

DELEGATED DECISIONS BY CABINET MEMBER FOR PUBLIC HEALTH, INEQUALITIES AND COMMUNITY SAFETY

2 JULY 2024

SUPPLEMENTARY SUBSTANCE MISUSE SERVICE

Report by Corporate Director for Public Health and Community Safety

RECOMMENDATION

The Cabinet Member is **RECOMMENDED** to

- a) **Approve the contract extension, via the appropriate legal route, for the Supplementary Substance Misuse Service, provided by Turning Point, for a period of 3 years.**

Executive Summary

1. Supplementary Substance Misuse Services in Oxfordshire are provided by Turning Point under a contract for which the Council receives grant income from central government. The majority of this grant income is not yet confirmed to continue beyond the contract's expiry date, 31 March 2025, but it is widely expected to continue. A decision on enacting the extension option in the contract must be made before 30 September 2024, which is likely to be before central government confirm whether the grant funding will continue, change in value, or cease.
2. The options appraisal and business case recommend extending the contract, with mitigations to reduce financial risk to the Council if grant income from central government is not renewed, or if it is renewed at a lower value.
3. The annual contract value will be over £500,000, currently at £2,619,553 per annum.

Background

4. Over the past 4 years there has been a renewed national focus on the impact of drugs and alcohol, leading to the 10-year national strategy '*From Harm to Hope*'¹.
5. To help enhance substance misuse services in line with the strategy's ambitions, local authorities across England have been provided with a number of additional grants, from the Office for Health Improvement and Disparities (OHID) and the Department for Levelling Up, Housing and Communities (DLUHC). Oxfordshire County Council has been provided with four grants:

¹ [From harm to hope: A 10-year drugs plan to cut crime and save lives - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/from-harm-to-hope)

Grant name	Started	Value for 2024/25
Rough Sleeping Drug and Alcohol Treatment Grant ²	November 2020	£1,099,605
Supplementary Substance Misuse Treatment and Recovery Grant ³	April 2022	£724,729
Supplementary Substance Misuse Treatment and Recovery Housing Support Grant ⁴	November 2022	£567,708
Employment Individual Placement and Support Grant	April 2024	£227,511
Total Value		£2,619,553

6. To enable the continued delivery of supplementary services to meet the grant conditions and national OHID/DLUHC requirements, the Council commissioned a contract for these services, which are currently combined and delivered under a Supplementary Substance Misuse Service (SSMS). The service contract was awarded to Turning Point in 2022, and is delivered as an integrated service alongside the core Community Alcohol and Drug Service (which is also delivered by Turning Point).
7. The SSMS contract currently ends on 31 March 2025, aligned with the current end date of three of the four grants which fund the majority of the contract and its services. The contract has an option to extend up to 31 March 2028, to align with the end of the core Community Alcohol and Drug Service contract. The SSMS contract has a Termination Notice Period that allows the Council to terminate the service in whole or in part (thereby reduce services by terminating part of the contract) on 6 months' written notice.
8. The SSMS contract value is reviewed and adjusted to correspond with changes in the value of the OHID/DLUHC grants, which have increased since the contract started. The SSMS contract value for 2024/2025 is £2,619,553.
9. The Employment IPS grant is currently confirmed until 31 March 2026. The other three grants are currently only confirmed until 31 March 2025.
10. **Service Delivery**
The SSMS contract encompasses delivery of:
 - i. A Rough Sleeping Service: Since the project started in 2020, the service has worked with 804 rough sleepers coming through the Oxford Emergency Accommodation Pathway, engaging them into support to reduce harm and tackle their substance misuse.
 - ii. Additional staff delivering harm reduction and criminal justice interventions, as well as enhanced treatment capacity and additional medical and consumable products such as naloxone and Buprenorphine to more people across Oxfordshire.
 - iii. A partnership with Edge Housing to provide 3 additional properties (14 beds) to house people accessing substance misuse treatment, significantly increasing the number of beds available to people coming through substance misuse treatment services, to enable them to move into stable accommodation and maintain their treatment outcomes.

