

Report No.
ACH22-024

London Borough of Bromley

PART 1 - PUBLIC

Decision Maker: **EXECUTIVE**

With pre-decision scrutiny from Adult Care and Health Policy Development and Scrutiny Committee on 28 June 2022

Date: **29 June 2022**

Decision Type: Urgent Executive Non-Key

Title: **Adults Substance Misuse Contract Variation**

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Chief Officer: Dr Nada Lemic, Director of Public Health

Ward: All Wards

1. REASON FOR REPORT

- 1.1 The Substance Misuse Service for Adults is an integrated provision for drugs and alcohol services with the aim of moving individuals from the position of problematic drugs and/or alcohol misuse to a position of stability, improved health and positive engagement with employment and/or education and the community.
 - 1.2 On 21st May 2018, Executive approved the award of the contract to Change Grow Live for the provision of Adult Substance Misuse Services for a period of three years commencing on 1st December 2018 to 30th November 2021 with the option to extend for a further period of two years. On 26th May 2021, Executive approved the extension of the contract for two years from 1st December 2021 to 30th November 2023 utilising the extension option built into the Contract. The whole life value (inclusive of the extension option) is £6,745k.
 - 1.3 In April 2021, the Council received a non-recurring Local Authority Grant of £207k to support improvements to reduce drug related offending and deaths in 2021/22. Agreement to draw down this funding and vary the Adults Substance Misuse contract was approved by Executive on 26th May 2021.
 - 1.4 In April 2022, the Office for Health Improvements and Disparities (OHID) made available a further grant, with a total of £264k being allocated for the financial year 2022/23. It is proposed to utilise this grant via Public Health programme co-ordination (£39k) and a further variation to the existing Adults Substance Misuse contract (£225k).
 - 1.5 This report seeks authorisation to draw down the OHID Grant and agree the subsequent variation to the Adults Substance Misuse contract.
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2. RECOMMENDATION(S)

- 2.1 The Adult Social Care & Health PDS Committee are asked to note and comment on the content of this report.
- 2.2 The Executive is recommended to approve:
 - i) The draw down of the total grant amount of £264k to be used as set out in Paragraphs 3.1 to 3.8 of this Report.
 - ii) The variation of an additional £225k to the Adults Substance Misuse Contract for the financial year 2022/23 in order to continue with improvements in the quality and capacity of drug and alcohol treatment as set out in the grant conditions.
 - iii) The use of the Urgency Procedure under the Policy Development and Scrutiny Procedure Rules of the Constitution for the reasons set out in paragraph 3.5.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Public Health Grants and Contracts benefit vulnerable adults.
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Corporate Policy

1. Policy Status: Existing Policy.
 2. BBB Priority: Excellent Council Safe Bromley Healthy Bromley.
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Financial

1. Cost of proposal: £264k (Supplemental Substance Misuse Treatment and Recovery Grant allocation for 2022/23)
 2. Ongoing costs: The Grant is for a period of three years, amount for subsequent years to be confirmed
 3. Budget head/performance centre: Public Health – Substance Misuse
 4. Total current budget for this head: £1,922k
 5. Source of funding: Supplemental Substance Misuse Treatment and Recovery Grant from the Office for Health Improvement & Disparities
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Personnel

1. Number of staff (current and additional): Additional 0.5 FTE from the Supplemental Substance Misuse Treatment and Recovery Grant allocation (Public Health Grant/Section 31 Local Authority Grant)
 2. If from existing staff resources, number of staff hours: N/A
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Legal

1. Legal Requirement: Statutory Requirement:
 2. Call-in: Urgency Procedure
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Procurement

1. Summary of Procurement Implications: N/A
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Approx. 5,600
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A
2. Summary of Ward Councillors comments: N/A

