



## **Report for:**

## **Cabinet**

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### **Date of Meeting:**

14 November 2024

### **Subject:**

Children and Young People (CYP) & Adults substance misuse services commissioning intentions post 31 March 2025

### **Key Decision**

Yes

### **Responsible Officer:**

Carole Furlong - Director of Public Health

### **Portfolio Holder:**

Councillor Jean Lammiman – Portfolio Holder for Adult Services & Public Health

### **Exempt:**

No

### **Decision subject to Call-in:**

Yes

### **Wards affected:**

All

### **Enclosures:**

Appendix 1: Draft substance misuse needs assessment dated Sept 2024

Appendix 2: EQIA

## Section 1 – Summary and Recommendations

This report sets out and seeks approval to direct award contracts for the provision of Substance Misuse Services for Children and Young People (CYP) and adults in accordance with the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR).

### **Recommendations:**

Cabinet is requested to:

1. Approve the direct award of the children and young people substance misuse contract to incumbent provider 'Compass - Services to Improve Health and Wellbeing' (Charity no. 518048) for a term of 3 years from the 1 April 2025 until 31 March 2028; and
2. Approve the direct award of the adult's substance misuse contract to incumbent provider, Via Community Ltd for a term of 3 years from 1 April 2025 until 31 March 2028 with the option to extend for a further 2 years until 31 March 2030.

**Reason: (for recommendations):** The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR), which came into force on 1<sup>st</sup> January 2024, applies to the arrangement of relevant health care and public health services arranged by the Council. This includes substance misuse services. The Council has identified that direct award process C is applicable, enabling the Council to award new substance misuse contracts to the existing providers.

## Section 2 – Report

### Introductory paragraph

The decision to direct award substance misuse services to COMPASS and VIA, by applying direct award process C of the PSR, will ensure that resident support is maintained through continuity of the services. This is in line with the council's priority of putting residents first by ensuring that those in need are supported.

### **The term 'substance' refers to drug and alcohol.**

Harrow Public Health commissions substance misuse services with aims and objectives to:

- **Prevent Problematic Substance Misuse:** Focus on prevention strategies.
- **Education and Early Intervention:** Services for children and young people.
- **Community-Based Addiction Treatment:** High-quality, evidence-based treatment for adults with substance dependence and co-morbidity issues.

- **Harm Reduction:** Reduce substance misuse-related harm to individuals, their children, children and young people and the wider community.
- **Crime Reduction:** Efforts to reduce substance misuse-related crime.
- **Health and Well-being Promotion:** Support long-term recovery and social reintegration for people affected by substance misuse in Harrow.
- **Health protection:** Additionally, **BBV testing** (Blood Borne Virus testing) is included in health services to screen for viruses like Hepatitis B, Hepatitis C, and HIV, which can be transmitted through blood and other bodily fluids.

Please see summary below of the **Tiers of care** used to deliver substance misuse services in Harrow:

- **Tier 1: Advice and Information:** Basic support and information on substance misuse.
- **Tier 2: Open Access Services and Harm Reduction:** Services that are easily accessible and focus on reducing the harm caused by substance misuse.
- **Tier 3: Structured Community-Based Treatment Services:** More intensive, structured treatment provided within the community.
- **Tier 4: Community and Specialist Substance Misuse Treatment:** Includes specialized services such as residential treatment for alcohol and drug misuse.

## **CHILDREN AND YOUNG PEOPLE`S SERVICE OFFER.**

The service delivered by COMPASS for children and young people (CYP) includes:

- **Targeted and Specialist Interventions:** For ages 5-24, focusing on those affected by their own or another's substance misuse (Tiers 2 and 3).
- **Tier 1 Services:** Training and advocacy in schools, colleges, youth clubs, and other venues.
- **Non-Structured Interventions:** Brief interventions focusing on education and signposting.
- **Referral to VIA:** For Tier 4 specialist interventions.
- **Innovative Projects:** Includes a cycling project where young people learn to fix bikes and receive them as rewards, and art projects to support engagement.
- **Prevention and Early Intervention:** Aimed at preventing young people from transitioning to stronger drugs or becoming alcohol and or drug dependent.
- **Outreach and Support:** Deliver outreach sessions in various settings.
- **Training:** Provide training to other professionals

