

**North Yorkshire Council
Health and Adult Services**

Executive Member Meeting

3 November 2023

REPORT TO Director of Public Health in consultation with the Corporate Director and Executive Member for Health and Adult Services

PROPOSED EXTENSION OF CONTRACTS FOR SPECIALIST DRUG AND ALCOHOL SERVICES FOR YOUNG PEOPLE AND FOR ADULTS

This report includes a supporting Annex which contains exempt information as described in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended).

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| <p>1.0 Purpose Of Report: To approve the extension of contracts for the provision of North Yorkshire Horizons (specialist adult drug and alcohol service) and North Yorkshire RISE (specialist young people's drug and alcohol service) to 30 September 2025.</p> |
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2.0 Executive Summary

The North Yorkshire Horizons (specialist adult drug and alcohol service) and North Yorkshire RISE (specialist young people's drug and alcohol service) contracts are due to expire on 31 March 2024 and 30 September 2024 respectively.

The North Yorkshire Horizons contract currently includes an extension facility of +3 years, +2 years – up to 30 September 2029.

The North Yorkshire RISE contract currently includes an extension facility of +2 years, +2 years – up to 30 March 2027.

The [independent review of drugs led by Dame Carol Black](#) (2021) reinforced that investment in drug and alcohol services has reduced significantly over the last decade nationally. In response, central government has placed increased priority on drug and alcohol services, implementing significant additional (Universal and [SSMTRG Section 31 grant](#)) investment over the period 2021-2025.

North Yorkshire has so far received, invested and benefited from over £1.4 million, and is due to receive at least £1 million additional funding in 2024/25. A condition of the grant monies, paid to local authorities, is that investment in drug and alcohol treatment from the public health grant is maintained in line with the outturn reported to DLUHC in 2020/21.

A number of local contextual developments mean that there is a unique opportunity to review the services that directly support and contribute support to people who experience harmful patterns of substance use. These include:

- Unmet need and increasing profile of a cohort of people who experience substance use and multiple disadvantage;
- Drug and alcohol services are more expensive to deliver than they were in 2019 and 2021, when current arrangements were procured – driven by economic factors including cost of living rises and inflation;
- The COVID-19 pandemic has changed the ways in which drug and alcohol services are delivered;

- The creation of North Yorkshire Council - a unitary authority which provides new opportunities to strengthen the overall council and community contribution to substance use, including support for people who experience harmful patterns of substance use. Alongside Public Health, there is a unique contribution for economic development, housing, stronger communities/localities, community safety, adult social care services including mental health services, and children’s services.
- A range of partnership strategies are currently in draft, subject to engagement and/ or consultation – including the Substance Use Strategy and the Housing Strategy. These provide an opportunity to reflect the current and future needs of people across North Yorkshire;
- North Yorkshire Connected Spaces – a recently formed lived and living experience group– are highlighting strengths within existing support services, as well as opportunities for development – including the important and vital role of lived experience and recovery organisations (LERO).

The council will therefore embark on a drug and alcohol service transformation programme between 2023 – September 2025, involving directorates across the council, as well as key partners such as the Office for the Police, Fire and Crime Commissioner (OFPCC), Police, Probation and the Integrated Care Boards (ICBs). The council will provide leadership for the development of a system of support for people who experience harmful patterns of substance use, that delivers the ambition set out within the draft partnership Substance Use Strategy:

“Deliver effective support for people who experience harmful patterns of substance use across North Yorkshire – harms are reduced, and people have the best chance of achieving and maintaining their goals”

This is the minimum timeframe that a transformation programme of this nature, value and scale could be delivered within. New commissioning arrangements will be implemented from 1 October 2025. The council will therefore need to establish a variation to existing contracts to extend them to 30 September 2025. Governance will be managed through the Procurement Assurance Board.

3.0 Background

Public Health Grant conditions:

The Council is expected to ensure the provision of local drug and alcohol services as part of its action to promote population health improvement, protect health and reduce health inequalities.

