



Coventry City Council

Council Meeting

19 October 2010

Booklet 1

Recommendations

INDEX TO MINUTES

Cabinet, 5 October 2010

CABINET

5th October 2010

Cabinet Members Present:
Councillor Mrs Bigham
Councillor Clifford
Councillor Duggins (Deputy Chair)
Councillor Harvard
Councillor Kelly
Councillor J. Mutton (Chair)
Councillor O'Boyle
Councillor Skipper
Councillor Townshend

Non-Voting Opposition Representatives present: Councillor Sawdon (Substitute for Councillor Taylor)

Other Members present: Councillor Mrs M Mutton

Employees Present:
H. Abraham (Customer and Workforce Services Directorate)
J. Applegarth (Children, Learning and Young People's Directorate)
S. Brake (Community Services Directorate)
V. Castree (Chief Executive's Directorate)
N. Clews (City Services and Development Directorate)
F. Collingham (Chief Executive's Directorate)
C. Forde (Finance and Legal Services Directorate)
P. Hargrave (Community Services Directorate)
B. Messinger (Customer and Workforce Services Directorate)
R. Moon (City Services and Development Directorate)
J. Nichols (City Services and Development Directorate)
J. Parry (Assistant Chief Executive)
C. Pearson (City Services and Development Directorate)
M. Reeves (Chief Executive)
S. Roach (Community Services Directorate)
C. Sinclair (Customer and Workforce Services Directorate)
A. Walmsley (Children, Learning and Young People's Directorate)
C. West (Finance and Legal Services Directorate)
M. Yardley (Director of City Services and Development Directorate)

Apologies: Councillor Khan

Public business

RECOMMENDATION

56. Modernising Drug and Alcohol Treatment Services in Coventry

The Cabinet considered a report of the Director of Community Services which presented proposals for the re-commissioning of drug and alcohol treatment services jointly with Warwickshire. The purpose of re-commissioning services was to develop an integrated and recovery-focused drug and alcohol treatment system with improved cost efficiencies and choice for service users through a joint procurement process with Warwickshire. The maximum value of the overall tender would be dependent on the outcome of the Government's Comprehensive Spending Review but was anticipated to be around £8 million per annum between the two authorities.

Drug services in Coventry were commissioned in line with government policy and funded largely through external grants, with current funding allocations directly linked to the number of drug users retained in treatment. The expansion of drug treatment since 1998 had significantly increased the number of drug users in treatment predominantly through methadone maintenance programmes which had successfully reduced crime and improved health outcomes.

Alcohol treatment services were funded predominantly from mainstream PCT and Local Authority budgets and had historically never had the same level of focus or funding as drug treatment services.

National policy had recently shifted towards 'recovery' with an emphasis on increasing the number of drug users successfully exiting the treatment system and being reintegrated into society. The funding formula for central government grant funding for drug misuse was being revised and it was anticipated to be partially, at least, based on the number of clients successfully completing treatment. It was expected that the government would launch a new drugs strategy in December 2010.

The current commissioning arrangements for treatment services were outlined in the report together with details of funding sources for treatment services in Coventry for 2010/11.

RESOLVED that, after due consideration of the options and proposals contained in the report and matters referred to at the meeting, the Cabinet recommend that Council:

- (1) Approve the commencement of an OJEU (Official Journal of the European Union) tender process for the provision of an integrated drug and alcohol treatment system as set out in this report.**
- (2) Delegate authority to the Director of Community Services in consultation with the Cabinet Member and the Associate Director of Community and Mental Health Commissioning within Coventry NHS to award the new contract at the conclusion of the tender process.**

05 October 2010

Name of Cabinet Member:

Cabinet Member (Corporate and Neighbourhood Services) – Cllr Townshend

Director Approving Submission of the report:

Director of Community Services

Ward(s) affected:

All

Title:

Modernising drug and alcohol treatment services in Coventry

Is this a key decision?

Yes

Executive Summary:

To present the proposal for the re-commissioning of drug and alcohol treatment services jointly with Warwickshire. The purpose of re-commissioning services is to develop an integrated and recovery-focused drug and alcohol treatment system with improved cost efficiencies and choice for service users through a joint procurement process with Warwickshire. The maximum value of the overall tender will be dependent on the outcome of the Government's Comprehensive Spending Review but is anticipated to be around £8 million per annum between the two authorities.