3. COMMENTARY

- 3.1 In April 2022, the Office for Health Improvements and Disparities (OHID) made available to the Authority a grant of £264k for the financial year 2022/23. This is in addition to the £207k made in 2021/22 to support improvements to reduce drug related offending and deaths.
- 3.2 The Authority was required to complete and submit a very detailed plan to OHID with the condition that the 2022/23 grant must be spent in areas of intervention as expected by OHID to achieve a set of outcomes. The Authority's plan has since been approved by OHID.
- 3.3 To facilitate the allocation of the grant to the current Substance Misuse Provider, Change Grow Live, a variation to the Adults Substance Misuse contract will be required from 1st July 2022 until 31st March 2023. The grant is intended to continue with the improvements in the quality and capacity of drug and alcohol treatment and to support delivery of the ambitions of the national drugs plan, *'From Harm to Hope: a 10-year drugs plan to cut crime and save lives'* at local level.
- 3.4 Although the grant is for one year, OHID have shared indicative sums for the subsequent two years in order to support authorities to meet the national drugs strategy ambitions. The contract with Change Grow Live is due to end on 30th November 2023 with no further extension options available. A further paper will be presented to Executive in the Autumn 2022 setting out the strategic vision and procurement options for the service, and detail how the further two years of the grant will be allocated from 1st April 2023.
- 3.5 As the first year of the grant needs to be used by the end of the financial year, it is vital to start the variation as soon as possible. The variation will also enable Change Grow Live to secure another fixed term with the existing appointments which are due to end on 30 June 2022. There is a national shortage of suitably qualified drugs and alcohol staff with substance misuse providers across the nation experiencing difficulties in recruitment. Retention of key members of these fixed term staff is therefore vital in continuing with the improvements, sustaining capacity and service performance in criminal justice setting which continues to be a condition of the grant. If the variation is not made before the end of June then 2.6 full time equivalent staff will no longer have contracts of employment in order to provide the necessary service.
- 3.6 To facilitate this, Members are requested to confirm the variation with the provider and use the urgency procedure as provided for by the Council's Constitution.

Summary of Business Case

- 3.7 The draw down of the funds from the OHID Grant will allow the variation to the Adults contract and allow the Provider to implement improvements to the substance misuse offer to Bromley residents as set out in 3.1 – 3.6 above.
- 3.8 The Provider has evidenced continual good service delivery and has worked positively during the COVID-19 pandemic embracing the challenge of meeting extra demand on the service. There is strong and dynamic leadership within the Service that will ensure the outcomes required by OHID within the grant conditions, are fully met.

Service Profile / Data Analysis

Table 1 illustrates estimated unmet need in Bromley and nationally (OHID, 2022)

Substance	Bromley unmet need estimate	National unmet need estimate
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Opiates and/or Crack Cocaine	72.3%	53.7%
Alcohol	86.6%	80.7%

Table 2 illustrates adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison

Adults with substance misuse treatment need who successfully engage in community-based structured treatment following release from prison	Bromley	National
	23%	37%

Options Appraisal

N/A

Preferred Option

N/A

4. MARKET CONSIDERATIONS

- 4.1 Responding to the Covid-19 pandemic and the ongoing related uncertainties has impacted the market and the ability of providers and commissioners to engage in a procurement process.
- 4.2 The variation to the contract will enable Change Grow Live to continue to embed the new innovations gained during the Covid-19 pandemic and undertake the new services to be introduced as part of this variation.

5. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

- 5.1 The grant will support Bromley meet two of the ambitions set out in *'From Harm to Hope: a 10-year drugs plan to cut crime and save lives'*
- 5.2 Breaking drug supply chains - the challenge locally is to ensure maximum numbers coming to the notice of enforcement partners and are diverted into the Criminal Justice Setting stream of support offered by the community drugs service, Change Grow Live. There are various pieces of legislation available and underused to enable this to happen.
- 5.3 Delivering a world class treatment and recovery system - Bromley has an existing and good quality service on offer. The local priority is to ensure the Authority is maximising opportunities to engage substance users in quality treatment.
- 5.4 **Local priorities**

- 5.5 Bromley Community Safer Partnership's priorities include preventing and reducing substance misuse.
- 5.6 Bromley Health and Wellbeing Strategy aims to tackle gaps in health inequalities and achieve real and measurable improvements in the health and wellbeing of residents.

6. STAKEHOLDER ENGAGEMENT

- 6.1 The potential variation to the Adults Substance Misuse Service has been discussed with the Provider and Change Grow Live have welcomed the proposed variation.
- 6.2 Plans for using the additional resource afforded by the grant and variation has been formulated and fully supported by the local Substance Misuse Criminal Justice Project Group whose members consist of Probation Service, Police, Housing, Public Protection and Change Grow Live. The Group will continue to oversee the development of continuity of care from prison to community treatment.

