

From: Clair Bell, Cabinet Member for Adult Social Care and Public Health
Dr. Anjan Ghosh, Director of Public Health

To: Health Reform and Public Health Cabinet Committee
11 July 2023

Subject: **Kent Drug and Alcohol Contract Commissioning**

Classification: Unrestricted

Key Decision: **23/00032**

Past Pathway: N/A

Future Pathway: Cabinet Member Decision

Electoral Division: All

Summary:

Kent County Council has a legal responsibility to provide drug and alcohol treatment and recovery services in order to reduce the harm caused by drugs and alcohol and improve the health and wellbeing of Kent's population. Professor Dame Carol Black's independent review of drug and alcohol provision called on the need for additional funding to improve the quality and capacity of services. Subsequently, the government published a 10 year drug and alcohol strategy in 2021, 'From Harm to Hope', with three years of funding for Kent from April 2022 to March 2025.

In Kent, the additional funding totals circa £10m over the three years and examples of how the funding has been utilised include: increasing the capacity of the workforce; improving the quality of delivery by reducing caseloads and having specialist staff; and supporting additional tier 4 treatment placements. There is the expectation that the funding will continue over the remaining 7 years of the strategy although this has not yet been confirmed. The current drug and alcohol contracts are due to expire on 31 March 2024, a year before the additional 3 year investment ends.

This report seeks endorsement on the proposal to extend three of the four Kent drug and alcohol contracts by a further period of 10 months to allow clarity to be obtained over future funding streams. The 10 month extension from 1 April 2024 to 31 January 2025 would cover the East Kent Community Drug and Alcohol Service, West Kent Community Drug and Alcohol Service and Young Persons Drug and Alcohol service.

The report also seeks endorsement on the proposal to procure the Residential Recovery Housing Contract in time for its expiry on the 31 March 2024 following a commissioning review of the service which recommended the service would benefit from approaching the market under a competitive procurement due to changes in the service specification.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Adult Social Care and Public Health on the proposed decision to:

- I. **APPROVE** the procurement of the Residential Recovery Housing contract for the period from 1 April 2024 to 31 March 2028 (four years) with two additional two-year extension options.
- II. **APPROVE** the extension of the contracted East Kent Community Drug and Alcohol Service, West Kent Community Drug and Alcohol Service and Young Persons Drug and Alcohol service for a period of 10 months from 1 April 2024 to 31 January 2025.
- III. **DELEGATE** authority to the Director of Public Health to take relevant actions, including but not limited to, entering into and finalising the terms of relevant contracts or other legal agreements, as necessary, to implement the above decisions.

1. Introduction

- 1.1 This report sets out the rationale for the commissioning intentions for substance misuse services in Kent.
- 1.2 This includes endorsement for the extension of the adult Kent Drug & Alcohol Treatment and Recovery Services by a period of 10 months, the extension of the Young Persons Drug and Alcohol Service contract by a period of 10 months and the procurement of the Adult Residential Recovery Housing service in time for its expiry on the 31 March 2024.
- 1.3 KCC commissions these services as part of its statutory responsibilities and as a condition of its Public Health Grant. Kent Drug & Alcohol Services aim to reduce the harm caused by drugs and alcohol and improve the health and wellbeing of Kent's population. The local authority's Public Health grant requires the Authority to "have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services."
- 1.4 Professor Dame Carol Black's Review of Drugs¹ was commissioned by the Home Office and the Department of Health and Social Care to inform government thinking on what more can be done to tackle the harm that drugs and alcohol cause. Following this review, Central Government published a 10-year drug strategy named From Harm to Hope and subsequently awarded local authorities with 3-year grant funding to supplement existing drug and alcohol support services. For Kent County Council, this totals circa £10m over the three years April 2022 to March 2025.
- 1.5 The recommendations in this paper are in line with Professor Dame Carol Black's recommendations and the national From Harm to Hope Strategy which

¹ Department of Health & Social Care (2021) Dame Carol Black's Independent Review of Drugs
<https://www.gov.uk/government/publications/review-of-drugs-phase-two-report/review-of-drugs-part-two-prevention-treatment-and-recovery>

identify the need to maximise the stability and consistency of services to benefit both the service users and the workforce.