Recommendations:

Cabinet recommends that Council :

- (1) approve the commencement of an OJEU (Official Journal of the European Union) tender process for the provision of an integrated drug and alcohol treatment system as set out in this report.
- (2) delegates authority to the Director of Community Services in consultation with Cabinet Member and the Associate Director of Community and Mental Health Commissioning within Coventry NHS to award the new contract at the conclusion of the tender process.

List of Appendices included:

None

Other useful background papers:

None

Has it or will it be considered by Scrutiny?

Yes

Scrutiny Board 4 - 14 July 2010

Scrutiny Board 5 - 29 September 2010

Has it, or will it be considered by any other Council Committee, Advisory Panel or other body?

Yes

Procurement Board – 27 July 2010

Will this report go to Council?

Yes – 19 October 2010

Report title:

Modernising drug and alcohol treatment services in Coventry

1. Context (or background)

- 1.1 Drug services in Coventry are commissioned in line with government policy and funded largely through external grants, with current funding allocations directly linked to the number of drug users retained in treatment. The expansion of drug treatment since 1998 has significantly increased the number of drug users in treatment predominantly through methadone maintenance programmes which has successfully reduced crime and improved health outcomes. Coventry has successfully achieved its NI40 / Vital Signs target to retain heroin and crack users in effective treatment.
- 1.2 Alcohol treatment services are funded predominantly from mainstream PCT and Local Authority budgets and have historically never had the same level of focus or funding as drug treatment services.
- 1.3 National policy has recently shifted towards 'recovery' with an emphasis on increasing the number of drug users successfully exiting the treatment system and being reintegrated into society. The funding formula for central government grant funding for drug misuse is being revised and it is anticipated to be partially, at least, based on the number of clients successfully completing treatment. The government is expecting to launch a new drugs strategy in December 2010.

2. Options considered and recommended proposal

- 2.1 The current commissioning arrangements for treatment services are outlined in the table below. Commissioned wraparound services for drug and alcohol users, such as floating support and social inclusion services are excluded from this table.

Tier	Domain	Service	Provider	Current annual value
2/3	Drugs	Community Drug Team (CDT)	Coventry & Warwickshire Partnership Trust	£3.17m (Incl £140k for alcohol CPNs and consultant)
2/3	Alcohol	Swanswell Alcohol Service	Swanswell	£568k (Incl £90k CHIP)
2/3	Drugs & Alcohol	Arrest referral	West Midlands Police	£215k (incl £30k CHIP)
2/3	Drugs	Supervised consumption & needle exchange	Various pharmacies	£155k
3	Drugs	Shared care	Various GPs	£50k
3	Drugs & Alcohol	Structured daycare & parent / carer services	Trust the Process Counselling	£282k (£250k CHIP funded)
4	Alcohol	In-patient detoxification (Woodleigh Beeches)	Coventry & Warwickshire Partnership Trust	£82k
4	Drugs	Out of area detox & rehab	Various	£97k

			Total	£4.619m
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2.2 Drug or alcohol treatment services provided by the Coventry and Warwickshire Partnership Trust, Swanswell and West Midlands Police have never been procured through open tender. Contracts with these services alone total £4.035m (2010/11). Other contracts for wraparound services with these providers, such as floating support, have been awarded following competitive tender.

2.3 Overall funding sources for treatment services in Coventry for 2010/11 are as below.

	Drug misuse	Alcohol misuse	Total
Pooled Treatment Budget (PCT)	£2.46m		£2.46m
DIP main grant (PCT)	£914k		£914k
West Midlands Police (Police)	£25k		£25k
PCT mainstream (PCT)	£406k	£526k	£932k
Community Services (CCC)	£143k	£97k	£240k
Supporting People (CCC)	£104k		£104k
CHIP (CCC/PCT)		£390k	£390k
Total	£4.052m	£1.013m	£5.065m

2.4 It is proposed that adult drug and alcohol services are re-commissioned through a joint tender in conjunction with Warwickshire. Combined budgets for addiction services across Coventry (£5.1m) and Warwickshire (£5.8m) currently equates to approximately £11m. It is anticipated that funding may be reduced as a result of the Comprehensive Spending Review and it is unclear what funding will be available for treatment services in future years. The tender will take into account any revised levels of funding available in future years and therefore any resulting changes required in contract values. The project will also take into account resources required by CCC for the period to September 2011 when revised arrangements are expected to commence. Provision will initially be for 4,000 – 5,000 clients per annum.

