

## READING BOROUGH COUNCIL

### REPORT BY EXECUTIVE DIRECTOR OF ADULT CARE AND HEALTH SERVICES

<b>TO:</b>	POLICY COMMITTEE		
<b>DATE:</b>	12 JULY 2021		
<b>TITLE:</b>	ROUGH SLEEPING DRUG AND ALCOHOL TREATMENT GRANT		
<b>LEAD COUNCILLOR:</b>	COUNCILLOR GRAEME HOSKIN	<b>PORTFOLIO:</b>	LEAD COUNCILLOR FOR HEALTH, WELLBEING AND SPORT
<b>SERVICE:</b>	PUBLIC HEALTH	<b>WARDS:</b>	BOROUGH WIDE
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#### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The Ministry of Housing, Communities and Local Government (MHCLG) and the Department of Health and Social Care (DHSC), announced at Budget in March 2020 that they had secured £262m to be made available over the next four years for drug and alcohol treatment and related provision, specifically to meet the needs of people experiencing rough sleeping who have drug and alcohol dependence needs.
- 1.2 In August 2020, it was announced that the 2020-21 funding will focus on providing additional resources in the MHCLG 43 Taskforce Priority Areas. Reading is one of these priority areas having a higher number of people sleeping rough who have been moved into emergency accommodation during the COVID-19 pandemic.
- 1.3 The purpose of the funding is to boost structured drug and alcohol treatment services, to account for additional costs from increased access and engagement from the rough sleeping population with consideration being given to how existing services can find ways to adapt, improve or extend their support to rough sleepers in the area.
- 1.4 Public Health England (PHE) announced a very tight deadline for the submission of proposals by local authorities for the Public Health England Rough Sleeper Drug and Alcohol Treatment Grant funding. Reading worked on its proposal with the local drug and alcohol provider Change, Grow, Live (CGL) on an evidence-based model piloted in one of its Southampton services as well as with the local authority homelessness and rough sleeping commissioning lead and the Clinical Commissioning Group (CCG). PHE shared the funding paperwork on 4<sup>th</sup> September 2020 with a return date of 2<sup>nd</sup> October 2020.
- 1.5 PHE delayed the announcements of the awards. Reading was informed of the success of its proposal in late December 2020, with a service delivery commencement date of January 2021. £637k grant funding was awarded to Reading to spend in Quarter 4 2020-21. In order to ensure the grant funding from PHE was spent within the timescales set out in the funding agreement recruitment of staff for the project started in early 2021. In March 2021 Reading was informed that the grant funding could be rolled over into 2021-22. Public Health has worked with the Procurement

team to find a solution that meets Council's due process for the expenditure of the grant funds and this is summarised in 1.6.

- 1.6 This report sets out our proposal to award the PHE Rough Sleeper Drug and Alcohol Treatment Grant in two phases;

Phase one - January 2021-December 2021: As the core drug and alcohol provider, it is recommended that CGL is awarded the Rough Sleeper Drug and Alcohol Treatment Grant to provide the evidence-based model submitted in Reading's proposal to PHE for year one. This will be a pilot project in order to ensure the proposal is fit for purpose and to give Reading time to adjust its requirements as necessary, and to draw up a specification for its future requirements in respect of this project.

NB: In compliance with procurement legislation and Reading's internal Contract Procedure Rules, it is possible for a direct award to be made to CGL as detailed further in section 4 of this report and the legal implications paragraph of this report.

The time limits and constraints of the grant award should also be noted.

Phase two - August 2021- and possible 4 years. As further grant funding is likely to become available from PHE for the same purposes, it is proposed that an accelerated open procurement process be undertaken (in line with the Public Contract Regulations 2015, as amended (PCR 2015) and the Council's Contract Procedure Rules (CPRs) to allow for a best-value solution to be procured in respect of any future funding from PHE for the same purpose. Phase 2 will allow any provider to bid for the contract. Any staff already supporting the rough sleeping population (if applicable) will transfer to the new provider in line with the TUPE Regulations.