² [Extra help for rough sleepers with drug and alcohol dependency - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/extra-help-for-rough-sleepers-with-drug-and-alcohol-dependency)

³ [Extra funding for drug and alcohol treatment: 2022 to 2023 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/extra-funding-for-drug-and-alcohol-treatment-2022-to-2023)

⁴ [Drug strategy housing support funding: allocations 2022 to 2025 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/drug-strategy-housing-support-funding-allocations-2022-to-2025)

- iv. Highly personalised and intensive employment support to help people with substance misuse problems build their recovery capital in work as they complete treatment.
11. The Oxfordshire service is performing exceptionally well and exceeding contractual targets across the core service and all supplementary services. The service has some of the highest outcomes in the country and is seen nationally as a model of good practice. The service has very good retention and high staff satisfaction. Maintaining stability of service provision remains vitally important throughout this period of funding uncertainty to ensure performance and quality of treatment and support for the people who access the service and the staff.

Key Issues

12. It is widely anticipated by stakeholders that funding for the three grants that are currently only confirmed until March 2025 will be extended at some level, but OHID and DLUHC are not currently able to confirm if any or all of these three grants will be extended, nor at what value this would be. Decisions on this will be made after the general election on 4 July 2024 but it is not possible to predict when these decisions will be made.
13. This paper recommends extending the current contract for 36 months at the 2024/2025 level of funding. This aligns with local and national strategic aims, and supports the Council's commitment to substance use treatment and recovery for residents. It allows for continued stability in this service during a temporary period of uncertainty about grant income and protects the Council's relationship with the provider by seeking to share risks regarding the current funding uncertainty and the possibility that this uncertainty may recur in future funding cycles. It also avoids risks and challenges associated with reducing services and then scaling them back up if renewed grant income is confirmed at a later date.

Under this recommended option the Council will reduce the financial risk resulting from uncertainty of continued external grant income by implementing a number of mitigation measures, including reducing the Termination Notice Period from 6 months to 3 months.

Corporate Policies and Priorities

14. **Strategic Priorities** - Provision of an alcohol and drug service is aligned with the Oxfordshire County Council Strategic Plan 2023-2025⁵ by tackling inequalities in Oxfordshire and prioritising the health and wellbeing of residents and the Oxfordshire Joint Health and Wellbeing Strategy 2024-2030⁶ by reducing the impact of ill-health through provision of alcohol advice and treatment. It also supports the BOB ICB

⁵ [Oxfordshire County Council - Our strategic plan 2023-2025](#)

⁶ [Oxfordshire Health and Wellbeing Strategy 2024-2030](#)

Strategic Priorities⁷ by supporting people to reduce their drinking and increasing the number of people receiving support to tackle their alcohol misuse.

15. Extending the SSMS contract enables delivery of enhanced substance misuse support to vulnerable populations, in line with the 10-year national alcohol and drug strategy '*From Harm to Hope*', and meets local strategic priorities overseen by the Oxfordshire Combating Drugs Partnership.

Financial Implications

16. The extension term recommended is 36 months. At the current funding level, the total annual value of the extension would be £2,619,553, and the total for the full 36-month extension period would be £7,858,659.
17. This would be expected to be funded in full from external grants if they are confirmed.
18. The Council will negotiate a reduced contract Termination Notice Period (to enable the Council to unilaterally terminate the contract without cause) for the SSMS contract from the current 6 months to 3 months.
19. The maximum financial risk, if the service was extended but the three grants that are not currently confirmed were to not be renewed, is then expected to be not more than £598,011.
20. To enable the contract to be extended, Public Health DLT have agreed to commit funding to bridge any potential gap that may arise from either delayed notification or reduced funding from the three OHID/DLUHC grants that fund the majority of this service. This will then cover the required Termination Notice Period and any service transition period beyond the required 3 months. The maximum period would be 3 to 6 months (£600,000 to £1.2 million).

This funding, if needed, will come from a combination of Public Health reserves and Public Health underspends in year.

Comments checked by:

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Legal Implications

21. The Council has the statutory power to undertake the substance misuse services delivered by this contract under section 12 Health and Social Care Act 2012.

⁷ [Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Partnership – Integrated Care Strategy, March 2023](#)

22. The unilateral options of the Council to extend the contract and terminate the contract on notice are rights embedded in the existing contract.
23. Any alteration of the contractual notice period as proposed under the preferred option will require agreement of the provider and constitute a modification of the contract. Under the Health Care Services (Provider Selection Regime) Regulations 2023 the Council has a very strong justification that such modification would be lawful (see Procurement considerations below).
24. Agreeing a shorter Termination Notice Period of the contract during any extension period will reduce the period for which the Council is bound to continue paying for the services. Given the uncertainty over whether the Council's grant funding will be confirmed this will reduce the Council's contractual liability should it need to terminate the contract because it can no longer fund the service. The key consideration for the Council is therefore a commercial one around the costs of such liability (3 months of service funding) should the grant funding not be received.

