

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET MEMBER FOR HEALTH AND SOCIAL CARE, CABINET MEMBER FOR VALUE FOR MONEY & EFFICIENCY JOINTLY WITH THE STRATEGIC DIRECTOR FOR PEOPLE
Report of: Date of Decision:	Assistant Director – Commissioning 30 June 2016
SUBJECT:	SUBSTANCE MISUSE/STEROID USE NEEDLE EXCHANGE
Key Decision: No	Relevant Forward Plan Ref: N/A
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
Relevant Cabinet Member(s) or Relevant Executive Member(s):	Cllr Paulette Hamilton – Health and Social Care Cllr Majid Mahmood – Value for Money & Efficiency
Relevant O&S Chairman:	Cllr John Cotton – Health, Wellbeing and the Environment Cllr Cllr Mohammed Aikhlaq – Governance and Corporate Resources
Wards affected:	All

1. Purpose of report:
<p>1.1 To advise the Cabinet Member for Health and Social Care and Cabinet Member for Value for Money & Efficiency jointly with the Strategic Director for People of negotiations with the provider of Substance Misuse services following a request for an additional payment relating to pharmacy-based needle exchange.</p> <p>1.2 To agree a one-off payment in this respect as set out in this report.</p>

2. Decision(s) recommended:
<p>That the Cabinet Member for Health and Social Care and Cabinet Member for Value for Money & Efficiency jointly with the Strategic Director for People:-</p> <p>2.1 Note the contents of this report</p> <p>2.2 Authorises the People Directorate to make a one-off payment of £300,000 to CGL as set out in these reports.</p> <p>2.3 Authorises the City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendation.</p>

Lead Contact Officer(s):	John Denley – Assistant Director - Commissioning
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3.	Consultation
3.1	<p>Consultation should include those that have an interest in the decisions recommended</p> <p><u>Internal</u></p> <p>Legal & Democratic Services, Corporate Procurement Services, City Finance and the Director of Public Health have been involved in the preparation of this report.</p>
3.2	<p><u>External</u></p> <p>There is no impact on the service provision as a result of this proposal and so no external consultation is required.</p>

4.	Compliance Issues:
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies</u></p> <p>Yes</p>
4.1.1	<p><u>Consistency with the Following Objectives in the Council Business Plan and Budget 2016+;-.</u></p> <p>The proposal is an extension of the existing approved contract for delivery of Substance Misuse services which was approved by Cabinet in July 2014.</p>
4.1.2	<p><u>Compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR) Including Living Wage Requirements</u></p> <p>The provider has signed the Charter.</p>
4.2	<p><u>Financial Implications</u></p> <p>The proposed additional payment can be funded from the Public Health Grant.</p>
4.3	<p><u>Legal Implications</u></p>
4.3.1	<p>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).</p>
4.3.2	<p><u>Pre-Procurement Duty under the Public Service (Social Value) Act 2012</u></p> <p>Not applicable.</p>
4.4	<p><u>Public Sector Equality Duty</u></p>
4.4.1	<p>The proposal is an extension of the existing approved contract for delivery of Substance Misuse services which was approved by Cabinet in July 2014.</p>
4.4.2	<p><u>TUPE Implications</u></p> <p>Not applicable</p>

