes. This is considered to be the option which will lead to the council obtaining best value for money and will provide a stable and supportive environment for service users.

2. Approve the governance arrangements detailed within the attached MOU;
3. Consider the Needs Assessment and draft Service Specification;
4. Agree to extend the current substance misuse contracts detailed in appendix 1, to align with commissioning partners; and
5. Support the direction of travel for collaborative commissioning.

**Key Decision** Yes

**If Key Decision, has 28-day notice been given?** Yes

**Finance Officer Clearance** *(type in initials)...*HZ.....

**Legal Officer Clearance** *(type in initials)...*MJ.....

**CORPORATE DIRECTOR'S SIGNATURE** *(electronic)...*



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.