- 1.7 *Appendix One - EIA*

## 2. RECOMMENDED ACTION

For decision by Policy Committee:

- 2.1 Award the contract for provision of Rough Sleeper Drug and Alcohol Treatment service for the full value of the Year one (FY2021-22) allocation to CGL commencing on January 2021 pursuant to Regulation 32 of the PCR 2015. The Year one allocation currently being £637,000 together with any further funding allocated by PHE during 21/22 to provide the pilot project, as described in Reading's proposal and approved by PHE for Year one.
- 2.2 Agree to the decision to re-tender the services through an accelerated open procurement for the Rough Sleeper Drug and Alcohol Treatment Grant (Rough Sleeper Grant Phase 2) (for a period of up to 4 years).
- 2.3 That delegated authority is given to the Executive Director Social Care and Health in consultation with the Lead Councillor for Health, Wellbeing and Sport and the Assistant Director of Legal & Democratic Services to award the new Rough Sleeper Grant Phase 2 contract for a period of up to 4-years commencing in January 2022.

## 3. POLICY CONTEXT

- 3.1 The Government's rough sleeping strategy (August 2017), sets out the vision for halving rough sleeping by 2022 and ending it by 2027. **Rough Sleeping** means people sleeping, about to bed down (sitting on/in or standing next to their bedding) or actually bedded down in the open air (such as on the streets, in tents, doorways, parks, bus shelters or encampments). People in buildings or other places not designed for habitation (such as stairwells, barns, sheds, car parks, cars, derelict boats, stations or "bashes") are also

included.

3.2 The Rough Sleeper Drug and Alcohol Treatment Grant fund compliments key themes to two of Reading's Strategies:

- *Reading Drug and Alcohol Strategy 2018-2022 - Ensuring individuals understand the health risks associated with drugs and alcohol, the consequences using can have on education, employment, relationships, housing and the impact on the environment where the individual is misusing can have.*
- *Rough Sleeping Strategy 2019-2024 - to prevent those who are vulnerable to sleeping rough from moving towards entrenched and harmful behaviours and lifestyles by intervening as early as possible.*

3.3 Substance dependence can be both a cause of and a barrier to ending rough sleeping. Improving access to and engagement with drug and alcohol treatment services is therefore vital in ending rough sleeping. In October 2019, the Office of National Statistics (ONS) published death statistics which revealed that there were an estimated 726 deaths of homeless people in England and Wales registered in 2018 - the highest year-to-year increase (22%) since the time series began. Two in five of these deaths (40%) were related to drug poisoning. In addition, in 2017, Reading Housing team undertook a Homeless Health Needs Audit with people who were homeless in Reading, of which 73% of respondents advised that they were dependent upon drugs, alcohol or both.

3.4 The 2020-21 MHCLG funding will focus on providing additional resources in the MHCLG 43 Taskforce Priority Areas, of which Reading is one. These are the Local Authorities with the highest numbers of people sleeping rough who have been moved into emergency accommodation during the COVID-19 pandemic. The funding is to be utilised and proposals mobilised as quickly as possible to ensure that the engagement that people have had with drug and alcohol treatment services whilst in emergency accommodation, during the pandemic is maintained as they move into longer term accommodation detailed under phase 1 (see 1.6).

3.5 In response to the COVID-19 pandemic, many people sleeping rough have been housed in emergency accommodation which has presented a unique opportunity, including to contribute to the government's manifesto commitment to end rough sleeping in this Parliament. It is likely that most (if not the majority) of those in emergency accommodation with a substance dependence need had not been in contact with drug and alcohol services previously and there is an unprecedented opportunity to ensure that any initial treatment contact and engagement is sustained. Conversely if the drug and alcohol needs do not continue to be met, these initial gains will very likely be lost, reducing the likelihood of remaining in stable accommodation and in contact with support services going forward.

## 4. THE PROPOSAL

### 4.1 Current Position

4.1.1 Local Authority Public Health is responsible for commissioning drug and alcohol treatment. Whilst drugs/alcohol is a non-mandated service, the Public Health grant condition state Local Authorities must have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services.

Reading awarded a "Drug and Alcohol; Behaviour change, treatment and recovery service" contract to CGL in 2019 for an initial period of 3 years plus up to 2 further extensions of 2 years (up to a 7-year total term). This contract includes working with rough sleeping populations. It doesn't however offer outreach, out of hours access to

a dedicated prescriber, nurse or psychologist - this is within the new proposal under the Rough Sleeper Grant.

