

BARNSELY METROPOLITAN BOROUGH COUNCIL

This matter is not a Key Decision within the council's definition and has not been included in the relevant Forward Plan

Report of the Interim Executive
Director of Communities

Remodel and tendering of Substance Misuse Harm Reduction, Treatment and Recovery Service for Barnsley

1. Purpose of report

This report provides Councillors with an update on the current position regarding funding and remodel of substance misuse services in Barnsley. It seeks approval to tender for new service provision from 3 April 2017 and to receive approval that the decision making to award the contract be delegated to the Director of Public Health and Executive Director, Communities.

2. Recommendations

2.1 Cabinet supports the proposal to remodel services in 2016/17 in order to reduce the budget yet continue to deliver safe service for service users.

2.2 Cabinet authorise officers within BMBC to approach the market to inform the commissioning and procurement of a substance misuse service for Adults, Young People and Families in Barnsley from April 2016.

2.3 A further report is submitted to Cabinet to update members on progress and risks.

2.4 A further report is submitted to Cabinet following the outcome of procurement to approve the selection of the preferred supplier before contract award.

3. Introduction

3.1 Barnsley has an integrated substance misuse recovery based treatment system that meets the needs of all drug and alcohol misusers. Developed over many years, several elements of harm reduction and structured treatment provision have been commissioned based on evidence and good practice resulting in the integrated system in place today.

Traditionally, the substance misuse provision has been funded through a pooled treatment budget with the intention to deliver more efficient and effective services that better meet citizens' needs. Collaborative commissioning can lead to better outcomes for local people and drive better value for money.

On the 29 July 2015 a report was taken to Cabinet to seek authorisation to approach the market for the tendering of substance misuse harm reduction, treatment and recovery service. This was based on a newly revised budget of £3,217 million. This represented a cost reduction (KLOE) of £0.8m. The service had a total Contract Review Saving of £1m. A sum of £0.200m was profiled into 2015/16 and has been delivered.

Cabinet agreed the following recommendations:

- That officers within BMBC could approach the market to inform the commissioning and procurement of a substance misuse service for Adults and Families in Barnsley from April 2016.
- That the Director of Public Health and Executive Director Communities could accept the highest scoring tender, in accordance with the evaluation criteria, and to report on the outcome to the Cabinet Members for Public Health and Communities.
- That the Director of Public Health and Executive Director, Communities has delegated authority to award the contract for the Substance Misuse service following a competitive process.
- That Substance misuse services for c&yp need to be integrated to targeted youth support services in addition to the wider treatment system for adults and families and that young people who present with substance misuse often experience a range of risk-taking behaviours which should be addressed in a holistic way in accordance with evidence of what works. Although part of the broader substance misuse procurement project, the young people's service will be arranged through a discrete contract to commence 1st April 2016 in order to maximise synergy with the adult treatment system while maintaining the necessary focus on young people's issues.

- 3.2 During June and July 2015 2015 discussions took place with the CCG to confirm the content of the service specification and provide detailed information regarding activities and financial costs. The CCG took this to their governing body and the outcome was the confirmation that the CCG's commissioning responsibilities for Substance Misuse were primary about alcohol interventions in primary care.

Further analysis was undertaken to identify the costs of alcohol interventions in primary care. Negotiations took place which confirmed that a total contribution from the CCG would be £500,000 (predicated on the full service specification for Substance Misuse being commissioned at the level stated of £3.2million) – this includes BMBC staffing.

- 3.3 Since the financial decision by the CCG to reduce its budget contribution to £500k officers have been working up the options.
- 3.4 In 2016/17 it is important that contract values (less BMBC staffing) are reduced down to the value of £3,092,241 from a total spend this year of £5,004,598. This means taking £1,912,357 out of the system.
- 3.5 Contracts and grants are in place across 21 different types of services. It is proposed that a range of solutions are put in place to reduce the budgets in 2016/17. This includes reducing the contract values down, decommissioning and merging some activity. A contract waiver form has been agreed with finance and

legal for this purpose. This activity will take place in 2016/17 to enable the budget to be reduced in year down.

- 3.6 Whilst activity takes place as described in 3.5 above officers will work to a new timetable for the procurement of a new service from 3 April 2017.

4. Consideration of alternative approaches

- 4.1 Officers have met with legal and are clear that the integrated services should be put out to tender. However officers feel it would be too risky both financially and in terms of continued safe service deliver to service users to do this in a short space of time. It is proposed therefore that during 2016 officer's work with existing providers to reduce the budget down safely and at the same time draw up a new specification for a tender that will take place in the same financial year with a view to a new service award and start on 3 April 2017.

5. Proposal and justification

- 5.1 Cabinet supports the proposal to remodel services in 2016/17 in order to reduce the budget yet continue to deliver safe service for service users.
- 5.2 Cabinet authorise officers within BMBC to approach the market to inform the commissioning and procurement of a substance misuse service for Adults, Young People and Families in Barnsley from April 2016.
- 5.3 A further report is submitted to Cabinet to update members on progress and risks.
- 5.4 A further report is submitted to Cabinet following the outcome of procurement to approve the selection of the preferred supplier before contract award.