2.5 The rationale for tendering is three-fold:

2.6 To ensure the treatment system is cost effective

- 2.6.1 Providers of the bulk of the treatment system in Coventry have never been procured via competitive tendering.
- 2.6.2 In line with the Total Place initiative, tendering with Warwickshire for a combined drug and alcohol addiction service will enable tendering organisations to pass on economies of scale to commissioning bodies.
- 2.6.3 Due to future funding uncertainties, it is proposed that the tender will be released following publication and analysis of the Comprehensive Spending Review in late October 2010. It is expected that the full impact of the Comprehensive Spending Review will not be known until later in the financial year and subsequently it will take time for funding allocations to be formally agreed by decision making bodies. The tender process will ensure that contracts will be flexible to accommodate final agreed funding allocations.
- 2.6.4 Joint tendering provides an opportunity to develop resilience amongst providers. It will encourage the development of a more flexible workforce, with providers better able to manage staff absence more robustly and better placed to cater for future uncertainties.

2.7 To develop a treatment system with 'recovery' at its core

- 2.7.1 As outlined in paragraphs 1.1 and 1.2, drug services in Coventry are currently focused on maintaining clients in treatment. In the calendar year 2009, 210 adult drug users successfully exited drug treatment services drug-free or as an occasional user. This is in comparison to 550 drug users who started a new treatment episode and represents 17% of all those in treatment during the year. Training of staff and the recent addition of extra services to enable a greater focus on abstinence and recovery has not led to the step-change towards recovery being sought.
- 2.7.2 Commissioning for Recovery (NTA, 2010) reiterates that "The goal of all treatment is for drug users to achieve abstinence from their drug – or drugs – of dependency". It goes on to state "...partnerships will need to pay significant attention to how service users exit treatment either through community-based structured day services, tailored community based abstinence services or via residential rehabilitation services." It is anticipated that the new funding formula for government grants will reflect the recovery agenda.
- 2.7.3 Further, re-tendering at this time will enable alcohol treatment schemes currently funded through the Coventry Health Improvement Programme (CHIP) scheme to continue where the approach is effective via mainstream funding.

2.8 To develop the personalisation agenda within addiction services

- 2.8.1 Tendering for new provision, with a wider choice of interventions, will enable the personalisation agenda to be better developed within drug and alcohol services.
- 2.8.2 Tendering joint drug and alcohol services will allow improved integration for approaches to address general 'addictive behaviour' issues regardless of substance and will better support those clients requiring treatment for both drug and alcohol issues.
- 2.8.3 Tendering with Warwickshire will enable choice to be extended further still, with clients able to choose from a wider selection of services or service locations. Cross border cooperation will also enable some clients to better reintegrate by relocating away from their immediate home area but within a reasonably close proximity which may help maintain family links.
- 2.8.4 It is unlikely that a single provider will be able to tender for the full range of services required and it is expected that consortium proposals will be received potentially via joint ventures or on a lead provider / sub contractor basis.
- 2.9 The new contract is likely to be of a two year term with extension options for a further 4 years.
- 2.10 Some elements of service provision will be excluded from the tender exercise, including all young people's services, service user involvement and certain wraparound services including those funded via Supporting People. Young people's drug and alcohol services and Supporting People-funded services have both undergone a competitive tender process in recent years. Whilst service user involvement will form an element of provider's contracts, it is important also to have independent service user consultation to ensure clients' considerations are effectively included in the commissioning process.
- 2.11 A working agreement between Coventry and Warwickshire partners will outline the working relationship between the commissioning and contracting partners up to the contract activation date. A second working agreement will be developed following award of the contract to outline the ongoing working relationship between Coventry and Warwickshire in relation to the contract management process.

3. Results of consultation undertaken

- 3.1 Drug and alcohol services in Coventry are commissioned by the City Council (Community Safety Team) on behalf of the Community Safety Partnership. The Community Safety Partnership's Joint Commissioning Group receives ongoing reports in relation to the re-commissioning proposal.
- 3.2 Proposals for the re-tendering of drug and alcohol services have been presented to Scrutiny Boards 4 and 5, the PCT Executive Team, Godiva Practice-Based Commissioning and the Procurement Board. It will be considered by the Professional Executive Committee in October.
- 3.3 Consultation is underway with service users, parents / carers and staff from providers to assist in the development of the tender evaluation criteria.

