



Cabinet report

Date	13 OCTOBER 2022
Title	ADDITIONAL SPEND WITHIN THE COMMISSIONED SUBSTANCE MISUSE TREATMENT CONTRACT
Report of	CABINET MEMBER FOR ADULT SOCIAL CARE AND PUBLIC HEALTH

EXECUTIVE SUMMARY

1. National funding to support the delivery of the National Drugs Strategy From Harm to Hope¹ has been allocated to all local authorities in England to increase the capacity and quality of substance misuse services. It is anticipated that the Council will receive up to an additional £973,234 over the next 3 years from the Office of Health Improvement & Disparities (OHID) plus an additional £251,712 from the Rough Sleepers Initiative (RSI). This report seeks approval for the additional spend under the existing Substance Misuse Treatment contract and for delegated authority to the Director of Public Health to approve additional spend on an annual basis.
2. Approving additional spend within the Substance Misuse contract will allow for better outcomes for Isle of Wight residents with a substance misuse treatment need, including increased capacity and quality of service provision, and improved outcomes, particularly for those with complex needs such as homelessness and mental ill-health.
3. Anticipated additional funding will be confirmed by OHID and added to the substance misuse treatment contract on an annual basis through contract variations that are compliant with procurement regulations. It is recommended that delegated authority to the Director of Public Health for this spend be approved to ensure the ability to increase and/or maintain capacity of providers to deliver services in relatively short timescales.

¹[HM Government, From Harm to Hope - A 10-year drugs plan to cut crime and save lives](#)

RECOMMENDATION

- i. That Cabinet note the current contract value of the Substance Misuse Treatment Service as £7,381,915 (5-year value) and approves an additional £275,155 plus Rough Sleepers Initiative (RSI) £100,684 for 2022/23.
- ii. That Cabinet approves additional spend under the Substance Misuse treatment contract in line with Government funding for years 2023-2025 of up to £1million.
- iii. That Cabinet delegates authority to approve this additional spend to the Director of Public Health, in consultation with the Cabinet Member, and Director of Adult Social Care on an annual basis for 2023/24 and 2024/25, considering anticipated funding received from Office for Health Improvement & Disparities (OHID) and Rough Sleepers Initiative as outlined in this report.

BACKGROUND

1. The current Substance Misuse contract commissioned by the Council commenced in June 2020 with a total contract value of £7,003,200 over 5 years until June 2025.
2. To date £378,715 has been added to the contract (2021/22). This has included additional funding through Adults' Health & Care directorate (Housing) Rough Sleepers Initiative (RSI) and one year funding to reduce drug related deaths and offending from the Office for Health Improvement & Disparities (OHID).
3. In December 2021 the government launched its 10-year drugs strategy, From Harm to Hope² where a clear vision to deliver a world class substance misuse treatment and recovery system was presented. In February 2022 it was announced that all local authorities would receive additional 3-year funding to increase capacity and improve quality of local substance misuse services.
4. It is expected that the Council will receive the following amounts (that will be confirmed on an annual basis) between April 2022 – March 2025 from the Office for Health Improvement & Disparities (OHID):

Financial year	OHID Grant	Rough Sleepers Initiative Grant	Total addition
2022/23	£275,155 <i>(confirmed)</i>	£100,684	£375,839
2023/24	£280,525 <i>(indicative)</i>	£100,684	£381,209
2024/25	£417,554 <i>(indicative)</i>	£50,344	£467,898

CORPORATE PRIORITIES AND STRATEGIC CONTEXT

5. This links to the following section of the Isle of Wight Corporate plan 2021 – 2025 Place the health and wellbeing of residents at the centre of all we do;
To ensure clinically safe effective services are delivered across the Public Health responsibilities, within budget and to those that are in greatest need, undertaking procurement of services as required.