2. Strategic alignment and background

- 2.1 The provision of Kent Drug & Alcohol Services aligns with local and national strategies. Locally, the services support the levelling up agenda and integrated model of care outlined in KCC's Strategic plan 2022-26. More specifically, the drug and alcohol services support with the achievement of Priority 1 - Levelling up Kent and Priority 4- New Models of Care.²
- 2.2 This provision also aligns with the Kent Drug & Alcohol Strategy 2023-2028 'Better Prevention, Treatment & Recovery and Community Safety'³, which identifies 13 strategic priorities across three main areas: Prevention; Improving Treatment and Recovery; and Community Safety. The Young Persons Drug & Alcohol Service specifically contributes to achieving the objectives of prevention, early intervention, and system-approaches to the improvement of treatment.
- 2.3 The drug & alcohol services support the 2021 national 10-Year Drug Strategy, 'From Harm to Hope' and associated investment linked to national objectives of improving numbers in treatment, continuity of care from prison to community services, quality of treatment and the reduction in drug and alcohol related mortality. As a result of the additional investment from Central Government to sustain these national strategic objectives Kent is in receipt of £10,383,433⁴ investment via a number of grants over the period April 2022 to March 2025. This additional funding is linked to maintaining the level of investment from the Public Health grant and to the commitment of successfully achieving established local targets.
- 2.4 The additional funding received has enabled the Council to increase existing services and implement new services. Examples include:
 - 2.4.1 Additional staff to reduce caseloads, increase capacity and improve quality.
 - 2.4.2 Specialist staff such as complex case workers, criminal justice workers, and inclusion workers.
 - 2.4.3 A service to support individuals into treatment that are sleeping rough or who are at risk of sleeping rough.
 - 2.4.4 A service to support individuals that are already in treatment that require housing support to maintain their recovery journey.
 - 2.4.5 Additional funding for tier 4 placements including residential rehabilitation and inpatient detoxification.

² [Framing Kent's Future - Our Council Strategy 2022-2026](#)

³ Kent Drug and Alcohol Strategy 2023-2028 ([Kent Drug and Alcohol Strategy 2023-2028 | Let's talk Kent](#))

⁴ This figure includes current grant allocations plus expected allocations until 31 March 2025 for the SSMRTG, RSDATG, SSMTR Housing Support Grant, IPD and IPS allocations.

2.4.6 A service which will support the improvement of quality in treatment and ensure user voice is listened to and acted on.

3. Current contracts

Adult Kent Drug & Alcohol Services

3.1 Adult Kent Drug & Alcohol services are currently formed by 3 contracts, all due to come to an end on 31 March 2024. These are as follow:

- East Kent Community Drug and Alcohol Service, delivered by The Forward Trust and awarded in 2017.
- West Kent Community Drug and Alcohol Service, delivered by Change Grow Live (CGL) and awarded in 2016.
- Residential Recovery Housing Service, delivered by Change Grow Live (CGL) and awarded 2017.

3.2 The East Kent Community Drug and Alcohol Service contract has provision to extend until 31 March 2025 in accordance with the provisions included at clause 2.2.

3.3 The West Kent Drug and Alcohol Service contract had provision to extend until 31 March 2024, which has been fully utilised. However, in order to ensure that contract expiry remains aligned, the Council may rely on Regulation 72(1)(b) to further extend until 31 January 2025.

3.4 The East Kent and West Kent Drug and Alcohol services deliver open access drug and alcohol treatment and harm reduction services for adults aged 18+ through a range of interventions including structured psychosocial support, clinical interventions, access to residential rehabilitation and inpatient detoxification, provision of needle exchange and Naloxone. Throughout the lives of the contracts, the services have worked in partnership with Public Health Commissioners to enhance and adapt their service.

3.5 Public Health undertook a formal contract review of both East and West Kent Adult Community Drug and Alcohol contracts, both of which evidenced the strong outcomes the services achieve and with the recommendation to extend.

