

**Report to:** Lead Member for Adult Social Care and Health

**Date of meeting:** 7 February 2024

**By:** Director of Adult Social Care and Health

**Title:** Adult Drug and Alcohol Treatment Services in East Sussex

**Purpose:** To seek Lead Member approval to extend the existing contract for adult Drug and Alcohol Recovery Services by the permitted 24 months

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**RECOMMENDATIONS:**

**The Lead Member is recommended to approve the extension of the current Drug and Alcohol Recovery Services Contract by the permitted 24 months.**

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**1. Background**

1.1. East Sussex County Council (ESCC) is required to meet outcomes for substance misusers within the following frameworks:

- The Public Health Outcomes Framework (PHOF).
- The Government drug strategy 'From Harm to Hope'.
- The East Sussex Safer Communities Business Plan.

1.2. The current contract with Change, Grow, Live Services Limited (CGL) to deliver the Drug and Alcohol Recovery Services ("the Services") expires on 31 March 2024. There is the option to use an allowed for extension under the existing contract, until 31 March 2026.

1.3. The original value of the initial contract was £25,500,000 and the value of the extension is £10,200,000. The total value of the contract including extensions is £35,700,000.

1.4. There are now several reasons to consider extending the contract out to the permitted 31 March 2026. These are:

- i) Maintaining positive service delivery;
  - The national Combatting Drugs Strategy and the local Harm to Hope Strategy make a case for a more strategic, integrated and collaborative approach to commissioning treatment services: shifting commissioning models upwards and away from contractual management - towards population health management, strategic alignment, pooled budgets, joint commissioning and a collaborative, developmental model. Therefore, extending the current contract aligns with this Strategy by enabling continuation of positive service delivery and enabling sufficient time to redesign the service going forward in advance of recommissioning under the new PSR model.
- ii) Changes in national procurement guidance and best practice;
  - Driven by this experience, new national procurement rules, known as the Provider Selection Regime (PSR), came into force on 1 January 2024 and confirms that a contract may be directly awarded to an incumbent provider where the incumbent provider is satisfying its existing contract, will likely satisfy the new contract to a sufficient standard, and the proposed contracting arrangements are not changing considerably. This demonstrates a change in approach to commissioning of these services and whilst the existing contract is being extended and not a new contract directly awarded, the changes in national procurement guidance and best practice support ESCC's approach.
- iii) The likelihood of a clearer funding picture in March 2026, locally and nationally.

- If ESCC recommissioned now, it would likely (in line with best practice) seek a minimum five year contract. However, there isn't a clear picture of central government investment in this area for future years. By waiting to recommission in March 2026, ESCC should have a clearer picture of new national funding and policy positions on combatting drugs. As ESCC currently receive significant additional funding and these funding streams end in March 2025, ESCC will have a clearer picture of the financial landscape in 2026 as well having an indication of how the provider will perform without the additional funding.

1.5. Based on these three areas, delaying recommissioning until March 2026 is likely to provide a better service and outcomes for residents, and greater flexibility for ESCC in respect of future funding commitments.

## **2. Supporting information**

### **2.1. Substance Misuse Service Delivery in East Sussex**

- The current contract was awarded in 2019, for four years and ten months with an allowed extension for up to twenty four months.
- The service is currently performing at a high level across the county, including a 14% increase in new presentations to the service between March 2022 - March 2023, and a reduction of 11% in the number of individuals leaving the service before 12 weeks of treatment for the same time period.
- During the current contract period, effective pathways into the service have also been developed for all treatment groups.

### **2.2. Recent Tendering Processes**

- CGL have delivered substance misuse services in East Sussex since 2014.
- The service has been put out to competitive tender twice during this period. These processes have had a mixed response. CGL were the only bidder in 2014 and although there were several bidders in 2019, CGL scored the highest in respect of the evaluation process.

### **2.3. Current Market Position**

- CGL are also the substance misuse treatment provider in West Sussex, and Brighton and Hove. Both these contracts have several years left to run.
- There is a limited number of national organisations with the specialist skills to deliver this service.

### **2.4. Legal and Procurement Position**

- The current contract allows for an up to twenty-four (24) month extension until March 2026.
- After this date, the most appropriate route to market will be taken in line with guidance from ESCC Procurement and legal teams.
- Further extension of the current contract will allow time for the PSR to become more embedded (as it is a very new regime) and therefore, once the current contract expires the PSR could then be used to re-commission this service more effectively.

### **2.5. Community Safety and Public Health Position**

- A further extension will allow consistency for service users.
- Extending this contract will allow the service to consolidate their current strong performance and to assess delivery of the service for a year without the current additional funding streams.

## **3. Conclusion and reasons for recommendations**

3.1. Invoking the contract extension would maintain consistency of service delivery, resulting in a better service for residents.

3.2. The Service Provider would be contractually required to adhere to all the key principles of the Service which include tailoring the Services to the individual, the Service being flexible in duration and intensity of support and intervention as required and modifying Service delivery to meet emerging need, if required.

3.3. A full recommissioning process would then begin in April 2025, to allow a new contract to commence on 1 April 2026. As part of this recommissioning process, a thorough assessment of all potential service providers capable of delivering community drug and alcohol treatment services in East Sussex will take place via market engagement events between January and April 2025.

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LOCAL MEMBERS

ALL

BACKGROUND DOCUMENTS

none