² [HM Government, From Harm to Hope - A 10-year drugs plan to cut crime and save lives](#)

It also supports the delivery of the Isle of Wight Public Health Strategy 2020-2025 and the National Drugs Strategy 'From Harm to Hope' and the Isle of Wight Homeless and Rough Sleeping Strategy 2019- 2024.

Responding to climate change and enhancing the biosphere

6. Social value, climate change and environmental sustainability will be considered as part of this work.

Economic Recovery and Reducing Poverty

7. The work undertaken by the services commissioned through this funding is aimed at supporting our most vulnerable populations in a more holistic way to reduce their interactions with the criminal justice system, reduce homelessness, address mental ill-health and improve health, housing, employment, and educational outcomes.

Impact on Young People and Future Generations

8. This funding will enable focus on substance misuse and young people; the substance misuse provider will increase activity and support in schools and colleges as using money through the additional funding.
9. Young people will be able to influence service design through the engagement and feedback managed by the substance misuse provider.

Corporate Aims

10. The recommended option outlined in this paper (option 1) is aligned to the Corporate Plan 2021 – 2025 placing the health and wellbeing of residents at the centre of all we do. It also supports the local delivery of the 'From Harm to Hope' National Drug Strategy.

SERVICE/DECISION SPECIFIC PARAGRAPH

11. The additional funding from OHID will be added to the existing substance misuse treatment contract on an annual basis through contract variations that are compliant with procurement regulations.
12. OHID has outlined the expectation that this funding will be spent on increasing capacity and quality of existing drug / alcohol treatment services.
13. Funding for 2022/23 has been confirmed by OHID and proposals approved. The additional funding will:
 - a. Increase the treatment capacity and quality of our locally commissioned substance misuse services
 - b. Improve continuity of care from prison to community substance misuse treatment and those in the criminal justice system needing treatment for their drug / alcohol use.
 - c. Increase capacity of residential rehabilitation
 - d. Contribute towards a reduction in drug and alcohol related deaths
14. The Rough Sleepers Initiative Grant will ensure continued capacity to deliver support for those with housing, substance misuse and mental ill-health need.

CONSULTATION

15. Housing colleagues have jointly worked with Public Health to align the specification and contract variation for work programmes aligned to additional funding received from both the Supplementary Substance Misuse Grant and the Rough Sleepers Initiative grant. This will ensure improved, coordinated support for people with a substance misuse need on the Island, helping to address both their substance issue and wider needs.
16. Probation, Police, the substance misuse provider and homeless support provider are also working together to ensure aligned working and integrated pathways at an operational level, ensuring people with substance misuse needs receive high quality, coordinated services across the Island.

FINANCIAL / BUDGET IMPLICATIONS

17. Additional funding will be made available through the Section 31 grant provisions of the Local Government Act 2003 and will not affect the core delivery of services funded through the Public Health grant.
18. Eligibility for supplemental funding from OHID is dependent on maintaining existing (2020/21) investment in drug and alcohol treatment through the Public Health grant.
19. Anticipated additional funding will be confirmed by OHID on an annual basis and therefore it is recommended that delegated authority for this spend can be approved by the Director of Public Health, to enable the service provider to respond to changes in required service delivery in relatively short timescales. Funding will be added to the contract on a yearly basis once confirmed by OHID and will be compliant with procurement regulations.

LEGAL IMPLICATIONS

20. The contract is subject to the Public Contracts Regulations 2015, therefore any modification made to the contract during its term must be compliant with Regulation 72. A paper was reviewed by the council's procurement board who determined that the modification met the requirements of Regulation 72 and would therefore be compliant.
21. The additional funding and service requirements will be incorporated into the substance misuse treatment contract by way of a deed of variation.

EQUALITY AND DIVERSITY

22. It is proposed to use the additional funding to increase the quality and capacity of existing substance misuse services. This will allow improved access to quality substance misuse treatment and recovery services for our most vulnerable populations.