3.6 The Residential Recovery Housing service is delivered by CGL and offers supervised, short-term housing to individuals aged 18+ who are abstinent from drugs and alcohol to aid their recovery journey into permanent housing. The service provides supported accommodation to 18 residents across two sites at any one time with the anticipated stay being up to two years. The service is currently completing a transition towards a psychologically informed model based on service user engagement and partnership-working with Public Health Commissioners. While the service provider has shown commitment to improve the quality of delivery, the contract has experienced difficulties over its life largely driven by a high level of flats that have remained vacant longer than deemed acceptable. Reasons flats have remained vacant for longer than deemed acceptable can be grouped into the below themes:

- Having a pipeline of individuals ready to move into the service.
- Ensuring repairs and maintenance are carried out in a timely manner.
- Supporting individuals that have relapsed into community treatment services without destabilising the service.

Young Persons Drug and Alcohol Service

- 3.7 The Young Persons Drug and Alcohol Service contract, as delivered by We Are With You (With You), commenced on 1 January 2018 to provide an integrated substance misuse service for 11-18 year olds in Kent, with the flexibility to provide interventions for those aged 18-24.
- 3.8 The Service operates a peripatetic model and is closely integrated with other local services and support networks such as Integrated Children's Services (ICS), Children and Young People's Mental Health Service (CYPMHS), and Youth Offending Teams. Alongside their one to one offer, With You runs early intervention groups including a preventative programme (Riskit) for young people who could be at risk of developing substance misuse issues. With You also provides a youth diversion scheme (Re-Frame) aimed at reducing criminality in young people found in possession of illegal substances by Kent Police. The service offers individualised support for parents around their child's substance use and workforce development training programmes for external practitioners working with young people.
- 3.9 Throughout the life of the contract the Service has proactively worked with Public Health Commissioners to enhance their core offer via additional funding streams, for example the Moving Parents & Children Together (M-PACT) Programme and the Sunlight project (for those impacted by someone else's substance use).
- 3.10 Public Health undertook a formal contract review in 2022, which highlighted the good performance of the service. The contract has provision to extend for a further 9 months until 31 December 2024. In order to ensure that expiry remains aligned across these contracts, the Council may rely on Regulation 72(1)(b) to further extend until 31 January 2025.

4. Return on investment

- 4.1 National evidence shows a substantial return on investment. Research indicates that adult alcohol treatment reflects a return on investment of £3 for every pound invested and drug treatment reflects a return on investment of £4 for every pound invested from reduced demands on health, prison, law enforcement and emergency services.⁵ Specialist interventions for young people are also shown to be a cost-effective way to secure long term outcomes, providing five or even eightfold return on investment ⁶ with their impact in young people's lives and reduced demand for various public services.
- 4.2 Evidence also suggests that the current Kent contracts deliver good value for money, with Kent having consistently spent a lower proportion of its Public

⁵ <https://www.gov.uk/government/publications/alcohol-and-drug-prevention-treatment-and-recovery-why-invest>

⁶ Department for Education (2021) <https://www.gov.uk/government/publications/specialist-drug-and-alcohol-services-for-young-people-a-cost-benefit-analysis>

Health Grant on substance misuse services than national averages and statistical neighbours, whilst also achieving better outcomes.⁷

5. Contract Extension

5.1 Kent County Council are in receipt of additional funding totalling £10,383,433⁸ covering the period April 2022 to March 2025. This funding is from the national 10 year drug and alcohol strategy 'From Harm to Hope'. As the funding forms part of a 10 year strategy, it is anticipated this funding will continue for a further 7 years over the full life of the national strategy although this has not yet been confirmed by OHID.

5.2 The funding has been primarily utilised through the existing contracts to employ additional staff across the contracts to increase capacity, increase quality and ultimately reduce the harm caused by drugs and alcohol. The East Kent Community Drug and Alcohol Service, West Kent Community Drug and Alcohol Service and Young Persons Drug and Alcohol have received a substantial uplift in funding to be able to deliver the outcomes from the grants.

5.3 The below contracts are all due to expire on 31 March 2024, a year before the additional funding is due to end and prior to confirmation of the continuation of the additional funding.

