

Birmingham City Council
Cabinet Member(s) Health and Social Care,
Finance & Resources jointly with the Director
for Adult Social Care



06 June 2019

Subject: Approval of the Extension of the Contract of the Provision of Adult Substance Misuse Treatment and Recovery Services

Report of: Adult Social Care and Health

Relevant Cabinet Member: Councillor Paulette Hamilton - Health and Social Care
Councillor Tristan Chatfield – Finance & Resources

Relevant O &S Chair(s): Councillor Rob Pocock – Health & Social Care
Councillor Sir Albert Bore – Resources

Report author: Max Vaughan - Head of Service Adult Social Care and Health

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

1. Executive Summary

- 1.1 Cabinet awarded the contract for the provision of adult substance misuse treatment and recovery services to the organisation 'Change Grow Live' (CGL) on the 14th July 2014 following a procurement exercise. CGL were formerly known at the time of contract award as Crime Reduction Initiatives (CRI).
- 1.2 The contract was awarded for a 5 year period and commenced on the 1st March 2015. Delegated authority to approve the extension of the contract if required was also granted for a further 2 years, subject to satisfactory performance and budget availability to the Cabinet Member for Health and Wellbeing and the Cabinet Member for Commissioning, Contracting and Improvement with the Strategic

Director for People in conjunction with Director of Finance, Director of Legal & Democratic Services and Assistant Director Corporate Procurement Services.

- 1.3 The provision of drug and alcohol treatment services is defined as one of the “grant conditions” of the Public Health Grant.
- 1.4 A stakeholder consultation exercise has been conducted as well as a structured contract negotiation process with the current service provider so to inform the necessary future service outcomes, pathways and deliverables required during the extension period.

2. Recommendations

- 2.1 To approve the two year extension of the contract for the provision of adult substance misuse treatment and recovery services to the organisation ‘Change Grow Live’ (CGL). The extension to commence from 1st March 2020.
- 2.2 The contract value to be reduced for the extension period by 5% of the 2019/20 contract value in line with Public Health Grant efficiencies. The annual contract value will therefore be £14,112,630.00 for 2020/21 and 2021/22.
- 2.3 To work with the provider CGL to identify how the service can be further developed to maximise health, social care and criminal justice outcomes for the benefit of the City in line with the commissioning intentions which have been developed through the stakeholder consultation, with the Council’s Public Health commissioning team and CGL. Public Health commissioners through the Substance Misuse Joint Commissioning Group and the Public Health Contracts Board will oversee this work.

3. Background

- 3.1 The provision of drug and alcohol treatment services is defined as one of the “grant conditions” of the Public Health Grant. Spending the grant a local authority has to *“have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services”*.
- 3.2 Substance misuse treatment has been evaluated by researchers on a wide range of measures, including drug use, abstinence from drug use, drug injecting, overdose, health and mortality, crime, social functioning including employment, housing, family relations, and the perceptions of service users about their recovery status. The breadth of these measures reflects the broad range of benefits anticipated from substance misuse treatment.
- 3.3 The procurement strategy for this contract was approved by Cabinet on 16th December 2013. The contract was mobilised in a phased process from September 2014 and commenced fully on the 1st March 2015 for a five year period with an option to extend for a further 2 years, subject to satisfactory performance and budget availability.
- 3.4 The decision to extend has been based on a number of factors including CGL’s positive contract performance which is in the top quartile when compared to the other core cities. In addition there is uncertainty as to the value of the Public Health Grant post 2022. It is proposed to extend the current contract to 2022 and to conduct a re-procurement exercise with the new contract commencing from 2022 when clarity as to the value of the Public Health Grant for this future period will be available. The extension negotiation process was agreed by the Director of

Public Health and the Adult Health Management Team in April 2018. Expenditure on drug and alcohol treatment services in the City has reduced from £27m to £18m in 2014/15. Expenditure has further reduced to £15m in 2018/19. This is due in part to the reducing Public Health grant allocation.

