

<b>9 November 2022</b>		<b>ITEM: 12</b> <b>Decision: 110627</b>
<b>Cabinet</b>		
<b>Public Health Contracts – Substance Misuse &amp; Sexual Health</b>		
<b>Wards and communities affected:</b> All	<b>Key Decision:</b> Key	
<b>Report of:</b> Phil Gregory, Senior Programme Manager, Health Improvement		
<b>Accountable Assistant Director:</b> Andrea Clement, Assistant Director, Public Health		
<b>Accountable Director:</b> Dr Jo Broadbent, Director of Public Health		
<b>This report is Public</b>		

### **Executive Summary**

The Council's public health team are seeking to extend two commissioned service contracts whose values both are above the threshold requiring approval by Cabinet.

The Sexual Health Service is a mandated service. The service provides information, support and treatment for individuals aged 13 and over in Thurrock. The service consistently meets its corporate targets and there is a productive relationship between the local authority and the provider.

The Adult Substance Misuse service is not a mandated service but it is a condition of the Public Health Grant that monies be spent on ensuring there are public health services aimed at reducing drug and alcohol use. The service provides treatment and support to individuals affected by drug or alcohol use. The service consistently meets its corporate targets and there is a productive relationship between the local authority and the provider.

Whilst funded on the whole by the Public Health Grant, the Adult Substance Misuse Service also receives additional funding from the Supplemental Substance Misuse Treatment and Recovery Grant. A condition of the grant is that core spend on adult substance misuse cannot be reduced from the 2020/21 baseline figure over subsequent years without a likely forfeiture of the grant.

A one-year extension of both existing contracts is considered a prudent option from both a continuity and efficiency standpoint.

## **1. Recommendation(s)**

**1.1 That Cabinet approve a one-year extension of the Adult Substance Misuse Service at the current contract value**

**1.2 That Cabinet approve a one-year extension of the Sexual Health Services contract at the current contract value**

## **2. Introduction and Background**

- 2.1 Public Health services are funded through the Public Health Grant. This is a grant from DHSC which is ring-fenced for public health functions, outlined in the grant conditions. As such the Public Health Grant is separate from the Council's General Fund and has prescribed usage.
- 2.2 Decisions on spend in excess of £750,000 must be approved by Cabinet. The Council's public health team are seeking to extend two commissioned service contracts whose values both exceed this £750,000 figure.
- 2.3 The exact value of the Sexual Health Services contract extension, currently delivered by Provide, is to be negotiated; however an indicative figure for 2023/24 is £1,672,420.
- 2.4 The extension of the Adult Substance Misuse service contract, currently delivered by Inclusion Visions, for 2023/24 is valued at £1,434,860.
- 2.5 The Sexual Health Service is a mandated service. The service provides information, support and treatment for individuals aged 13 and over in Thurrock. The service also subcontracts specialist support and advice for young people to Brook, and specialist HIV services to Terrence Higgins Trust. The service consistently meets its corporate targets and there is a productive relationship between the local authority and the provider. The contract value for 2023/24 is yet to be agreed, however budgetary limitations from the Public Health Grant dictate that this value will not be in excess of the equivalent figure for 2022/23
- 2.6 The Adult Substance Misuse service is not a mandated service but it is a condition of the Public Health Grant that monies be spent on ensuring there are public health services aimed at reducing drug and alcohol use. The service provides treatment and support to individuals affected by drug or alcohol use. The service consistently meets its corporate targets and there is a productive relationship between the local authority and the provider.
- 2.7 Whilst predominantly funded by the Public Health Grant, the Adult Substance Misuse Service is also in receipt of additional funding from the Supplemental Substance Misuse Treatment and Recovery Grant (SSMTRG). This is a three-year grant provided by the Office for Health Improvement and Disparities, with a potential total value of £673,000. The SSMTRG is designed to fund additional work around recovery and treatment. A condition of the grant is that core spend on adult substance misuse from the Public Health Grant cannot be reduced from year to year. Any reduction in adult substance

misuse spend from the 2020/21 baseline figure over the subsequent years would likely result in forfeiture of the grant.

### **3. Issues, Options and Analysis of Options**

#### **3.1 Sexual Health Services**

Thurrock Council's contract with Provide Community Interest Company for the delivery of a Sexual Health Service is due to expire on March 31<sup>st</sup> 2023. An extension to the contract of a period of one year is currently possible under Public Contracts Regulations. The exact cost of this extension is currently unclear as negotiations with the provider are ongoing, however it is not expected to exceed the contract value for the most recent year.

3.2 In order to extend the contract length by one-year approval would ordinarily be the remit of the Director of Public Health. However, given the high value of the contract extension, the decision for expenditure is a matter for Cabinet.