- 4.1.2 Local Authority Housing is responsible for commissioning housing services (a proportion of the funding for the rough sleeper services is funded by the Public Health budget). Housing awarded contracts following a procurement exercise in 2018 to 3 providers to work collectively in Reading towards the shared aims of reducing and maintaining a reduction in homelessness and rough sleeping; pre-empting and preventing homelessness for households at risk of homelessness; and supporting individuals to acquire independent accommodation that is realistically sustainable, where people with a history of homelessness are enabled to maintain housing stability

The 3 contracts are:

- Intensive and Engaging Support; Hub and Accommodation,
- Rough Sleeper Outreach Support,
- Working towards Independence Accommodation

Contracts were awarded for an initial term of 5 years with the option for up to two extension, each of up to 24 months in total (up to 9 years total term).

- 4.1.3 Public Health England (PHE) asked public health drug and alcohol commissioners in the Taskforce areas to lead on the completion of the Rough Sleeper Drug and Alcohol Treatment Grant funding application. PHE gave a period of 4 weeks to collate local data and submit a proposal. PHE shared the funding paperwork on 4th September 2020 with a return date of 2nd October 2020.
- 4.1.4 Due to the time constraints on submitting a proposal for the Rough Sleeper Drug and Alcohol Treatment Grant and to ensure the highest possibility of both securing funding and delivering a model that would be most likely to have a positive impact, the drug and alcohol commissioner worked with the local drug and alcohol provider CGL to submit a bid based on an evidence-based model piloted in one of their Southampton services. The bid was also supported by the local authority homelessness and rough sleeping commissioning lead and the Clinical Commissioning Group (CCG).
- 4.1.5 PHE announced a delay to the award process timetable. Reading was informed its proposal was successful late December 2020 for a grant start of Jan 2021.
- 4.1.6 Reading was awarded £637,000, initially to be spent in the period Jan 2021-March 2021. A full procurement process including relevant Committee approvals can take between 9-12 months. Even an accelerated process and relevant approvals can take 3-4 months and the timescales for the grant did not allow this to take place. In March 2021 PHE determined that the grant monies could be carried over to 2021/22.
- 4.1.7 Public Health and Procurement have been working to seek a way to spend the £637,000 within PHE timescales and without breaching procurement regulations.
- 4.1.8 As stated in 4.1.4, above, in order to ensure the grant was secured within the timescales, RBC and CGL collaboratively produced the successful bid, detailing commercially sensitive information and design relevant to CGL. This approach allows prompt mobilisation and maximised use of the available funds to support RBC's rough sleeping prevention agenda through a pilot scheme (for year one, phase 1). In such circumstances, it is possible to justify an exemption from the PCRs under Regulation 32, this being recommended by Procurement to allow CGL to commence a recruitment process in Jan 2021 for year one pilot project. In order to ensure the grant was spent within the timescales, recruitment started in early 2021. In March 2021 we were informed that the grant money could be rolled over into 2021-22. Public health have worked with procurement to find a solution that meets councils due process and is summarised in 1.6.

4.1.9 It is to be noted that the funding being distributed in Year one could potentially be the first year of a four-year funding programme, if outcomes are met. This means that a full procurement process will be required for the expenditure of any further funding (phase 2) due to the sum of the grant over the 4-year period. This also provides an opportunity for the pilot model of service delivery to be adapted if and as necessary. For this phase 2 contract, to ensure that a compliant contract is in place whilst allowing time for any specification amends, it is proposed to use the accelerated procedure. This will take around 3-4 months, which is the shortest timescale that the regulations permits.

## 4.2 Options Proposed

It is recommended to award the Rough Sleeper Grant in two phases.

### 4.2.1 Phase One - January 2021 - December 2021

It is recommended that we award the Rough Sleeper Grant to the drug and alcohol provider CGL under the Contract Procedure Rules, Regulation 32 for year one. This is due to the time constraints and disbenefit RBC would have been in should we have not submitted an evidence-based model in the short timeframe given by PHE.