7. IMPACT ASSESSMENTS

- 7.1 N/A

8. POLICY CONSIDERATIONS

- 8.1 The Services to be provided by the grant will supplement the current service being provided and support the Council to meet its obligations within the Corporate Strategy 'Making Bromley Even Better'.

9. IT AND GDPR CONSIDERATIONS

- 9.1 The proposed action does not have any IT and/or GDPR implications as these have already been considered and scrutinised for the existing contract.

10. PROCUREMENT RULES

- 10.1 This report seeks to draw down the OHID grant totalling £264k and a variation to the Adults Substance Misuse contract with Change Grow Live for a period of nine months commencing on 1st July 2022 to 31st March 2023. The proposed value of the variation is £225k and will be met from the OHID grant detailed in Paragraphs 3.1 to 3.9 above.
- 10.2 This Service was originally tendered as an above threshold contract following a competitive tendering process. The variation stated can be completed in compliance with Regulation 72 of the Public Contract Regulations. Subject to compliance with Regulation 72 of the Public Contract Regulations (which allows for change to a contract without re-advertisement on Find A Tender).
- 10.3 The Council's requirements for authorising a variation are covered in CPR 23.7 and 13.1. For a variation of this value, Approval from the Portfolio Holder with Agreement from the Chief Officer, Assistant Director Governance & Contracts, Director of Corporate Services and Director of Finance, must be obtained. Executive approval is sought due to associated draw down of grant.
- 10.4 In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 10.5 Following Approval, the variation must be applied via a suitable Change Control Notice, or similar, agreed with the Provider.

10.6 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

11. FINANCIAL CONSIDERATIONS

11.1 The £225k cost of the proposed contract variation will be fully met from the ringfenced supplemental substance misuse treatment and recovery grant allocation.

11.2 It is proposed that the remaining £39k of the grant allocation is used to extend the contract of temporary programme lead to co-ordinate the additional schemes covered by the contract variation.

11.3 The variation will increase the whole life contract value to £7,177k as set out in the table below:

	Core contract	Variations	Total
	£'000	£'000	£'000
2018/19 (3 months)	337		337
2019/20	1,349		1,349
2020/21	1,349		1,349
2021/22	1,349	86	1,435
2022/23	1,349	346	1,695
2023/24 (9 months)	1,012		1,012
	6,745	432	7,177

12. LEGAL CONSIDERATIONS

12.1 This report recommends the Executive approve the drawdown of a total grant amount of £264k from the OHID to be used to fund a variation of £225k to the Adults Substance Misuse Contract for the financial year 2022/23. It is submitted to the Executive as a drawdown of a government grant must be approved in this way in accordance with the Council's Financial Regulations which enable the Executive to reallocate funds from one service to another.

12.2 Officers have explained in this report why they seek to use the Constitution's urgency provisions so that the call-in procedure does not apply. These provisions are detailed in Part 4 of the Rules of Procedure at paragraph 16; "*a decision will be urgent if any delay likely to be caused by the call in process would seriously prejudice the Council's or the public's interests.*" This report presents the argument as to why such prejudice would be caused to the Council and public by delaying the implementation of these decisions.

12.3 The proposed variation adds £225k to the contract detailed in this report which has a whole life value of £6,745k. Although these services would have been procured under the Light Touch Regime of the Public Contract Regulations 2015, any variations must still accord with Regulation 72. Regulation 72 sets out a series of circumstances when a contract may be varied without the need for a fresh procurement. One of those circumstances, under Reg. 72(1)(c), is where "*the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen; the modification does not alter the overall nature of the contract; and any increase in price does not exceed 50% of the value of the original contract.*" As this is the case here then Regulation 72 applies, and the variation is compliant with procurement law. In addition to procurement law, this report evidences how the variation accords with the Council's Contract Procedure Rules.

12.4 The contract has a variation process under clause B22 which should be followed by the Contract Manager. Once the variation has been approved then a notice to this effect should form an addendum to the contract.

Non-Applicable Sections:	PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS STRATEGIC PROPERTY PERSONNEL CONSIDERATIONS
Background Documents: (Access via Contact Officer)	[Title of document and date]