- 3.5 The contract specification delivers services to adults who are experiencing the negative impacts of drug and / or alcohol misuse. Support is also provided to affected families and carers. Supporting the safeguarding of children negatively affected by their parents' or carers' misuse of drugs and / or alcohol is a critical function of the service given the associated risks.
- 3.6 A 'recovery' approach has been taken with regards the treatment for citizens experiencing the harms associated with substance misuse. To support this the Birmingham treatment and recovery single system is measured by the following key outcome measures:
- Increased levels of employment
 - Reduction in re-offending
 - Improved housing
 - Improved parenting
 - Robust children's safeguarding
 - Improvements in physical health
 - Improvements in mental health
 - Reduction in sexual health problems and blood borne virus transmission
 - Reduction in domestic violence
 - Ensuring protection for vulnerable adults
- 3.7 All substance misuse services nationally are measured by utilising the National Drug Treatment Monitoring System with a key performance indicator being the successful completion of treatment. CGL is in the top quartile nationally for alcohol, non-opiate and alcohol and non-opiate clients completing treatment and are marginally below the national average for opiate clients. There is a payment by results element to the contract and CGL constantly achieve the associated key performance indicators which cover re-offending rates, family interventions and employment. From a financial viewpoint the performance levels of the contract compare favourably nationally as based on contract spend per head of population Birmingham ranks as the 7th lowest spend out of 8 from a core city perspective and ranks as the 11th lowest spend out of 15 local authorities from a CIPFA perspective.
- 3.8 An engagement event was conducted in December 2018 across the health, social care and criminal justice sectors with representation from the Probation service, Police, DWP, CCG, acute sector, mental health services, community safety partnership, GP's and homelessness services. Service users were also in attendance. The engagement event focused upon what treatment service response the city needed regards the issue of addressing drug and alcohol misuse related harms. The consultation concluded that drug and alcohol treatment provision is a fundamental component of the health, social care and criminal justice system in the City. These systems partners have expressed serious concerns regards the impact of any significant reduction in funding.
- 3.9 Through a structured negotiation process with CGL and City Council Commissioners, it has been agreed that a 5% reduction in contract value is the maximum possible which enables the service to continue to deliver the key outcomes in line with the affordability of the available funding through the Public Health grant.
- 3.10 It is proposed that the current provider is awarded a contract extension for two years from 1st March 2020. A review of their contract performance and their ability

to respond to future service demands validates the decision to extend the contract. The following adapted commissioning intentions have been defined for the remainder of the contract period:

- A Renewed Focus upon the Recovery agenda.
- Responding to the changing patterns of drug and alcohol related harms with a specific focus on the harms caused by opiate, alcohol and Novel Psychoactive Substance misuse.
- A refocus on Comorbidity: Mental Health and Substance Misuse
- A refreshed Locality Model of Delivery
- A refreshed Child Protection Focus
- Maintaining a Drug Alert System
- Clarifying liabilities regards prescribing costs
- Reviewing key service pathways including mental health, acute sector, homelessness and employment.

3.11 A systems review of adult substance misuse prevention, treatment and recovery services is to be undertaken so to maximise the outcomes of the current system and to develop commissioning intentions for when the contract is re tendered in 2022. This review which will be conducted with health, criminal justice and social care partners will aim to help develop more effective services pathways and identify how resources can be best aligned. The substance misuse Joint Commissioning Group will be reconvened to oversee this work supported by health, criminal justice and social care partners.

4. Options considered and Recommended Proposal

A number of options were considered with regard the continuation of alcohol and drug treatment provision in the City:

4.1 Re tender the contract to secure an alternative provider from 1st March 2020.

Assessed as not the best option for the Citizens of Birmingham due to the cost of reprocurement and associated commissioning activities. The Contract will be re procured for commencement in 2022. The adult substance misuse treatment contract is of high financial value and is complex in nature, the benefits of extending the contract which has successfully performed outweigh the financial costs and impact on citizens of re tendering after the five year period. Commissioners are also not aware at this juncture of the Public Health Grant financial allocation beyond March 2022. Re-procurement will start in March 2020 including market shaping and working with key partners to develop a commissioning strategy. The value of the Public Health Grant for the period post 2022 should then be clearer to inform the strategy.

In addition, CGL's performance is acceptable as is in the top quartile against comparable core cities. A change in service provider which currently involves the treatment and care of approximately 7000 service users will see a very significant drop in contract performance during any provider transition period which is typically of an 18 month duration following contract commencement. Given the significant reduction in expenditure from the Public Health Grant on alcohol and

drug treatment provisions it is questionable whether an alternative provider could deliver a better service with the available financial resources. The development of the commissioning strategy for the period post 2022 is likely to include a different approach to the provision of these services including opportunities to joint commission ie with mental health, criminal justice, homeless services with the intention of providing better outcomes for citizens more cost efficiently.

4.2 Reduce the contract value by 10% for the extension period.

Not a viable option as health, social care and criminal justice partners determined through a consultation exercise that the impact on the service if this level of reduction was implemented would have a serious impact on essential pathways. In addition CGL stated through a structured contract negotiation process that they could not deliver the service safely (i.e. CQC compliant) if a 10% contract reduction was imposed and therefore would not accept an extension on these terms.

Extend the contract with no reduction in value.

Does not comply with the need to make the necessary savings required from the reducing Public Health Grant.

4.4 To approve the two year extension of the Change Grow Live (CGL) substance misuse treatment contract.

This is the recommended option and the extension will commence from 1st March 2020. The contract value will be reduced for the extension period by 5% of the 2019/20 contract value. The contract value will therefore be £14,112,630.00 for 2020/21 and 2021/22.

As part of this option it is intended to work with the provider CGL as to how the service can be further developed to maximise outcomes in line with the commissioning intentions which derive from a stakeholder consultation, the Council and CGL. Public Health commissioners will oversee this work.