3.3 There are currently four options for Cabinet to consider in this matter.

#### **3.4 Option 1: Do nothing – allow the Sexual Health Service contract to expire in March 2023**

3.5 The Council could allow the current contract with Provide to expire, leaving the local authority with no Sexual Health Service provision for 2023/24. This would generate a significant saving in terms of spend on contract. However, as the provision of a sexual health service is a statutory requirement for a local authority the authority would technically be in breach of the law. Alongside the clear legal and reputational damage such a situation would generate, local people would also be denied access to vital public health services, including access to emergency contraception, free testing for sexually transmitted infections and advice and support around how to stay safe, healthy and protected.

#### **3.6 Option 2: Renew the Sexual Health Service contract in line with the current contract spend**

3.7 In extending the contract for a further year the Council would ensure continuity in service delivery for local people and that it continued to meet its statutory responsibilities. Current spend levels are sufficient to provide a comprehensive service that performs well across the majority of metrics. A Sexual Health Needs Assessment and subsequent strategy is due to be completed by the Public Health team in the first half of 2023, leading to an updated service specification for recommissioning the service in 2024/25. In extending the current contract for one year, sufficient time to complete this commissioning undertaking will be provided, leading to an optimised offer in the subsequent year.

3.8 **Option 3 - Renew the Sexual Health Service with reduced contract spend**

3.9 A reduced contract value for 2023/24 would inevitably lead to a reduction in the scope of the service Provide were able to offer. Negotiations over the 23/24 service specification are in their initial stages so the exact nature of the revised specification is unknown at the time of writing. Early indications however are that any reduction in spend would lead to the removal of specialist HIV services currently provided by Terrence Higgins Trust. As Thurrock is currently considered a High Prevalence local authority for HIV there are likely to be both operational and reputational consequences of such an approach

3.10 **Option 4 – Re-commission the Sexual Health Service with a revised contract value and service specification for 2023/24**

3.11 The current contract with Provide could be allowed to expire with a view to re-commissioning the Sexual Health Service from April 1<sup>st</sup> 2023. A revised service specification would be created and put out for tenders, with a contract value to be agreed in advance. If this contract value were reduced there is the likelihood that the service specification would also be reduced from that offered presently. However, there is potential for a provider from the open market to demonstrate cost effective ways of delivering a service with an equivalent or increased specification from that seen now. The difficulty in achieving this outcome however is the limited time available before April 1<sup>st</sup> 2023. In the absence of an updated Sexual Health Needs Assessment and accompanying Strategy, any re-commissioning is unlikely to represent evidence based commissioning. A full and complete re-commissioning process for a contract of this value would usually take at least 12 months including pre-tender service reviews and review by HOSC, and post-award contract handover period. There is also a lack of resource available at this time for commissioning support within Public Health with priority being given to re-commissioning the Children and Young People Substance Misuse Service and the Healthy Families Contract.

3.12 **Adult Substance Misuse Service**

Thurrock Council's contract with Midlands Partnership NHS Foundation Trust, operating under the brand name Inclusion Visions, for the delivery of an Adult Substance Misuse Service is due to expire on March 31<sup>st</sup> 2023. An extension to the contract of a period of one year is currently possible under Public Contracts Regulations. There would be no increase from the present annual cost with this extension.

3.13 As with the Sexual Health Service contract, in order to extend the Adult Substance Misuse contract length by one-year approval is a matter for Cabinet.

3.14 There are currently four options for Cabinet to consider in this matter

- 3.15 **Option 1 - Do nothing – allow the Adult Substance Misuse Service contract to expire in March 2023**
- 3.16 The Council could allow the current contract with Inclusion Visions to expire, leaving the local authority with no Adult Substance Misuse Service provision for 2023/24. This would generate a significant saving in terms of spend on contract. However, as spend on a substance misuse service is a mandated requirement of the Public Health Grant the authority would technically be in breach of the grant conditions and the Secretary of State may subsequently reduce, suspend or withhold grant payments or require the repayment of the whole of the grant. Alongside the clear financial and reputational damage such a situation would generate, vulnerable local people at high risk of harm would be without a vital service.
- 3.17 **Option 2: Renew the Adult Substance Misuse Service contract in line with the current contract spend**
- 3.18 In extending the contract for a further year the Council would ensure continuity in service delivery for local people and that it continued to meet its mandated responsibilities. Current spend levels are sufficient to provide a comprehensive service that performs well across the majority of metrics. An Alcohol and Substance Misuse Needs Assessment is due to be completed in September 2022, alongside the formation of the Combatting Drugs Partnership, who have responsibility for delivering the national Drugs Strategy locally. The combination of these two components will lead to an updated service specification for recommissioning the service in 2024/25. In extending the current contract for one year, sufficient time to complete this commissioning undertaking will be provided, leading to an optimised offer in the subsequent year.
- 3.19 **Option 3 - Renew the Adult Substance Misuse Service with reduced contract spend**
- 3.20 A reduced contract value for 2023/24 would inevitably lead to a reduction in the scope of the service Inclusion Visions were able to offer. With an increasing prevalence of individuals affected by alcohol and drugs misuse locally, alongside a highly publicised renewed focus from central government on delivering the new national Drugs Strategy, there would likely be both operational and reputational consequences of such an approach. Furthermore, additional grant funding recently received from OHID in the form of the 3-year SSMTRG is conditional upon maintaining or increasing core spend on alcohol and substance misuse. The consequences of any reduction in core spend are likely to be the loss of this funding.
- 3.21 **Option 4 – Re-commission the Adult Substance Misuse Service with a revised contract value and service specification for 2023/24**