## Performance:

Please see summary below of the performance metrics for the CYP substance misuse services for 2023/24:

### Referrals

- Total Number of Referrals into Service for treatment: 151
- Total New Presentations (Tier 2): 86
- Total New Presentations (Tier 3): 45

### Presentations and Group Work

- Outreach Sessions Delivered (Vulnerable and Targeted): 66
- Attendees at Outreach Sessions: 2453
- Groupwork/Workshops: 49
- Attendees at Groupwork/Workshops: 1812
- Drop-in Sessions Completed: 67
- Promotional Events Attended: 33
- Public Health Campaigns: 37

### Workforce Development

- Professionals Training Events: 13
- Professionals Receiving Training: 166

## ADULTS SUBSTANCE MISUSE OFFER.

VIA offers a comprehensive range of services for adults in Harrow, for those dealing with drug and alcohol issues. Please see their offer for Harrow residents below:

- **Integrated Treatment:** Comprehensive services from assessment to aftercare.
- **Accessibility:** Available to Harrow residents over 18, with late openings on Tuesdays and Thursdays.
- **Multi-disciplinary Team:** Includes doctors, nurses, recovery practitioners, and more.
- **Community Support:** Offers detox, rehab, and peer support.
- **Health Services:** Blood borne Virus (BBV) testing, vaccinations, smoking cessation, and naloxone provision.
- **Employment Support:** Access to Individual Placement & Support (IPS) with a dedicated employment specialist.
- **Criminal Justice Support:** Includes prison in-reach and probation satellites.
- **Family and Carers' Service:** Support for families and carers, including volunteer counselling.
- **Assessments:** Available both face-to-face and digitally.
- **Personalised Care:** Tailored care planning and risk management.
- **Detox Services:** Community and inpatient detox, and residential rehab.

- **Peer Support:** Weekend services provided by BoB (Build on Belief)
- **Reintegration and Aftercare:** Peer mentoring, mutual aid groups, and volunteer counselling.
- **Training Partnerships:** Drug and alcohol/naloxone training.

**Performance of the adult’s substance misuse service:**

In March 2024, the service had **686 individuals in structured treatment**,  
 \*\*based on 12 month rolling data from March 2023

**Table 1:** Adults in Treatment, Harrow 2009-10 to 2022-23

Substance Category	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Opiate	410	380	405	400	385	360	295	255	210	210	215	260	280	285
Non-opiate only	115	95	105	70	80	100	65	85	60	45	50	85	105	75
Alcohol only	240	250	250	235	290	265	250	280	210	160	160	225	270	260
Non-opiate & alcohol	120	130	155	140	170	140	105	130	125	105	105	120	125	95

**Table 2:** Successful treatment outcomes, Harrow 2009-10 to 2022-23

Treatment Exits	Area	2009/10 (%)	2010/11 (%)	2011/12 (%)	2012/13 (%)	2013/14 (%)	2014/15 (%)	2015/16 (%)	2016/17 (%)	2017/18 (%)	2018/19 (%)	2019/20 (%)	2020/21 (%)	2021/22 (%)	2022/23 (%)
Successful completion	England	43	49	53	53	53	52	51	49	48	48	47	50	49	46
Successful completion	London	41	47	50	50	53	53	52	52	51	51	51	52	50	48
Successful completion	Harrow	54	63	72	67	69	58	36	53	49	47	55	53	57	53

Please see summary below of the above data on substance misuse treatment in Harrow:

- **Fluctuating Demand:** Significant increase for all substances in 2020/21 after consistent numbers between 2017/18 to 2019/20.
- **Higher Success Rates:** Harrow consistently shows higher percentages of successful treatment completions compared to England and London.
- **Recent Statistics:** In 2022/23, Harrow had a 53% successful completion rate, higher than England (46%) and London (48%).

