

Classification: Open	Decision Type: Key
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Report to:	Cabinet	Date: 07 November 2023
Subject:	Substance Misuse Service Contract	
Report of	Cabinet Member for Health and Wellbeing	

Summary

1. The Council currently commissions Greater Manchester Mental Health (GMMH), an NHS provider, to deliver its substance misuse treatment service. GMMH lead a partnership model; the adult service is provided through GMMH or 'Achieve Bury' as it is branded locally. GMMH subcontract Early Break, to provide the children's and young people substance misuse service, as well as BigLife, to provide the assertive outreach and criminal justice work. The Council is also fortunate to have Intuitive Thinking Skills, who deliver recovery focused programmes and Great Places, who provide housing support, as part of the partnership.
2. The substance misuse contract previously costed £1,308,000 per annum. The contract began in September 2019 and was a three-year contract with two optional plus one years (3 +1 +1). The first three years of the contract ended on 31st August 2022, followed by the approval of two optional 12-month extensions.
3. In anticipation of the end of the contract, Cabinet approved "a direct award to the current provider, GMMH, for a period of 3 years (with the right to extend at the Council's discretion for two further years) at a total estimated cost of £4,284,000 for the initial 3 years, and £1,428,000 per annum thereafter (subject to inflation and Agenda for Change pay increases)" on 7 November 2023. In the absence of noting a start date it has been assumed that this new contract was intended to commence on 1 September 2024.
4. Following an agreed cabinet paper taken in November 2023, further discussions have taken place during 2024 with GMMH for the overall contract value for Bury's substance misuse services at £1,428,000 per annum. Prior to a contract formally being signed GMMH informed us of a shortfall in costs and revised annual costings for the new core contract, which were costed at approximately £190,000 per annum. The increase is attributed to several factors, including the rising costs of overheads, Agenda for Change (AfC) uplift and increase in workforce and management on costs.

5. The contract was in its final 12-month extension year, and as of 31st August 2024, the original contract was extended for an additional six-month period to align to the end of the 24/25 financial year with a one off £70,000 payment to uplift the value per annum to meet workforce and management on costs, agenda for change uplifts and rising overheads, this will be funded through the Supplementary Substance Misuse Treatment Grant (SSMTRG) underspend (at no extra cost to the council).
6. However, following negotiations, Public Health have reduced these new proposed costs and provisionally agreed a new annual costing for the substance misuse service contract of £1,560,000 per annum for the financial year 2025/26. This equates to a total that is £132,000 per annum above the originally agreed contract fee. GMMH is currently reviewing this new annual cost and outlining the level of provision and the model they can offer within this revised budget.
7. There is now an opportunity to align the contract to financial years, national grant funding schemes, and alignment to the partnership model with GM neighbouring authorities (Bolton, Salford and Trafford) that also have GMMH as their substance misuse provider. This currently allows for economies of scale of work, shared back-office functions by entering into a revised contract from 1 April 2025. It is proposed that the period of 1 September 2024-31 March 2025 be treated as an extension of the existing arrangements, and a contract on updated terms be commenced on 1 April 2025 for 3+1+1, which is an increase in term of 6 months from the Cabinet decision in November 2023.
8. The Council has an excellent working relationship with GMMH which includes quarterly contract meetings to discuss performance and current data. In addition, it meets with both GMMH and partners outside of these contract meetings to discuss any relevant projects or issues. GMMH are also a prominent partner in the Bury Drug & Alcohol Partnership, being one of the action plan priority leads. Since the start of the contract, Council commissioners have been pleased with both the performance of the provider and the receptiveness to adapt and further develop services to meet both the local need and assure work aligns with wider plans and works including the Neighbourhood approach and 'Let's Do It' principles.

Recommendations

Cabinet is recommended to:

- Extend Bury Council's substance misuse contract with GMMH for a further six months, from 1st September 2024 – 31st March 2025 to align to the end of the 2024/25 financial year.
- Agree a one off £70,000 payment to uplift the substance misuse contract from 1st September 2024 – 31st March 2025. Which will be funded through Office

for Health Improvement and Disparities (OHID) Supplementary Substance Misuse Treatment Grant (SSMTRG) underspend (at no extra cost to the council).