5. Relevant background/chronology of key events:

- 5.1 The Substance Misuse System was tendered during 2014 and Cabinet agreed the award of the contract in July 2014 to CGL (formerly known as CRI), which commenced on 1st March 2015. The first year of the contract is now complete.
- 5.2 During the tendering process the Council provided all organisations with service activity profiles. These profiles included activity estimates for the provision of pharmacy-based needle exchange with respect to reducing harms associated specifically with Class A drug use only.
- 5.3 A number of unforeseen factors in relation to needle exchange have arisen during the first year of the contract due to:
- New National Institute for Clinical Excellence (NICE) clinical guidelines were enforced by Public Health England after the contract award advising that areas need to provide needle exchange provision to people who inject image and performance enhancing drugs so as to address the risk of the spread of blood borne viruses within this population group.
 - The original tender award included the provision of needle exchange for the benefit of Class A drug users so as to prevent the risk of the spread of blood borne viruses specifically Hepatitis and HIV.
 - The original tender did not specify the inclusion of the distribution of needles associated with steroid drug use.
 - During the first year of the contract it proved operationally that it was not possible to distinguish between Class A drug users and steroid drug users when providing this service. This meant that steroid users placed an unplanned and unfunded pressure on the service. In addition in the first year of the contract steroid use increased very significantly throughout Birmingham in line with the nationwide trend.
- 5.4 Public Health now requires that the National Institute for Clinical Excellence (NICE) guidance for Needle and Syringe programmes is implemented in areas including Birmingham . This includes a requirement that needle and syringe programmes:
- Are provided at times and in place that meets the needs of people who inject image and performance enhancing drugs.
 - Provide the equipment, information and advice needed to support these users.
 - Are provided by trained staff.
- This also includes the provision of :
- Specialist advice about image and performance enhancing drugs.
 - Specialist advice about the side effects of these drugs
 - Advice on alternatives (nutrition and physical training as an alternative to anabolic steroids)
 - Information about, and referral to, sexual and mental health services.

- 5.5 In light of these factors it is proposed that a one off voluntary payment is made by the Council to the provider to cover the cost pressures generated by the increase in activity during year one, due to the distribution of needles for steroid misuse, which was not included in the tender process. The provider has at this stage entered into negotiations so to resolve this situation informally.
- 5.6 It is considered by commissioners that only a single provider can deliver services due to the day to day practical operational practicalities of the need to provide the combined provision of needle exchange services for Class A drug users and steroid drug users. The first year of the delivery of the CGL contract has demonstrated this. The majority of needle exchange provision is delivered by a single set of sub contracted providers i.e. community pharmacies who form a component of the CGL supply chain.
- 5.7 Following negotiations with the Substance Misuse service provider the following measures have been agreed to remedy this situation:
- 5.7.1 That a one off voluntary payment of £300k is made to address the cost pressures which have been generated by the increase in activity during year one in relation to additional steroid needle distribution. This is to be a one off voluntary payment made by the Council based on the volume of additional services provided.
- 5.7.2 That the provider immediately reviews with commissioners how to manage variations in delivery caused by the inclusion of the provision of steroid needle distribution and the related cost pressures across the substance system to ensure future costs are contained within the previously agreed financial envelope for subsequent years.
- That a contract variation is negotiated to include the provision of steroid needle distribution so as to ensure that any future financial risk sits with the provider organization not the City Council.
- That the Council reaffirms with the provider the continued 5 year contract financial trajectory which includes provision of steroid needle exchange.
- 5.8 There are no other areas within the contract which would require similar changes.
- 5.9 It has also been agreed that the Council reaffirms with CGL the continued 5 year contract financial trajectory outlined in the July 2014 Cabinet Paper.

6. Evaluation of alternative option(s):

- 6.1 The alternative would be to not make this payment and continue negotiations with the Substance Misuse service provider. This would potentially disrupt the service provision and that the cost pressure associated with the distribution of steroid needles would need to be addressed by service reductions elsewhere in the contract.

7. Reasons for Decision(s):	
7.1	To advise the Cabinet Member for Health and Social Care and Cabinet Member for Value for Money & Efficiency jointly with the Strategic Director for People of negotiations with the provider of Substance Misuse services following a request for an additional payment relating to pharmacy-based needle exchange.
7.2	To agree a one-off payment of £300k in this respect.

Signatures	<u>Date</u>
Cllr Paulette Hamilton Cabinet Member for Health and Social Care
Cllr Majid Mahmood Cabinet Member for Value for Money & Efficiency	
Peter Hay Strategic Director for People

List of Background Documents used to compile this Report:
Cabinet Report – July 2014 - Award of Contract for the Provision of Adult Substance Misuse Treatment and Recovery Services (C0146)

List of Appendices accompanying this Report (if any):
None.

Report Version	V5	Dated	29 June 2016
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