This highlights the need for ongoing monitoring and adaptation of treatment services to meet the changing needs of the population.

**Summary of the community and residential detox figures from the last two years:**

- **Community Detoxes:** 29 completed.
- **Inpatient Detoxes:** 11 completed.

**Options considered:**

Commissioners have considered the provider selection processes under the PSR and have identified direct award process C is applicable (with the support of Procurement and Legal). Direct award process C can be followed as:

- the Council is not required to follow direct award processes A or B (see below).
- the terms of the existing contracts are due to expire;
- commissioners are of the view that COMPASS and VIA are satisfying the existing contracts according to the detail outlined in the contracts, and also taking into account the key criteria and applying the basic selection criteria;
- commissioners are of the view that COMPASS and VIA will likely satisfy the proposed new contracts to a sufficient standard taking into account the key criteria and applying the basic selection criteria; and
- the proposed contracting arrangements are not changing considerably (i.e. the considerable change threshold is not met).

The other options considered but not recommended include:

### **1. Direct award process A**

Direct award process A must be used when the Council is satisfied that the health care services can only be provided by the existing provider due to the nature of the services. This option is not recommended because COMPASS and VIA are not the only capable providers for delivering the services. Therefore, direct award process A does not apply.

### **2. Direct award process B**

Direct award process B must be used when patients are offered a choice of provider, the number of providers is not restricted by the Council and the Council will offer contracts to all providers to whom an award can be made. This option is not recommended because service users/patients do not have a choice of provider. Therefore, direct award process B does not apply.

### **3. Competitive process**

The competitive process may be used when the Council is not required to follow direct award processes A or B and cannot or does not wish to follow direct award process C or the most suitable provider process. This option is not recommended, as the council can follow direct award process C. In addition, this option would result in a time and resource consuming process, as well as disruption of service provision and the service development to date.

### **4. The most suitable provider process**

The most suitable provider process involves identifying the most suitable provider based on consideration of the key criteria and without running a competitive process. It is available when the Council is not required to follow direct award processes A or B and cannot or does not wish to follow direct award process C and the Council is of the view that it is likely to be able to identify the most suitable provider. Commissioners have reviewed the key

criteria and are confident that both Compass and VIA have delivered services satisfactorily. They believe these providers will be able to deliver the new contracts, hence they recommend Direct award process C.

## **Background**

Public Health commissioned COMPASS to deliver CYP substance misuse services on a 3-year contract from April 2022 and VIA to deliver adults substance misuse services for a 5-year contract from April 2020. Both contracts end on 31 March 2025.

## **Current situation**

The CYP and adults' substance misuse services have been operating effectively and monitored by commissioners regularly. With the contracts coming to an end in March 2025 there is need to ensure business continuity so that residents continue to receive substance misuse support.

## **Why a change is needed**

We are recommending Direct award Process C under the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR), as our preferred option, to ensure services continuity.

The PSR is a set of rules for procuring health care services in England by:

- NHS England,
  - Integrated care boards, NHS trusts,
  - NHS foundation trusts,
  - local authorities
  - combined authorities
- The rules only apply to procurement exercises that started on/after 1 January 2024 and do not apply to procurements by the relevant authorities of goods or non-health care services.

**Service improvement:** Proposed changes to the service specifications.

To ensure services development and to meet current and emerging residents needs commissioners will be proposing some changes to the services offer.

Please see summary below of the proposed changes and considerations for the substance misuse services from April 2025:

- **Contract Adjustments:** Removal of smoking cessation element and potential increase in BoB contract value.
- **Service Specifications:** Changes to age group support per service, emphasise on joint working, system integration, outreach, and involvement of commissioners in Detox/rehab panels.
- **Support Enhancements:** Inclusion of digital support, on-call services, and clear transition age group plans.

- **Provider Considerations:** Potential contract value increases to account for inflation and staff pay awards.