3.22 The current contract with Inclusion Visions could be allowed to expire with a view to re-commissioning the Adult Substance Misuse Service from April 1<sup>st</sup> 2023. A revised service specification would be created and put out for tenders, with a contract value to be agreed in advance. If this contract value were reduced there is the likelihood that the service specification would also be reduced from that offered presently. A reduced contract spend would also bring with it the likely loss of SSMTRG funding as outlined in Option 3. However, there is potential for a provider from the open market to demonstrate cost effective ways of delivering a service with an equivalent or increased specification from that seen now. The difficulty in achieving this outcome however is the limited time and resource available before April 1<sup>st</sup> 2023. A full and complete re-commissioning process for a contract of this value would usually take at least 12 months including pre-tender service reviews and review by HOSC, and post-award contract handover period. There is also a lack of resource available at this time for commissioning support within Public Health with priority being given to re-commissioning the Children and Young People Substance Misuse Service and the Healthy Families Contract.

#### **4. Reasons for Recommendation**

4.1 Option 2 is recommended for the Sexual Health Service contract as this ensures continuity in the delivery of a service with a strong track-record whilst giving the Public Health team the time required to complete the necessary planning for a renewed offer in 2024/25. The alternative options would lead to either a reduction in the scope of the service being offered, a breach of the Council's statutory requirements, or the commissioning of a new service carried out with a limited understanding of what local people need most.

4.2 Option 2 is recommended for the Adult Substance Misuse Service contract as this ensures continuity in the delivery of a service with a strong track-record whilst also maintaining funding at a level that secures the additional SSMTRG monies. The alternative options would lead to either a reduction in the scope of the service being offered, a breach of the Council's mandated requirements, or the loss of significant additional funding for drug treatment and recovery

#### **5. Consultation (including Overview and Scrutiny, if applicable)**

5.1 This report has been considered by Public Health Leadership Team, Adults Housing and Health Directorate Management Team and the Portfolio Holder for Adults and Health

#### **6. Impact on corporate policies, priorities, performance and community impact**

6.1 The Thurrock Health and Wellbeing Strategy 2022-26 contains a goal to reduce substance misuse in all communities in Thurrock. It commits to doing so by addressing unmet need in relation to drug and alcohol misuse.

- 6.2 The Local Authority is close to publishing a new Teenage Pregnancy Reduction Strategy, 2022-2027. The provision of a high quality and universal sexual health service is a key component in providing young people with the means and motivation to prevent early or unplanned pregnancy by equipping them with the knowledge skills and confidence to allow them to make positive choices about their relationships, sexual and reproductive health. This sits under the Brighter Futures Strategy Strategic Priority 1.

## **7. Implications**

### **7.1 Financial**

Implications verified by: **Mike Jones**  
**Strategic Lead, Corporate Finance**

Ending the existing Sexual Health Service and Adult Substance Misuse contracts would generate financial savings in the short term as spend on the service would effectively be reduced to zero. However, the medium to long-term impact of ceasing a statutory or mandated service is likely to outweigh any potential short-term benefit.

Re-commissioning the Sexual Health Service may generate some savings, however this would depend upon the revised Service Specification and the tender market conditions. Re-commissioning the Adult Substance Misuse service may also generate some savings, but these would likely be cancelled out by the forfeiture of the SSMTRG monies.

Maintaining spend at present levels would represent the status quo position. The implication of doing so may be lead to a lack of financial resource for other contracts within the PHG spend, however in the case of the Adult Substance Misuse service it would ensure the security of the SSMTRG monies for 2023/24.

### **7.2 Legal**

Implications verified by: **Kevin Molloy**  
**Principal Solicitor**

Extending the contracts at present spend levels would be permissible under current contract conditions and Public Contracts Regulations.

Ending the contracts may see the Council breach its statutory responsibilities in terms of ensuring provision of all access Sexual Health services, and breach the terms of the Public Health Grant in failing to provide a mandated service

### 7.3 **Diversity and Equality**

Implications verified by: **Roxanne Scanlon**  
**Community Engagement and Project  
Monitoring Officer**

Both services are universal and as such their existence or otherwise could be argued to impact upon all socio-demographic groups equally. However, the nature of the services is that in many cases those individuals at greatest risk of harm and who could be considered society's most vulnerable would be impacted most through any potential withdrawal or reduction in scope of the services.

### 7.4 **Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder and Looked After Children

None

### 8. **Background papers used in preparing the report** (including their location on the Council's website or identification whether any are exempt or protected by copyright):

None

### 9. **Appendices to the report**

None

### **Report Author:**

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