PROPERTY IMPLICATIONS

23. This report refers to commissioned services therefore no property implications for the Council.

SECTION 17 CRIME AND DISORDER ACT 1998

24. Section 17 of the Crime and Disorder Act 1998 (as amended by Police and Justice Act 2006) provides that: ‘...it shall be the duty of each authority ... to exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all it reasonably can to prevent, crime, disorder, antisocial behaviour adversely affecting the environment, and substance misuse in its area’.
25. Section 17 applies to all duties, activities and decision making. Ignorance or failure to respond to the requirements of section 17 leaves the Council open to legal challenge.
26. Section 17 has been considered with Public Health, Probation, Police, and the Substance Misuse Provider. The OHID Grant requires a focus on criminal justice with an emphasis on partnership working to address substance misuse in conjunction with criminal activity and homelessness. The grant is being used to fund specialist posts to better support vulnerable people.
27. Areas to focus spend, the action plan and expected outcomes have been agreed by the Isle of Wight Strategic Drugs and Alcohol Partnership and OHID.

OPTIONS

Option 1; (Recommended option)

- That Cabinet note the current contract value of the Substance Misuse Treatment Service as £7,381,915 (5-year value) and approves an additional £275,155 plus Rough Sleepers Initiative (RSI) £ 100,684 for 2022/23.
- That Cabinet approves additional spend under the Substance Misuse treatment contract in line with Government funding for years 2023-2025 of up to £1million.
- That Cabinet delegates authority to approve this additional spend to the Director of Public Health, in consultation with the Executive Member, and Director of Adult Social Care on an annual basis for 2023/24 and 2024/25, considering anticipated funding received from Office for Health Improvement & Disparities (OHID) and Rough Sleepers Initiative as outlined in this report.

Option 2;

- Cabinet do not agree to the recommendations in this paper, including delegated authority to approve subsequent additional spend to the Director of Public Health, in consultation with the Executive Member, and Director of Adult Social Care on an annual basis for the financial years 2023/24 and 2024/25.

The risks associated with these options are outlined below.

RISK MANAGEMENT

28. The risks associated with Option 1 are as follows:
 - Reputational and legal risk - Alternative providers may challenge the uplift in value. We have mitigated this risk by ensuring that the IWC Procurement Team have been

fully consulted and have stated that the price variation has been approved as it satisfies the requirements of the Public Contract Regulations 2015.

Regarding Option 2 the main risks are:

- Reputational risk - OHID provide short notice for confirmed grant amounts. If Option 2 is agreed then the internal process for the financial years 2023/24 and 2024/25 will cause delays in confirming the grant amounts to the provider which risks destabilising the current service provision, leading to service disruption for complex, vulnerable people on the Island.
- In addition, the uncertainty regarding funding may threaten business continuity for staff providing the service, resulting in lack of capacity to continue to deliver the planned improvements. This would lead to failure to deliver on OHID requirements, failure to utilise additional funding and failure to deliver increase service delivery to vulnerable Island residents. The Isle of Wight would not benefit from improved quality of service provision through the additional investment.
- Non delivery could potentially result in OHID money assigned to the IWC having to be repaid
- It is believed that agreeing with the recommendation of this report and adopting Option 1 forms the mitigations against Option 2 that are most likely to be successful

Financial risk – any failure to deliver will be scrutinised and OHID will ask for funding (in part or in full) to be returned to them.

EVALUATION

29. Option 1 is recommended as this supports efficient and timely allocation of the grant and enables flexibility to comply with short timeframes set by OHID. Option 1 best meets the need of vulnerable populations on the Island, aligning to both local and national strategy. It allows for continuity of service, to building on innovation and learning and improving the quality-of-service provision alongside key local partners. Option 1 will particularly enable better support to those with complex needs, including a combination of substance misuse; being in contact with the criminal justice system; having underlying ill-health and homelessness.

30. The main risk of this option is that alternative providers may challenge the uplift in contract value. This has been mitigated by adhering to legal procurement advice and gaining procurement panel approval.

BACKGROUND PAPERS

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