- Make a direct award to the current provider, GMMH, for a period of three years, with the option for the Council to extend for an additional two years at its discretion – starting on April 1st 2025.
- Agree the new total estimated cost for the three years commencing 1st April 2025 at £1,560,000 per annum, with the same amount allocated per annum thereafter, (subject to inflation and Agenda for Change pay increases). This will be funded through Public Health budget (including a small amount of substance misuse reserves) and there are no requests for additional funding.
- To delegate the negotiation and finalisation of contracts to the Director of Public Health in consultation with the Director of Law and Governance.

Alternative options considered and discarded

Tender for new provider(s)

1. Pros:
 - Allows direct comparison to other providers.
 - Offers confirmation that the Council is getting best value for money.
 - Can ask for more for the same value, whether this takes the form of price reductions, better service, higher quality products or other added value.
2. Cons:
 - Disruption to current service users and staff. Anecdotal reports from the last tender in 2018 demonstrated that implementation of a new provider caused significant disruption to service users and triggered low staff morale.
 - Potential disruption to performance.
 - Leaving the commissioning arrangement with GMMH could result in the loss of collaborative expertise, workforce, reduced best practice sharing and diminished support for individuals.
 - Based on an understanding of the current market, there is unlikely to be a better provider for this role and we believe it is good value for money.
 - Loss of the positive, collaborative relationships already built.
 - Would interfere with current / planned projects and external funding streams (OHID grants).
 - A tender process would require extensive use of resources (particularly staff time across the organisation), which would come at a significant opportunity cost, preventing time being spent on primary prevention and current workstreams. This process would be complex and would need to consider adults, young people, and assertive outreach. This may involve tendering for more than one provider. Likely to require additional capacity to support the process.
 - May lose partnership between neighbouring authorities (Bolton, Salford and Trafford) who also have GMMH as their substance misuse provider. This

currently allows for economies of scale of work, shared back-office functions and a peer support approach across all organisations involved.

- Potential loss of the benefits of the partnership model that is in place with GMMH as lead provider. The current partnership model incorporates both NHS and third sector organisations, meaning the Council is able to benefit from both types of organisations working on our substance misuse agenda.
- If we go to retender, the council will need to procure under the new procurement Act (2023) under the new Provider Selection Regime (PSR) which is to be implemented from February 2025. This new act will change process to procure health services and adhere to new processes and legislation.

Reasons for recommendation

Current Performance

1. The Council is happy with the current performance of GMMH. Its substance misuse services were rated as outstanding from their most recent inspection by the Care Quality Commission (CQC) in 2018.
2. In 2022 GMMH had an independent, external provider evaluate the partnership model, which overall was considered to work very effectively and reflect the aims of the contract.
3. This option would allow the Council to continue to build on already existing, positive relationships that have been built over the last four years, not just between GMMH and Bury Council but between it and numerous other external partners. Continuing with the current provider will enable current projects and funding streams to continue seamlessly. The current contract represents good value for money, compared to other organisations and localities, evidenced in supporting documents.

Proposed Procurement Route

4. A competitive tender process would put extensive pressure on existing resources and staff time and would likely require additional support. In addition, stability and continuity of well performing providers is mentioned frequently as being essential to the care and wellbeing of service users and organisational staff, which is reflected in the potential future implementation of The NHS Provider Selector Regime (PSR). The PSR will aim to introduce increased flexibility and transparency to the procurement of healthcare services and will aim to support greater integration and the establishment of stable collaborations. The continuation of the current provider is in the best interest of the service users, all staff involved, taxpayers and the local population.
5. It is proposed that the Council continues with its current contract provider GMMH once the current contract comes to an end. Legal Services have advised that it is in order to make a direct award to GMMH in reliance on the *Hamburg* case exception, now codified as Regulation 12(7) of the Public Contracts Regulations 2015. That Regulation permits a direct contract to be awarded between the Council and an NHS or other public sector body, without

competition. It is subject to ensuring the contract is in the public interest and that the public services they each have to perform are provided to achieve common objectives.

Budget Provision

6. Annual budget provision is available from Public Health funding (£1,367,360), with £192,640 of funding available from Children's which contributes to the Children's & Young People's element of the contract via Early Break.