Background – evidence base/ return on investment:

Evidence shows that drug and alcohol (substance use) treatment services are cost effective to the public purse, and clinically effective in terms of outcome for the individual. Investing in substance use services not only helps to save lives, but also substantially reduces the economic and social costs of harms associated with harmful patterns of substance use.

Research has shown that every £1 invested in treatment services results in a £4 social return on investment – a total of £21 over 10 years; and every £1 invested in alcohol treatment results in a £3 social return on investment – a total of £26 over 10 years (Source: [Must Know: Treatment and recovery for people with drug or alcohol problems | Local Government Association](#)).

For many who experience harmful patterns of use of substances, engaging in substance use services can be the catalyst for getting the medical and social help they need to address the underlying causes of their use of substances, and current physical, mental health and social symptoms.

Engagement with treatment services reduces offending behaviour (by up to half for alcohol users), reduces drug and alcohol related deaths, and reduces the spread of blood borne diseases such as

Hepatitis C. The public values drug and alcohol services - 82% said that the greatest benefit of treatment was improved community safety.

Background – North Yorkshire Horizons/ North Yorkshire RISE contracts:

North Yorkshire Horizons

The Council originally procured North Yorkshire Horizons - adult specialist drug and alcohol service - in October 2014. It was the first public health commissioned service transformation programme that the council delivered, following the transfer of public health functions in April 2013. The contracts were awarded to Humankind and Lifeline, with a combined value was £3.9 million per annum – comprising £3.6 million from the ring-fenced Public Health Grant, £266k from council budgets that were previously committed to adult substance use service provision (namely residential rehabilitation); and a contribution from the Office of the Police, Fire and Crime Commissioner (c.£159k).

The contracts were awarded on a 3-year basis, with a 2-year extension facility. The extension facility was enacted in 2017. The council then re-procured North Yorkshire Horizons and awarded the existing contract from October 2019 to Humankind, on a 5-year basis, with the provision to extend by +3years and + 2years (i.e. a potential ten year contract). There has been a contribution of £394k per annum recurrent savings from the North Yorkshire Horizons service since 2017 as part of the public health savings programme.

North Yorkshire Horizons has significantly increased overall numbers engaging with the service since 2014: 2500 are currently engaged with structured treatment interventions (June 2023). Engagement has specifically increased by people seeking support for alcohol dependence (from 730 – 1160), and drugs other than opiates (by c.50%). The number of people engaging with the service for support for opiate use only has declined over the same corresponding period, and whilst this is in line with the national trend, the decline has been more pronounced in North Yorkshire – source: [NDTMS - ViewIt - Adult](#).

The service has achieved outstanding ratings during two CQC inspections: [North Yorkshire Horizons - Care Quality Commission \(cqc.org.uk\)](#) and <https://www.cqc.org.uk/location/1-5029002092>. Liverpool John Moores University Public Health Institute conducted an independent evaluation of North Yorkshire Horizons in 2016. At peak levels of investment (£3.9 million per annum), the findings of the cost effectiveness evaluation demonstrated that spend on substance use services at that time in North Yorkshire was low per head of population compared to similar local authorities, and that North Yorkshire Horizons could be considered cost effective for all substance groups (e.g. people who need support with opiates only or alcohol only), as well as cost saving to the public purse in the long-term. The results showed that investment is a cost-effective use of North Yorkshire resources, and generates a high return on investment.

Opiate only clients

3♥ clients gained 3 years of quality adjusted life expectancy through services moving people into recovery, increasing their quality of life, and making them live longer.
£72k Services produced £72k in cost savings over a client's lifetime, through reducing the risk of crime associated with drug use, which can add up to a considerable cost over an individual's drug taking career.

Alcohol only clients

8♥ clients gained eight years of quality adjusted life expectancy through services moving people into recovery, increasing their quality of life, and making them live longer.
£60k Services produced £60k in cost savings, through reducing the healthcare costs of alcohol use, and through a reduced risk of crime and antisocial behaviour associated with alcohol use.

Non-opiate only clients

3.6♥ clients gained 3.6 QALYs more than if treatment was not available through improved quality of life while in treatment and recovery.
£64/QALY Treatment for non-opiate users cost £64 per QALY gained which would be considered to be very cost effective, although not cost saving.