- East Kent Community Drug and Alcohol Service
- West Kent Community Drug and Alcohol Service
- Young Persons Drug and Alcohol Service

5.4 The substantial increase in funding creates a difficult situation to procure services during a time of volatile funding which supports a highly vulnerable client group. Should services be procured in line with the current end dates then there would be a significant drop in funding after the first year of the new contract which presents a risk to service users. Furthermore, by commencing a competitive procurement for new contracts without knowledge of the funding available, the Council may not be able to offer funding assurance to bidders which could impact on the commercial proposals put forward in tenders thereby jeopardising the value for money offered. In addition, it may lead to contract instability as there would likely be the need to renegotiate the contract during delivery.

5.5 Detailed analysis of the contracts has identified that all three services are performing well against their KPIs and also when compared to national averages and statistical neighbours. Furthermore, national benchmarking tools identify that Kent services are providing very good value for money.

5.6 The East Kent Community Drug and Alcohol contract has provisions for a further 12-month extension. The Young Persons Drug and Alcohol Service contract has provisions for a further 9-month extension.

⁷ [Spend versus Outcomes](https://www.phe.gov.uk) (phe.gov.uk)

⁸ This figure includes current grant allocations plus expected allocations until 31 March 2025 for the SSMRTG, RSDATG, SSMTR Housing Support Grant, IPD and IPS allocations.

- 5.7 The Integrated Care System within Kent is still forming and with new procurement legislation due to come into effect within the 2023/24 financial year, there is a movement to transition from a competitive approach with providers, to one that is in collaboration and builds on existing relationships.
- 5.8 Kent Public Health is undertaking a transformation programme and the extension of contracts will also present the opportunity to implement any relevant actions from the programme into new contracts.
- 5.9 Public Health have undertaken a market analysis of potential providers. There are a limited number of viable providers within the market, with Kent County Council commissioning the majority of them already to deliver the Kent Drug and Alcohol Services.
- 5.10 Public Health recommend extending the below contracts for a further period of 10 months to enable certainty over funding to be obtained in order to minimise the disruption to the vulnerable client group which would be caused by a procurement during a time of funding uncertainty and to enable the Council to obtain funding certainty to be able to offer the market funding assurance and residents value for money of services.
- East Kent Community Drug and Alcohol Service
 - West Kent Community Drug and Alcohol Service
 - Young Persons Drug and Alcohol Service contract
- 5.11 10 months has been identified as the contract length extension to be recommended across all three contracts, which would expire 31 January 2025. This utilises existing contractual provisions enabling extension (as detailed above) and also relies on provisions contained in regulation 72(1)(b) to modify these contracts during their term whilst allowing the three contract end dates to continue to be aligned.
- 5.12 A public consultation on service delivery was held in September-November 2022 in conjunction with the consultation on the 2023-2028 Kent & Medway Drug & Alcohol Strategy.⁹ KCC-commissioned Insight work was also carried out among underserved communities to understand barriers to treatment. This feedback will be acted on within the extension period and beyond.

6. Residential Recovery Housing

- 6.1 The service is a residential service open to Kent residents who have obtained abstinence and to continue to support their recovery journey emphasising a goal orientated service with time-limited recovery support. A service user and staff consultation held by the current provider in March 2022 formed the basis for the redesign of the current delivery model. New service specifications emphasise requirements for a whole system approach to the care of service users. This includes:
- mental health support via a psychologically informed model
 - enhanced physical health including partnership working with primary and secondary care.