4. Timetable for implementing this decision

- 4.1 It is proposed that the Invitation to Tender (ITT) will be released in November following publication of the Comprehensive Spending Review which should clarify issues in relation to future funding. It is proposed the initial contract will be of a 2 year term with extension options subject to annual acceptable performance reviews for a further four years.
- 4.2 The following outline timetable will enable the new model of provision to begin (assuming a 6 month lead-in period following exchange of contracts) in September 2011.

July, August, September, October 2010	<ul style="list-style-type: none"> • Notify existing providers of commissioning intent • Agree tendering and contracting arrangements • Consultations with key stakeholders: elected members, PCT, providers, budget holders, service users, parents / carers, Joint Commissioning Group, Practice-Based Commissioning groups (Godiva & Gables), Professional Executive Committee, UHCW, LA Procurement Board • Specifications and evaluation criteria finalised • Performance management framework finalised
November	<ul style="list-style-type: none"> • Invitation to tender released • Bidders information day
January 2011	<ul style="list-style-type: none"> • Tender period ends
February	<ul style="list-style-type: none"> • Evaluation of proposals • Notification of award
April	<ul style="list-style-type: none"> • Exchange of contracts
October	<ul style="list-style-type: none"> • Provision starts

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

- 5.1.1 Current income, including mainstream PCT funding, is laid out at paragraph 2.3. Mainstream City Council (Community Services) funding totals £240k, excluding £104k funding from Supporting People which will not be included within this proposal. No additional Local Authority funding is being sought.

- 5.1.2 External grants total £3.4m. A number of alcohol treatment projects are funded by the Coventry Health Improvement Programme (CHIP) with end dates between June 2011 and July 2012.
- 6.1.1 A number of contracted services have never been commissioned via open tender. The annual contract value of services in Coventry which have never been tendered exceeds £4m per annum. It is intended that a competitive tender will improve value for money and that significant economies of scale can be derived from jointly tendering with Warwickshire.
- 5.1.3 It is not intended that Invitations to Tender will be released before the publication, and subsequent analysis, of the Government's Comprehensive Review in October 2010.
- 5.1.4 The City Council will provide a financial contribution towards the tender production and direct procurement costs subject to a cap of £12,000. Funding has been identified from within the Community Safety Partnership's Pooled Treatment Budget.

5.2 Legal implications

- 5.2.1 The contract for drug and alcohol treatment services will be between Warwickshire County Council and the successful bidder, with a joint working agreement between Warwickshire County Council and Coventry City Council to specify their responsibilities and the working arrangement between the two councils.
- 5.2.2 The contractor(s) will be selected by competitive procurement with notices published in the Official Journal of the European Union (OJEU) in accordance with the requirements of the Public Contracts Regulations 2006.

6. Other implications

6.1 How will this contribute to achievement of the Council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

Drug and alcohol treatment services contribute to the delivery of a range of outcomes identified within the Sustainable Community Strategy, including reducing health inequalities and improving community safety.

6.2 How is risk being managed?

A joint project risk log has been developed and is reviewed regularly by the Project Board. Coventry's representatives on the Project Board are the Associate Director (Community and Mental Health Commissioning), NHS Coventry and the Assistant Director (Public Safety), Community Safety Team Manager and the Drug & Alcohol Commissioning Manager (all City Council).

6.3 What is the impact on the organisation?

None

6.4 Equalities / EIA

Annual drug and alcohol needs assessments include regular review of equality issues of existing provision. Drug and alcohol misuse can affect all communities but tends to be

concentrated within groups and individuals with existing multiple needs and experiencing social deprivation. An outcome-based specification for the new service is being developed and any new provider will be required to ensure they provide services appropriate for the client base.

6.5 Implications for (or impact on) the environment

None

6.6 Implications for partner organisations?

The proposed timetable allows six months from exchange of contract to new service provision beginning. This will ensure a smooth transfer and the development of robust pathways and working arrangements with partner organisations like the police, probation and PCT. Partner organisations providing funding for drug and alcohol treatment services have been consulted and will continue to be updated on progress, via the Community Safety Partnership's Joint Commissioning Group.

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