The Council's Corporate Procurement Rules state that contracts are exempt from following the standard procedures as set out in the CPRs where such exemptions are permitted by PCR2015. PCR Regulation 32 may be used for procuring service contracts where services can be supplied only by a particular provider for the protection of exclusive rights, including intellectual property rights.

To ensure continuity of service and protect vulnerable residents, the pilot is proposed to have up to a 12 month duration (until Jan 22) to maximise outcomes to be achieved from the service, allow for value review of the design, and allow for TUPE of staff should another provider win the Phase 2's contract (see below). In order to award this pilot contract, committee authorisation of the scheme is required since its value falls above £500k.

It is to be noted that the pilot project will be evaluated at the end of 2021, and the outcomes will enable Commissioners to design a future procurement to open market of an rough sleeper outreach specification beyond this grant funding (budget allowing).

### 4.2.2 Phase two - August 2021 - potentially up to 4 years

As further grant funding is likely to become available, potentially up to 4 years, it is proposed an accelerated open procurement process be undertaken to allow for a best-value solution be procured for any future funds.

Phase 2 will allow for any provider on the market to bid and TUPE of any staff already supporting the customers (if applicable).

As the value is over £500k, Committee approval must be sought and it is recommended this occurs alongside the Phase 1 approval, requesting that delegated authority to Executive Director Social Care and Health in consultation with the Lead Councillor for Health, Wellbeing and Sport be provided so that any contract procured through the process can be promptly mobilised.

## 4.3 Other Options Considered

There were no other options to enable us the time to spend the grant as per the conditions set by PHE within the grant period. The grant monies must be spent within a limited timeframe commencing January 2021.

## **5. CONTRIBUTION TO STRATEGIC AIMS**

5.1 The rough sleeper grant will work towards ensuring we are working towards meeting the Corporate Plan priorities:

1. To protect and enhance the lives of vulnerable adults and children

The rough sleeper grant contributes to ensuring the Council fulfils its aim of ensuring that the needs of the most vulnerable are met and that people are supported to be healthy and active.

There is evidence based, high-quality treatment and other harm-reduction interventions, supply reduction, and education and prevention initiatives that are effective ways of tackling illicit drug and other harmful substance use. This grant will enable us to work to tackle some of the multicomplex issues faced by rough sleepers; expanding and developing trauma informed approaches.

5.2 The decision contributes to the Council's strategic aims:

- To Develop Reading as a Green City with a sustainable environment and economy at the heart of the Thames Valley
- To establish Reading as a learning City and a stimulating and rewarding place to live and visit
- To promote equality, social inclusion and a safe and healthy environment for all -

Rough sleepers are one of the most vulnerable groups in society. The additional grant funding will help to meet the health and housing needs of rough sleepers. It will support our vulnerable rough sleeping population to become well enabling them to be more economically active, and involved with learning, employment and training.

5.3 Contributions are also made to the following:

- Sustainability - the funding aims to build resilience and capacity in local drug and alcohol treatment systems to continue to meet the needs of this population in future years (resilient and sustainable models of care).
- Community Safety - Tackling rough sleeping, drugs and alcohol also promotes Community Safety by reducing anti-social behaviour; by encouraging harm reduction messages and reducing health risks to the community. Making communities safer by ensuring early identification and access to support and treatment for those misusing substances.
- Health - the funding is designed to support individuals in accessing, engaging with and sustaining engagement with drug and alcohol treatment and other relevant health services. This is particularly relevant for those who have multiple and complex needs, including co-occurring mental ill health and substance dependence, and experiences of trauma.

## **6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

6.1 Not applicable.

## **7. COMMUNITY ENGAGEMENT AND INFORMATION**

7.1 Section 138 of the Local Government and Public Involvement in Health Act 2007 places a duty on local authorities to involve local representatives when carrying out "any of its functions" by providing information, consulting or "involving in another way".

7.2 The pre-decision consultation on the bid proposal has involved engaging with several stakeholders;

- Public Health
- Housing colleagues
- CCG colleagues
- Provider of adult drug and alcohol treatment services

7.3 Other suggestions following consultation for developing the proposal have included joint outreach, e.g. with housing providers and other health organisations in Reading, developing better partnership working, joint working protocols, co-location in the Council and with Partners, better transitioning into primary and secondary healthcare settings, and increased mental health provision.