Comments checked by: Jonathan Pool, Solicitor (contracts), Legal Services
(Jonathan.Pool@oxfordshire.gov.uk)

Procurement Implications

25. The existing extension options available under the contract are for up to 3 years to 31 March 2028. The Council can take up its option to extend unilaterally, without modification to the contract.
26. The proposed reduction to the Termination Notice period to 3 months would amount to a contract modification. As the services delivered constitute health services, modifications are governed by The Health Care Services (Provider Selection Regime) Regulations 2023 (PSR). Under PSR, the contract can be modified where the modification is attributable to a decision of the relevant authority; the modification does not render the contract materially different in character; and the cumulative change in the lifetime value is below £500,000 or 25%. The Council is only required to submit a modification notice if the modification exceeds £500,000.
27. Under the proposal, the contract will continue to deliver the same services to the same group of users and therefore is not materially different in character. The proposed modification does not have a financial impact on the contract. Therefore, the proposed modification does not have a procurement requirement and the Council is not required to issue a modification notice.

Comments checked by: Alex White, Category Manager – Public Health

Staff Implications

28. The Live Well Improve and Enable Substance Use Team within the Public Health and Community Safety Directorate will continue to performance manage the contract.

Equality & Inclusion and Climate Implications

29. Issues with substance use are not equally distributed within the population. Strong links exist between deprivation, adverse childhood experiences and substance use, with increased risk of poor outcomes borne by vulnerable populations such as people who are homeless, sex-workers and those in contact with the criminal justice system. This service addresses the wider determinants of health, identified in regular needs assessments, by targeting services and aiming to ensure equality of access. They provide non-judgmental and accessible psychosocial and clinical services across Oxfordshire, engaging vulnerable groups and those not currently accessing services through targeted assertive outreach and engagement activities to ensure improved outcomes for these populations.
30. An Equalities Impact Assessment for the service was completed in July 2023.
31. A Climate Impact Assessment for the service was completed in July 2023.

Risk Management

Risk	Mitigation
If we terminate part of the contract there will be no contractual mechanism for providing the services agreed under the three OHID/DLUHC grants should they continue, and therefore grant income allocations will not be able to be secured beyond March 2025. This will result in a disruption to service provision, bringing instability to the Provider, and reduced outcomes for people who use the services.	Extend the contract until OHID/DLUHC grant funding is known.
Significant financial risk to the Council if the three main grants are confirmed to not be continued beyond 31 March 2025 and no further funding is made available.	<p>Reduce contract notice period to 3 months to reduce financial risk.</p> <p>Identify cost savings within existing Public Health Substance Use budgets to contribute to any bridging funding required – for example, further reducing residential treatment placements.</p> <p>Work with OHID/DLUHC to identify risks and commence planning at the earliest opportunity.</p> <p>Work with legal and procurement colleagues in advance of any grant notifications to ensure draft paperwork is ready should it look like grants will not be renewed.</p>
Medium financial risk to the Council if the three main grants are confirmed to be significantly	Reduce notice period to 3 months to reduce financial risk.

<p>reduced beyond 31 March 2025. If grants are reduced significantly, cuts to service delivery and staff would still be needed to be delivered in a quick timeframe.</p>	<p>Identify cost savings within existing Public Health Substance Use budgets to contribute to any bridging funding required – for example, further reducing residential treatment placements.</p> <p>Work with OHID/DLUHC to identify risks and commence planning at the earliest opportunity.</p> <p>Work with service provider to identify initial plans for reductions in service delivery at the earliest opportunity.</p> <p>Work with legal and procurement colleagues in advance of any grant notifications to ensure draft paperwork is ready should it look like grants will be significantly reduced.</p>
<p>Extending the contract and then giving notice on a significant portion of the value only a few months later may have a small reputational risk to the Council.</p>	<p>Open and transparent discussions with service provider and partners, on the risks for the service resulting from the delay in grant notification and likely reductions needed if funding is reduced</p>
<p>Budget fluctuations/demands in Public Health or the Council as a whole impact on service provision.</p>	<p>Existing contractual terms and conditions allowing for changes in finance.</p>

Key Dates / Next Steps

32. The current contract expires on 31 March 2025.
33. Should extension of the current contract be approved, the contract requires a 6-month Extension Notice Period, which would therefore be required by 30 September 2024.

Ansaf Azhar
Corporate Director Public Health and Community Safety

Background papers: Nil

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