5. Consultation

A stakeholder consultation has been conducted with representation from the health, social care and criminal justice partners including the Probation service, Police, DWP, CCG, acute sector, mental health services, Community Safety Partnership, GP's and homelessness services. Service users were also in attendance and contributed. The consultation focused on what treatment service responses the City needs regarding the issues of drug and alcohol misuse and what impact a further 10% reduction in funding would have.

A general consensus was formed by stakeholders that a 10% further reduction in funding would have a very significant and serious impact on what is already over stretched service provision.

6. Risk Management

6.1 Financial – The available financial resources are identified through the Public Health Grant allocation for the extension period.

- 6.2 Contract Performance - monitored through monthly contract review meetings, the Substance Misuse Commissioning Group and the Public Health Contract Board.
- 6.3 Quality Assurance - CGL is required to be CQC compliant.
- 6.4 The Corporate Risk Register identifies and offers mitigations against the risks that CGL ceases to trade and that the Public Health grant sees an unplanned reduction.

7. Compliance Issues:

- 7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 Aligns with the 2018/19 Public Health Strategy and Action Plan specifically Priority 2: Addressing the cumulative impact of unhealthy behaviours such as smoking, substance misuse, alcohol and physical inactivity.

7.1.2 Aligns with the Birmingham City Council Plan: 2018-2022 Birmingham – a city of growth where every child, citizen and place matters. Specifically Outcome 3 - Birmingham is a fulfilling city to age well in: we want citizens to live more active, longer, healthier and independent lives.

7.1.3 CGL are signatories to the BBC4SR, The CGL Social Value Action Plan included:

(i) Buy Birmingham First

- CGL Birmingham due to the size of the contract has become a Reginal Business Unit for their wider organisation providing back office jobs including those servicing HR, payroll and IT for CGL nationally.
- CGL have awarded contracts to local companies for fitting and the maintenance of the new four hubs operational bases
- CGL have reviewed existing procurement practice to transfer suppliers to local businesses arrangements were possible and where existing national contracts enable the flexibility to do so.
- Utilised regional procurement policy to source local products and services, in line with their environmental and sustainability policies.
- Used 'Find It In Birmingham' throughout their delivery supply chain, reporting quarterly on the business procured using this method

(ii) Created employment and training opportunities for Birmingham residents

- CGL have secured additional investment (£350k) from Public Health England to support service users into employment / training. CGL are funding the 'See Change Project' where CGL clients volunteer with the Canal Trust.
- The 'See Change Project' is also working with local communities to clean up / maintain local parks and the community

(iii) Work in partnership with small third sector organisations

- CGL supported a number of small third sector organisations with a small grants programme and provided capacity building expertise.
- (iv) Develop a peer mentoring and volunteering network
- CGL use a group of in the region of 45 'experts by experience' to support other service users in their recovery journey.

7.1.4 A refreshed Social Value plan will be developed with CGL by August 2019 for approval by the Cabinet Member for Health and Social Care and the Cabinet Member for Finance and Resources prior to the commencement of the contract extension period.

7.2 Legal Implications

- 7.2.1 The Health and Social Care Act 2012 and associated regulations transferred the responsibility for public health from the NHS to local authorities from April 2013. Drugs and alcohol services are not mandatory public health services as defined by the relevant legislation (Health and Social Care Act, 2012) but are in the relevant circular describing appropriate public health services (LAC(DH)(2013)3). Several key indicators in the Public Health Outcome Framework relate to these areas and it is likely that they will be assessed in terms of performance.
- 7.2.2 Consideration of Public Services (The Social Value) Act 2012 was included in the original procurement with 10% of the tender evaluation scoring attributed to bidders' planned social value outcomes.

7.3 Financial Implications

- 7.3.1 The contract extension to be funded through the Public Health Grant. The contract value to be reduced for the extension period by 5% of the 2019/20 contract value in line with Public Health Grant efficiencies. The annual contract value will therefore be £14,112,630.00 for 2020/21 and 2021/22.

7.4 Procurement Implications

- 7.4.1 None as the contract is to be extended. Future Procurement activities will commence in 2020 prior to when the contract extension ends in March 2022.

7.4.2 An indicative timeline for the commissioning and future procurement is set out below:

Activity	Timeline
Commissioning Activities to inform the procurement	March - September 2020
Produce Procurement documents	August – December 2020
Produce Cabinet report	August – December 2020
Cabinet Approval (Strategy)	December 2020
OJEU notice	January 2021
Invitation to Tender - Issue (All procurement)	March 2021
Invitation to Tender - Return	June 2021
Evaluation Period	July – August 2021
DPR Approval (Award)	September 2021
Contract Award	October 2021
Mobilisation period (3 months)	December 2021 – February 2022
Contract Start	1 st March 2022

7.5 Human Resources Implications

7.5.1 No Birmingham City Council staff are affected. There are likely to be redundancies of CGL staff due to the 5% contract reduction.

7.6 Public Sector Equality Duty

7.6.1 CGL is compliant with the public sector Equality Duty.

8. Background Document

8.1 None