⁹ [Kent Drug and Alcohol Strategy 2023-2028 | Let's talk Kent](#)

- life skills support for independent living via close partnerships with other KCC commissioned services (One You), district councils, Department of Work and Pensions and local Voluntary Community and Social enterprises.
- 6.2 The new service model is being piloted by the current service provider with positive improvements in terms of safety, service users' outcomes and service utilisation.
- 6.3 Commissioning analysis for the Recovery Housing Contract concludes with the recommendation to procure the service. The service has delivered positive outcomes for residents but has faced some challenges during its contract length which is largely due to a high level of unoccupied flats. It is viewed that approaching the market with the revised service model as described in the previous point will provide an attractive opportunity for the market.
- 6.4 Public Health recommend a total contract length of eight years (four-year contract with the option of two two-year extensions) with review mechanisms to allow flexibility for change. The proposed length of contract is in line with Dame Carol Black's recommendation against frequent procurements of the services because of the associated disruption for service users, local partnerships, and workforce retention. A contract with the available extensions up until 2032 will also align the length of the contract with the end of the 2021 10-year Drug Strategy, hence allowing for the system stability required for the full implementation of the national strategic objectives.
- 6.5 The procurement would commence in July 2023 and would be awarded in December 2023, enabling a mobilisation period of 3 months between contracts and to minimise the disruption to existing service users.

7 Financial Implications

- 7.3 The funding for these contracts would be funded from the Public Health Grant and the additional funding linked to the 10-year national drug and alcohol strategy 'From Harm to Hope'
- 7.4 Public Health estimate a financial commitment as below for each contract recommended for a 10-month extension
- East Kent Drug & Alcohol Service: £6,498,752
 - West Kent Drug & Alcohol Service: £5,036,404
 - Young Persons Drug and Alcohol Service contract: £895,822
- 7.5 Public Health estimate a financial commitment of £1,752,993 for an 8-year contract for the Recovery Housing Contract which fits into the existing budget envelope.
- 7.6 Public Health will continue to use open book accounting to ensure transparency and efficiency in the monitoring of financial processes. The contract consists mainly of fixed costs with certain variable elements based on activity.

8 Legal implications

Extension of Contracts

8.3 The Council may extend the contracts for 10 months on the following basis:

8.3.1 East Kent Drug & Alcohol Service – contractual provision enables extension to 31 March 2025

8.3.2 West Kent Drug & Alcohol Service – contractual extensions have been utilised. The Council may extend in accordance with regulation 72(1)(b) of the Public Contracts Regulations 2015.

8.3.3 Young Persons Drug and Alcohol Service contract – contractual provision enables extension to 31 December 2024. The Council may extend in accordance with regulation 72(1)(b) of the Public Contracts Regulations 2015.

8.4 In order to rely on Regulation 72(1)(b) grounds to modify an existing contract, the Council must satisfy the following conditions:

8.4.1 A change of provider cannot be made for economic or technical reasons;

8.4.2 A change of provider would cause significant inconvenience or a substantial duplication of costs for the Council; and

8.4.3 Any increase in price of the contract does not exceed 50% of the value of the original contract.

8.5 On the basis of the information provided within this report, it is considered that a change of providers cannot be made at the present time for economic or technical reasons as to do so would cause significant inconvenience or a substantial duplication of costs for the Council and as the increase in contract price will not exceed 50% of the original contract value. Contract modification notices will be published where there is reliance on regulation 72(1)(b).

Procurement of Residential Recovery Housing Contract

8.6 Under the Health and Social Care Act 2012 [8], Directors of Public Health (DPH) in upper tier (UTLA) and unitary (ULA) local authorities have a specific duty to protect and enhance the population's health. All grant funded activities will be conducted in accordance with the Public Contracts Regulations 2015 and will follow national guidance and best practice in relation to drug and alcohol treatment and interventions.

8.5 The local authority's Public Health grant requires the Authority to "have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services". Transfer of Undertakings (Protection of Employment) (TUPE) will likely apply for the procurement of the Recovery Housing Contract. Public Health will work closely with the incumbent provider and new provider to ensure TUPE is adhered to.

9 Equalities implications

- 9.3 Public Health have undertaken an Equalities Impact Assessment. Current evidence suggests that there is no negative impact and that this recommendation is an appropriate measure to advance equality and create stability for vulnerable service users. The EQIA is attached as Appendix 1.
- 9.4 Once a provider is selected in the procurement process an EQIA will be conducted on their proposed delivery model and the provider will be required to conduct annual EQIAs as per contractual obligations.