## Implications of the Recommendation Considerations

### Resources, costs

Substance misuse services are commissioned through public health grant. The current annual budget for the services is £2,006,722 per year.

Provider	Service provision	Contract start date	Length of contract	Contract end date	Cost of contract for the contracted period
COMPASS	CYP service	2022	3 years	March 2025	£716,894.49
VIA	Adults	2020	5 years	March 2025	£8,332,464.00

*\*Please note that the funding for the services post March 2025 could be higher due to inflationary cost.*

### Additional funding

In addition to the Public health grant funding of substance misuse services, the Office for Health Improvement and Disparities (OHID) has been providing grants to Local authorities (LAs) to improve outcomes.

Below is a summary of the funding and its utilisation for substance misuse outcomes for Harrow residents:

- **Funding Source:** The Office for Health Improvement and Disparities (OHID) provides additional funding to local authorities in England, contingent on maintaining public health spending on substance misuse.
- **Substance Misuse Supplementary Grant (SSMTR):** This was initiated in response to the 2021 drug and alcohol strategy, with the Department of Health and Social Care (DHSC) providing additional grants to all England LA's.
- **2023/24 Allocation:** Harrow received £233,810, primarily used to pay for frontline staff in Compass and VIA, and a portion allocated for public health commissioning capacity.
- **2024/25 Allocation:** London Borough of Harrow has been allocated £270,060.

To receive the Substance Misuse Supplementary Grant (SSMTR), local authorities must meet the following conditions:

- **Maintain Baseline Spending:** Local authorities are expected to maintain their 2021 Public Health grant spend on substance misuse as a baseline.



- **Unspent Funds:** Any unspent funds are deducted from the following year's grant funding.
- **Collaborative Efforts:** Local authorities must work collaboratively towards achieving the targets set by the Office for Health Improvement and Disparities (OHID) for their local population.

### Ward Councillors' comments

Not applicable, as it impacts on all Wards

### Performance Issues

- Both service providers are performing well and meeting key performance indicators for the core contract.
- Whilst both providers are satisfying the existing contracts, similar to most London councils, they are struggling to meet OHID targets.
- To mitigate this, both providers are working jointly with commissioners and the combating drugs partnership alliance stakeholders to improve on OHID targets.
- Providers raised concerns that the baseline set in 2021 was just after lockdown when more people required support with drugs and alcohol to enable them to go back to work and in the community and this has been acknowledged by OHID.
- Despite challenges, residents and other stakeholders have provided positive feedback about the services through the development of the substance misuse needs assessment 2024. Please see appendix 1 for more information.

### Risk Management Implications

Risks included on corporate or directorate risk register. **Yes**

Separate risk register in place? **No**

The relevant risks contained in the register are attached/summarised below.  
**Yes**

The following key risk should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Being challenged by other providers	Through PSR regime the mitigations below have been set out to manage challenges to decisions <ul style="list-style-type: none"> <li>▪ No direct route for aggrieved providers to challenge the decision through the courts</li> <li>▪ Only route for challenge for decisions made following:               <ul style="list-style-type: none"> <li>▪ Direct Award process C</li> </ul> </li> </ul>	<b>GREEN</b>