7.4 It is to be noted that there is a lack of local qualitative intelligence and some learning to gain via the bid's proposal on the effectiveness for rough sleepers in having a specialist clinical drug and alcohol outreach service that also works with their physical, co-occurring mental ill-health and substance dependence:

The proposal pilot project during year one will gain intelligence to address:

- The gaps around the accessibility, engagement and sustainability of the new service
- Some of the key issues raised by service users in Reading's Housing Health Needs Assessment 2017
- Supporting the NHS Long-term plan and local authority in scoping and commissioning a model that could ensure better access to specialist NHS mental health support, integrated with existing outreach services for Rough Sleepers in the future.

7.5 Further consultation with the wider market place will take place once the draft service specification is completed for the new contract.

## **8. EQUALITY IMPACT ASSESSMENT**

8.1 The proposal and full procurement process aims to tackle equality issues. Rough sleepers are some of the most marginalised and excluded individuals in society and the aim of the service is to improve services for these people and enable them to achieve their hopes and ambitions and play an active role in their community.

## **9. LEGAL IMPLICATIONS**

9.1 **Rough Sleeper Grant - Phase One** - The Council intends to make a direct award of the Phase One contract to the current contractor CGL under Regulation 32(2)(b)(iii) of the Public Contracts Regulations (PCR) 2015 which allows for negotiated procedure without prior publication for the protection of exclusive rights, including intellectual property rights.

It will be necessary for the Council to enter into a new contract with CGL for Phase One to document the terms and conditions of the services.

9.2 **Rough Sleeper Grant - Phase Two** - A full procurement process via an "accelerated open procurement process" will be undertaken in line with PCR 2015 Regs 22, 27 and 76 and the Council's Contract Procedure Rules 9 and 10, to allow for a best-value solution in respect of any future funds from PHE to support rough sleepers in need of drug and alcohol services.

The Council must follow the procurement process, that offers equal treatment and transparency and the process is advertised in accordance with contract procedure

rules. A notice will be required to be published to the UK e-notification service, Find a Tender for advertising the services. Contractual terms and conditions will be published with the procurement documents and will address any TUPE issues.

It will be necessary for the Council to enter into a contract for Phase 2 with the successful tenderer.

## **10. FINANCIAL IMPLICATIONS**

10.1 Reading was successful in securing £637,000 (2020/21) of MHCLG grant funding. Conditions of this funding is that the spend is in accordance with the Rough Sleeping Drug and Alcohol Treatment Grant Scheme 2020-21 for which it is awarded and that the appropriate data and documentation is submitted to PHE, when requested. The grant conditions state that the funding can only be spent in accordance with the proposal that has been submitted.

10.2 Grant payments will be awarded by PHE to the Local Authority as a section 31 grant, under the Local Government Act 2003.

10.3 Phase two - If no further funding is awarded to Reading Borough Council due to no successful outcomes during year one, then Year two contract will not go ahead.

10.4 Value for Money - there is an evidence-base for the effectiveness of drug and alcohol treatment. Evidence shows that treatment provides value for money, improves public health and reduces crime. Treatment enables people to recover from dependence and addiction, improves their physical and mental health and reduces the harm caused to themselves and people around them, including reducing crime. Evidence-based treatment is provided in accordance with the UK Clinical Guidelines, 'Drug misuse and dependence: UK guidelines on clinical management'.

10.5 A full procurement process will ensure best value for money is sought for future contract awards.

10.3 Risks - If we do not spend the grant monies, this will have to be returned to PHE.

## **11. BACKGROUND PAPERS**

11.1 Appendix One - EIA

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### FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below:-

#### 1. Revenue Implications

Use this Table in the report or as an Appendix to set out the revenue implications:

	2019/20 £000	2020/21 £000	2021/22 £000
Employee costs (see note1) Other running costs Capital financings costs		£637,000	TBC
<b>Expenditure</b>			
Income from: Fees and charges (see note2) Grant funding (specify) Other income		£637,000	TBC
<b>Total Income</b>			
Net Cost(+)/saving (-)		NIL	NIL