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Links with the Corporate Priorities:

Achieve are very client and community focused, which aligns well with our Let's do it strategy and neighbourhood approach.

The proposal will support key ambitions of the Let's do it strategy:

- A better future for the children of the borough
 - A better quality of life
 - A chance to feel more part of the borough
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Equality Impact and Considerations:

The local data around inequalities relating to substance misuse have been analysed, as well as discussions had with relevant partners to gauge the local situation. This has been taken into account when looking at where the inequalities lie and where there are gaps within the current system / pathways to try and reduce these inequalities. This will involve continuing current workstreams and projects that are ongoing with Achieve, as well as utilising external, additional funding. We are confident that GMMH and partners take into account equality and protected characteristics in their day to day work and governance. The completed Equality Impact Assessment based on the current contract / provider can be found in the background papers section.

Please see the below links to the GMMH Advancing Equity and Inclusion Strategy and the GMMH Patient Carer Race Equality Framework.

[Advancing Equity and Inclusion Strategy | Greater Manchester Mental Health NHS FT \(gmmh.nhs.uk\)](#)

Environmental Impact and Considerations:

GMMH have an established Green Plan running from 2022 to 2025 which has been developed through comprehensive consultation with various members of staff and external partners. The Green Plan has 114 specific targets which covers 9 keys areas of focus for the trust:

- Workforce and System Leadership
- Sustainable Models of care
- Digital Transformation
- Travel and Transport
- Estates and Facilities
- Medicines
- Supply Chain and Procurement
- Food and Nutrition
- Adaptation
- Have they made a commitment to carbon neutrality of zero carbon?

In line with the targets outlined by the NHS in the Delivering a Net Zero National Health Service Report GMMH is fully committed to reducing its greenhouse gas emissions to Net zero through two clear targets from the report which will be delivered the Trust Green Plan:

- Net zero by 2040 for the emissions we control directly.
- Net zero by 2045 for the emissions we can influence.

Where applicable, and within the remit of the contract, GMMH will carry out the necessary upgrades around the targets set out with in the Trust Green Plan.

GMMH is currently not a carbon literate organisation, the Energy & Sustainability Manager (recently new in post) has been looking at the options available to GMMH to either deliver a Carbon Literate accredited course or options to deliver an in-house workshop that is more specific to the NHS targets, GMMH Green Plan and dynamic workforce. GMMH are a local supplier and therefore will travel less, approximately 5 miles (depending on exact location). Where possible equipment will be reused if a new contract is agreed. If equipment is needed, careful consideration will be given to procurement routes.

Assessment and Mitigation of Risk:

Risk / opportunity	Mitigation
Provider not performing to expectations or service specification.	Quarterly contract monitoring meetings with the provider, as well as regular

	meetings to discuss various other projects and/or relevant matters.
Other providers being better value for money or providing higher quality care.	Market research completed prior to cabinet report.
The contract will be subject to future inflation costs and NHS Agenda for Change costings if it is continued and therefore, the price of the contract may increase if extended.	This will be monitored by Public Health and Finance to ensure such costs are factored in to budgeting.

Legal Implications:

The proposed direct award to GMHH is compliant with the Public Contracts Regulations 2015 and Regulation 12(7) in particular which permits such contracts to be entered into between two public sector authorities in the public interest.

Financial Implications:

The increased cost of this contract has been taken into account as part of the budget setting process for 2024/25 as negotiations were ongoing at this time and provision is available within the public health budgets.

Background papers:

Please list any background documents to this report and include a hyperlink where possible.

1. Evaluation of Achieve and partnership model 2022 – final report with executive summary
2. Community Care, Radcliffe – feedback
3. Equality Impact Assessment – substance misuse service
4. GM market research document – available on request.
5. Quarterly substance misuse service performance reports can be provided on request.

Please include a glossary of terms, abbreviations and acronyms used in this report.

Term	Meaning
GMMH	Greater Manchester Mental Health
SSMTRG	Supplemental Substance Misuse Treatment and Recovery Grant
HMT	HM Treasury
OHID	Office for Health Improvement and Disparities
GM	Greater Manchester
PSR	Provider Selection Regime