Risk Description	Mitigations	RAG Status
	<ul style="list-style-type: none"> <li>▪ Most Suitable Provider Process</li> <li>▪ Competitive Process</li> <li>▪ is by way of representations to the Relevant Authority during the standstill period, following which the Council may decide to enter the contracts, re-run the procurement or abandon altogether.</li> <li>▪ Providers have the option to make further representations to the PSR Review Panel however the Panel is only advisory, and if a provider was still dissatisfied with an outcome, they would have to challenge via judicial review.</li> <li>▪ Commissioners are satisfied that the requirements are met to lawfully award the contracts to the incumbent providers under direct award process C.</li> <li>▪</li> </ul>	
There is no guarantee the incumbent providers will be interested in the contracts.	<ul style="list-style-type: none"> <li>▪ Commissioners have informed incumbent providers of our intentions subject to cabinet approval and they have confirmed they would like to continue delivering the service.</li> </ul>	<b>GREEN</b>
Incumbent providers being complacent if contracts are awarded directly without competitive process.	<ul style="list-style-type: none"> <li>▪ The direct award contracts will be short e.g., 3 years with possible extension built in to ensure providers continue to deliver against the contract requirements as contract extension is not guaranteed.</li> </ul>	<b>GREEN</b>
<p>Risks if going through competitive procurement:</p> <ol style="list-style-type: none"> <li>1. Amplifying risk of not meeting OHID targets linked to substance misuse supplementary grant</li> <li>2. Commissioning capacity to reprocure new services</li> </ol>	<ul style="list-style-type: none"> <li>▪ Direct award process C is available therefore the Council does not need to follow a competitive process.</li> <li>▪ Other potential providers e.g., CNWL have been informed of prospective plans and they agree with the new PSR regime and also fed back that the contract value would not be viable for the Trust</li> </ul>	<b>GREEN</b>

## **Procurement Implications**

The Council can offer a compliant direct award, via Process C of the Provider Selection Regime 2023.

Award contracts to COMPASS to deliver CYP substance misuse services on a 3-year contract from 1<sup>st</sup> April 2025 until 31<sup>st</sup> March 2028, and VIA to deliver adults substance misuse services for a 3-year contract from 1<sup>st</sup> April 2025 until 31<sup>st</sup> March 2028 with the option to extend for a further 2 years in periods at the discretion of the Council.

## **Legal Implications**

The Health and Social Care Act 2012 transferred statutory responsibility for the commissioning of public health services, including drug and alcohol services, to local authorities.

Although this service is not a statutory responsibility for councils, Public Health has a clear role in prevention, treatment and reducing the harm from substance use. This includes supporting work with families affected by substance use.

The Health and Care Act 2022 introduced a new procurement regime for health contracts from 1 January 2024, namely the Provider Selection Regime. Officers are required to procure relevant 'in-scope' health service under the Provider Selection Regime rather than under the Public Contracts Regulations 2015. An 'in-scope' health service is one that is provided as part of the health service, whether NHS or public health, consists of the provision of health care to individuals or groups of individuals and falls within one or more of the specified common procurement vocabulary (CPV) codes that are set out in Schedule 1 of the Health Care Services (Provider Selection Regime) Regulations 2023 (PSR). Officers have determined that the services are within scope of the PSR. Where the services include both in-scope health services and non-health care services (a 'mixed procurement') the Council can undertake a mixed procurement under the PSR where the in-scope health services have the higher estimated lifetime value, and the Council is of the view that the other services could not reasonably be supplied under a separate contract.

For the reasons detailed in this report, officers recommend direct award to the incumbent providers (direct award process C) as officers are satisfied that the Council meets the requirements (as contained in Regulation 9 of the PSR) to do so.

The Council is required to publish an intention to award notice on the Find a Tender Service (FTS) website, in compliance with Regulation 9(3) PSR and the publication of that notice triggers the start of the standstill period to be observed by the Council, which permits any aggrieved provider of the services to whom the contract relates who believes there has been a failure to comply with the Regulations to make written representations to the Council.

Following the award of contract (if that is the decision following the standstill period) the Council must publish a confirmation of award on the FTS within 30 days of the contract being awarded.

## Financial Implications

The table below sets out the funding for the contracts proposed within this report. The award of the Children's and Young adults Substance Misuse contract to Compass with require revenue funding of £1,011,513 over 3 financial years 2025-28.

The award of the Adults Substance Misuse contract to VIA with require revenue funding of £8,967,100 over 5 financial years 2025-30.

The current funding for these contracts is sourced through the Public Health Grant. That funding has been increased by a further £150,000 per annum to meet the required budget envelope for both contracts.