6. Implications for local people / service users

- 6.1 There has been a sustained significant improvement in the 'successful outcomes' for service users from the Substance misuse commissioned services resulting in Barnsley achieving above the national average and ranking second in Yorkshire and Humberside. The challenge will be to deliver services within at least a 20% reduced resource envelope whilst maintaining successful outcomes.
- 6.2 We shall ensure participation of clinical expertise, public health, CCG, service users and carers in the service design and tendering process as their views are key in securing a cost-effective service which will meet local need and identified priorities.
- 6.3. For the wider community, an effective substance misuse treatment service will address health inequalities and also reduce the negative impact of substance misuse on their communities. It should be recognised however that the provision of services at a significantly reduced budget will mean that in some cases provision will be different or unavailable. Officers will work with suppliers to mitigate risks to services users to ensure that those in highest need and at risk are offered support.

7. Financial implications

- 7.1 The available resources in 2016/17 for contracting have been reduced from £4.576m to £3.092m, representing a reduction of £1.484m. However additional cost pressures in the current year associated with Shared Care and Prescribing Costs are resulting in actual costs of £5.005m being incurred in the current financial year, which results in real cost savings of £1.913m to get down to the revised envelope of £3.092m.
- 7.2 Work to date indicates that a saving of £1.234m can be achieved through remodelling and decommissioning, which results in a financial gap of £0.679m. The CCG have provided £0.700m one off funding to support the transition process which would effectively cover this financial gap in 2016/17.
- 7.3 The services will be tendered in 2017/18 to be delivered within the available resources of £3.092m.
- 7.4 There have been concerns raised by providers about potential redundancy costs arising from delivering significant budget reductions in 2016/17, which they are seeking financial support from the Council to meet. These could amount up to £0.800m as a result of the staff being employed on NHS terms and conditions. There is no identified funding in order to meet these costs which ordinarily would be the responsibility of the providers at the end of any contract, but which could be a barrier to reducing contract values in year and which dependant on TUPE requirements may be a barrier to providers submitting bids for the service from 2017/18 onwards without some funding to support the cost of change. Work is ongoing in terms of working with providers to understand the issues and implications.
- 7.5 To the extent that any redundancy / costs of change funding is required this would impact on the medium term financial position in 2016/17 as a one year only pressure.
- 7.6 Financial implications are detailed at Appendix A.

8. Employee implications

- 8.1 **Service providers redundancies** – talks have taken place existing providers of services to see how they might approach a significant reduction in budgets. There are significant redundancy liabilities with the main supplier Phoenix Futures (PF) and the following should be noted:
- PF employ 92 FTE under the Barnsley contract.
 - They have indicated that the budget reductions affect 39 FTE (42% of total staff).
 - There are 7 FTE vacancies of which a recruitment freeze is in place.
 - They indicate that a couple of members of staff said they would like to take voluntary redundancy and that there are a few vacancies in their services in Chesterfield and Sheffield.
 - They indicate that a significant proportion of staff employed under the Barnsley contract live in Barnsley.
 - In effect we could see the redundancy bill reducing by 25% or more due to the vacancies etc.

9. Communications implications

- 9.1 With any change to treatment provision there is a requirement that there be consultation with effected stakeholders and service users. A full communications plan is in place and monitored through the project group. Effected stakeholders and service users will be included in the re-design and re-tendering process. There exist appropriate forums and groups in which to engage relevant persons. Service user and carer engagement is key to the work of the Healthier Communities and they are already aware of the potential impact of savings and service redesign.

10. Consultations

There will be consultation with Service users, providers and stakeholders as part of the re-tendering process. Key stakeholders including funders have integral to the planning of the services in 2016/17 and tendering for new provision.

11. Community Strategy and the Council's Performance Management Framework

- 11.1 Treatment of substance misuse, including prevention and early education, contributes to the health and wellbeing of a community and the resident families. 'Successful completion' from treatment is one of the key Public Health Outcomes required of the authority and the challenge of this process will be to minimise impact on the improving achievement against this indicator.

12. Tackling health inequalities

- 12.1 The impact of substance misuse, especially alcohol due to its prevalence, has a significant impact on health inequalities. Both increased prevention and early intervention and Recovery and abstinence will contribute to reducing health inequalities.

13. Risk management issues

- 13.1 There is a risk that the Council's, CCG and PF's reputation may be affected if this is not handled sensitively. Officers will try to mitigate this with a robust joint communications plan that sets out the approach and consults with service users and provider staff over the changes.

14. Health & safety issues

There are no health and safety risks attached to this report.

15. Promoting equality & diversity and social inclusion

Stigma is often attached to substance users and they, and their families, are excluded by others in a community. Prevention and Recovery, which will be integral to the new contract(S) offers them the opportunity to 'give back' to their community and contribute positively to local regeneration projects and community developments.

16. Reduction of crime & disorder

There is both crime and anti-social behaviour associated with substance misuse – both overt drug dealing and the hidden impact of substance misuse within homes etc. Local, more accessible treatment opportunities should reduce this impact and collaborative work with local Safer Neighbourhood Teams contribute to improved community safety.

17. Glossary

None

18. List of appendices

None

19. Background papers

None

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