Alcohol and non-opiate clients

♥8.5 clients gained 8.5 years of quality adjusted life expectancy through services moving people into recovery, increasing their quality of life, and making them live longer.
£56k services produced cost savings of £56k per client through reduced healthcare costs (such as hospital admissions) and reduced crime and antisocial behaviour costs.

Source: [Independent academic evaluation](#)

North Yorkshire RISE

The Council originally procured a combined specialist substance use and low-level mental health service for young people – Compass REACH – in 2015, as part of the Healthy Child Programme. The contract value was £182k per annum, and the contract was extended until 2021. The council re-procured a bespoke specialist substance use service as part of the Healthy Child Programme transformation programme in 2020.

Following a full procurement process, the North Yorkshire RISE contract was awarded to Humankind from April 2021, with a value of £178k per annum, on a 3-year basis, with the provision to extend by +2years and + 2years (i.e. a potential five year contract). There has been a contribution of £8,500 per annum recurrent savings from the North Yorkshire RISE service since 2020 as part of the public health savings programme.

Numbers of young people engaging with specialist service support for substance use declined between 2019 and 2021 (from 123 to 62). North Yorkshire RISE has significantly increased engagement again – with 123 young people engaged as at June 2023.

Other spend

The council also separately funds prescriptions issued by North Yorkshire Horizons (budget £496k), and GP practices that are contracted to deliver the APL services (budget £60k).

Dame Carol Black Review/ Drug Strategy and additional investment:

The [independent review of drugs led by Dame Carol Black](#) (2021) reinforced that investment in drug and alcohol services has been significantly reduced over the last decade nationally, and called central and local Government, the broader system and communities to action. She referenced the need and advocated for significant financial investment in drug and alcohol services; to 'rebuild' accessible, professional, and effective treatment services. The independent review led government to prioritise drug and alcohol services, and commit to the current three-year national funding programme: SSMTRG Section 31 grants.

North Yorkshire has so far received, invested and benefited from over £1.4 million, and is due to receive at least £1 million additional funding in 2024/25 – subject to Treasury confirmation. A condition of the grant monies, paid to local authorities, is that investment in drug and alcohol treatment from the public health grant is maintained in line with the outturn reported to DLUHC in 2020/21.

A key decision and grant decision were approved, and investment has utilised to support delivery of a number of schemes including Multiple Disadvantage and Outreach approaches in Scarborough and Harrogate, Strategic Harm Reduction activity, additional and specialist roles, needs assessment and data review activity, workforce development/training, inpatient and residential placements and equipment to support enhancements to service offers in North Yorkshire Horizons.

The Council, North Yorkshire Horizons, North Yorkshire RISE and criminal justice partners have committed to deliver a range of targets to improve engagement and continuity of care for people who use substance as part of the delivery of the national treatment plan.

Plans for 2024/25: Planning is underway across the system, including with North Yorkshire Horizons and RISE. Given that we anticipate that the level of funding we receive through the national treatment plan in 2024/2025 will be greater than the 2023/2024 grant, it is likely that the council will maintain investment in posts established in 2022/23 and 2023/24. Additional investment decisions will be informed by the priorities in the North Yorkshire Substance Use Strategy and shaped by member organisations of the

North Yorkshire Drug and Alcohol Partnership Board. Governance will be managed through Procurement Assurance Board.

Local contextual developments - opportunities:

A number of local contextual developments mean that there is a unique opportunity to review the services that directly support and contribute support to people who experience harmful patterns of substance use. These include:

- The creation of North Yorkshire Council - a unitary authority which provides new opportunities to strengthen the overall council and community contribution to substance use, including support for people who experience harmful patterns of substance use. Alongside Public Health, there is a unique contribution for economic development, housing, stronger communities/localities, community safety, adult social care services including mental health services, and children's services.
- A range of partnership strategies are currently in draft, subject to engagement and/ or consultation – including the Substance Use Strategy and the Housing Strategy. These provide an opportunity to reflect the current and future needs of people across North Yorkshire;
- North Yorkshire Connected Spaces – a recently formed lived and living experience group – are highlighting strengths within existing support services, as well as opportunities for development – including the important and vital role of lived experience and recovery organisations (LERO).