	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
VIA	£1,710,134	£1,751,354	£1,793,513	£1,839,848	£1,872,252
Compass	£327,061	£337,038	£347,414	£357,414*	£367,414*
<b>Total Costs</b>	<b>£2,037,195</b>	<b>£2,088,392</b>	<b>£2,140,927</b>	<b>£2,197,262</b>	<b>£2,239,666</b>
Current budget	£2,000,034	£2,000,034	£2,000,034	£2,000,034	£2,000,034
Budget uplift	£150,000	£150,000	£150,000	£150,000	£150,000
	<u>£2,150,034</u>	<u>£2,150,034</u>	<u>£2,150,034</u>	<u>£2,150,034</u>	<u>£2,150,034</u>
Difference	<u><b>-£112,839</b></u>	<u><b>-£61,642</b></u>	<u><b>-£9,107</b></u>	<u>£47,228</u>	<u>£89,632</u>

*\*Assumes the continuation of the CYAD contract for an additional 2 years*

The funding allocation will be static for the length of the contract and include the annual inflationary increases within this budget envelope for year 1-3. At the conclusion of the Compass contract for years 4 & 5, future awards of that contract will likely need an additional funded to meet the budget requirement for the financial years 2028-30.

This award of this contract is not linked to any current MTFs savings target, will have no staffing implication on the LB Harrow staffing establishment, or require any capital funding.

Regarding value for money, the percentage increase for the total value of the Via contract award is 7.6% higher than the previous contract award. This calculates to an inflationary increase of 1.5% compounded inflation per annum.

The Compass contract award is 41% higher than the previous contract award. The increase however includes an additional Hidden Harm role that was not part of the previous contract.

### **Equalities implications / Public Sector Equality Duty**

An Equality Impact Assessment has been completed for the recommendations set out in this report. A needs assessment is being developed to ensure services meet all resident's needs.

### **Council Priorities**

Please identify how the decision sought delivers this priority.

- 1. A council that puts residents first**  
The availability of substance misuse services for children and young people and adults ensures that residents needs are put first through education from young age and those who misuse substances are supported through treatment and recovery services.
- 2. A borough that is clean and safe**  
The misuse of substances impacts on the environment through litter and also unsocial behaviour hence the provision of substance misuse services ensures that there is reduced impact on the environment and residents feel safe.
- 3. A place where those in need are supported**  
People who misuse substances do so for various reasons, it is therefore important that they are supported holistically through expert led services and feel included in the community they live in.

### **Section 3 - Statutory Officer Clearance**

**Statutory Officer:** Sharon Daniels  
Signed by the Chief Financial Officer  
**Date:** 22 October 2024

**Statutory Officer:** Melissa Trichard  
Signed on behalf of the Monitoring Officer  
**Date:** 21 October 2024

**Chief Officer:** Alex Dewsnap  
Signed off by the relevant Director  
**Date:** 22 October 2024

**Head of Procurement:** Lisa Taylor  
Signed on behalf of / the Head of Procurement  
**Date:** 22 October 2024

**Has the Portfolio Holder(s) been consulted? Yes**

## **Mandatory Checks**

**Ward Councillors notified:** NO, as it impacts on all Wards

**EqIA carried out:** YES

EqIA was carried out and the EqIA did not identify any potential for unlawful conduct or disproportionate impact and all opportunities to advance equality of opportunity are being addressed. While the substance misuse services are open to all Harrow residents, commissioners continuously work with providers to identify and address barriers to access when groups or individuals are identified as disproportionately represented, ensuring equitable service provision for all. Please see attached background paper.

EqIA cleared by: Jennifer Rock - Partnerships and Inclusion Officer

## **Section 4 - Contact Details and Background Papers**

**Contact:** Carole Furlong, Director of Public Health, [carole.furlong@harrow.gov.uk](mailto:carole.furlong@harrow.gov.uk) and Oasis Azeez-Harris, Senior Public Health Commissioner, [oasis.azeez-harris@harrow.gov.uk](mailto:oasis.azeez-harris@harrow.gov.uk) .

**Background Papers:** None.

**Call-in waived by the Chair of Overview and Scrutiny Committee  
(for completion by Democratic Services staff only): NO**