10 Data Protection Implications

- 10.3 General Data Protection Regulations are part of current service documentation for the contract and there is a Schedule of Processing, Personal Data and Data Subjects confirming who is data controller/ processor. There is also an existing Data Protection Impact Assessment (DPIA) relating to the data that is shared between Kent County Council, the provider and the Office for Health Improvement and Disparities (previously named Public Health England) and the services.
- 10.4 Public Health are producing a new DPIA as part of the re-commissioning process as there will be a transfer of data between the incumbent and new provider.

11 Conclusions

- 11.3 The local authority's Public Health grant requires the Authority to "have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services". KCC have a statutory responsibility to commission specialist community substance misuse services to reduce the harm caused by drugs and alcohol and improve the health and wellbeing of Kent population as a condition of its Public Health Grant. The 2021 national Drug and Alcohol Strategy further requires maintaining the same level of investment on drug & alcohol services as a condition of the additional funding linked to the implementation of its 10-year plan.
- 11.4 Kent Drug & Alcohol services are made up of four contracts which (the adult contracts) are due to expire on 31 March 2024.
- 11.5 Public Health are seeking endorsement to extend three contracts by a further 10 months which will enable clarity to be obtained over the continuation of funding under the 10 year From Harm to Hope strategy, of which only 3 years of funding has been confirmed. Extending the contracts will therefore enable the Council to:
- 11.5.1 Protect vulnerable service users from the impact of procurement during a time of funding uncertainty which will be obtained through a 10-month extension
- 11.5.2 Approach the market with a tender opportunity that has consistent levels of funding over the life of the contract. Retendering the services in line with their current end date comes with the risk of having to procure services after a year

into the new contract should the continuation of funding mean the newly procured contracts are no longer fit for purpose.

11.6 Public Health are also seeking endorsement to procure the Residential Recovery Housing service for an 8-year contract opportunity in readiness for the existing contract's expiry on the 31 March 2024.

12. Recommendation(s):

12.1 The Cabinet Committee is asked to consider and endorse or make recommendations to the Cabinet Member for Adult Social Care and Public Health on the proposed decision to:

I. **APPROVE** the procurement of the Residential Recovery Housing contract for the period from 1 April 2024 to 31 March 2028 (four years) with two additional two-year extension options.

II. **APPROVE** the extension of the contracted East Kent Community Drug and Alcohol Service, West Kent Community Drug and Alcohol Service and Young Persons Drug and Alcohol service for a period of 10 months from 1 April 2024 to 31 January 2025.

III. **DELEGATE** authority to the Director of Public Health to take relevant actions, including but not limited to, entering into and finalising the terms of relevant contracts or other legal agreements, as necessary, to implement the above decisions.

13. Background Documents

- [Framing Kent's Future - Our Council Strategy 2022-2026](#)
- HM Government (2021) [From Harm to Hope - A Ten Year Drugs Plan to Cut Crime and Save Lives](#)
- Department of Health & Social Care (2021) Dame Carol Black's Independent Review of Drugs: <https://www.gov.uk/government/publications/review-of-drugs-phase-two-report/review-of-drugs-part-two-prevention-treatment-and-recovery>
- Kent Drug and Alcohol Strategy 2023-2028 ([Kent Drug and Alcohol Strategy 2023-2028 | Let's talk Kent](#))
- Drug Needs Assessment [Drug Needs Assessment \(kpho.org.uk\)](#)
- 2021 Alcohol Needs Assessment [Alcohol needs Assessment 2021 \(kpho.org.uk\)](#)
- 2022 Kent Rough Sleepers Needs Assessment - [Search - Kent Public Health Observatory \(kpho.org.uk\)](#)
- Drug & Alcohol Needs Assessment for Children and Young People [CYP-Substance-Misuse-Final-Draft-July2016-v2.0.pdf \(kpho.org.uk\)](#)
- Public Health Indicators – PHOF [Public Health Outcomes Framework - GOV.UK \(www.gov.uk\)](#)
- Public Health consultation on the 2023-2028 Kent and Medway Drug & Alcohol Strategy and services [Kent Drug and Alcohol Strategy 2023-2028 | Let's talk Kent](#)

14. Contact details

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