4.0 Alternative Options considered

The council will embark on a substance use service transformation programme between 2023 – September 2025, involving directorates across the council, as well as key partners such as the Office for the Police, Fire and Crime Commissioner, Police, Probation and the ICB.

New commissioning arrangements will be implemented from 1 October 2025. This is the minimum timeframe that a transformation programme of this nature, value and scale could be delivered within. Other timeframes were considered, for example aligning to current contract end dates and/or existing extension provision, however 1 October 2025 is the preferred option in order to respond to the opportunities presented by local contextual developments and key issues and challenges outlined above.

The existing contracts only include provisions for NYC to unilaterally extend for +3 years and +2 years for North Yorkshire Horizons, and +2 years and +2 years for North Yorkshire RISE. The council will therefore need to establish a variation to existing contracts to extend them to 30 September 2025 only. Governance will be managed through the Procurement Assurance Board.

5.0 Financial Implications

The contracts will be extended to 30 September 2025 on the basis of their current value (this excludes additional SSMTRG grant which is anticipated but not yet confirmed):

- North Yorkshire Horizons - £3,676,200.00 per annum
- North Yorkshire RISE - £173, 575 per annum

It is highly likely that the council will also invest SSMTRG Section 31 grant funding in 2024/25 within these services. The value of current additional investment is £442,327. Governance will be managed through Procurement Assurance Board.

6.0 Legal Implications

The original contracts for North Yorkshire Horizons and North Yorkshire RISE each contain extension options and provisions beyond 30 September 2025, therefore the proposed variations are permissible

under regulation 72 Public Contracts Regulations 2015. The proposed extensions will be subject to the usual gateway process in order to comply with governance requirements.

7.0 Consultation undertaken and responses

Initial discussions have taken place with the current provider of both contracts. Office of the Police, Fire and Crime Commissioner are also aware of the proposal, as a contributing organisation.

8.0 Impact on other services/organisations

The council receives a financial contribution for both services from the Office of the Police, Fire and Crime Commissioner. Representatives from the Office will be invited to support the transformation programme.

9.0 Contribution to Council priorities

The delivery of specialist substance use services for adults and young people through North Yorkshire Horizons and Rise supports a number of ambitions within the Council plan as follows:

- People are supported to have a good quality of life and enjoy active and healthy lifestyles
- Reduced variations in health by tackling the root causes of inequality
- People can access good public health services and social care across our different communities
- People are free from harm and feel safe and protected
- In times of hardship support is provided to those who need it most
- Good quality value for money services that are customer focussed and accessible to all

10.0 Risk Management Implications

There is no change to risk management arrangements as part of the contract extension. Requirements around CQC registration, clinical governance and other areas of risk are clearly documented in the specification, regulated where appropriate by external bodies and monitored via contract management arrangements.

11.0 Equalities Implications

An Equality Impact Assessment was completed at the time North Yorkshire Horizons was last re-procured. Estimates suggest that unmet need for specialist adult treatment services exists across North Yorkshire. A new Equalities Impact Assessment will be completed as part of the transformation programme.

12.0 Climate change implications

A Climate Impact Assessment will be completed as part of the transformation programme.

13.0 Community safety implications

The contracts contribute to community safety outcomes. The chair of the North Yorkshire Community Safety Partnership is the co-chair of the Drug and Alcohol Partnership Board. Community Safety Team representatives will be invited to support the transformation programme.

14.0 Reasons for recommendation/s

This arrangement ensures that effective specialist drug and alcohol services are maintained throughout the transformation programme; that the council maintains investment in line with the outturn reported to DLUHC in 2020/21; and that partners can optimise additional grant investment in the final year of the current investment programme (2024/25) facilitated by the Dame Carol Black Review.

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| <p>14.0 Recommendation/s: To approve the extension of contracts for the provision of North Yorkshire Horizons (specialist adult drug and alcohol service) and North Yorkshire RISE (specialist young people's drug and alcohol service) to 30 September 2025.</p> |
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Name and title of report author

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