

**Report of: Executive Member for Health and Wellbeing**

Meeting of:	Date	Ward(s)
Executive	21 April 2016	All

Delete as appropriate	Exempt	Non-exempt

## **SUBJECT: Section 76 agreement for Shared Specialist Substance Misuse Service**

### **1 Synopsis**

- 1.1 The report is asking the Executive to approve an amendment to the agreed procurement strategy for the commissioning of Islington's alcohol and drugs shared care service. This service provides care, delivered in partnership with GPs, to support people with drug and alcohol problems in primary care settings. It plays a key role in promoting recovery and reducing the harm caused by alcohol and drug misuse which are a significant cause of health inequalities in Islington
- 1.2 In February 2015, the Executive agreed this service would be commissioned in conjunction with Islington Clinical Commissioning Group (ICCG) as part of an integrated model of working across primary care, community health and social care services, in order to best realise the benefits for service users and value for the council. The report stated that this would be via a pooled funding arrangement with ICCG, and at the time it was thought this would be through a section 75 agreement. Following Executive approval, work has continued to develop and implement this integrated approach to delivery. However as this development work has progressed, it has become apparent that the more appropriate approach for the transfer of the funding to the CCG is through a section 76 as opposed to a section 75. This report seeks Executive approval for this revised approach.

### **2 Recommendations**

- 2.1 The Executive is asked to:  
 Approve the transfer of £701,000 under a section 76 funding arrangement between Islington Council and Islington CCG for commissioning of Islington's alcohol and drug shared care service.

### **3 Background**

- 3.1 Islington Council became responsible for commissioning substance misuse treatment services when responsibilities for Public Health functions were transferred to the Council in April 2013.
- 3.2 Substance misuse (alcohol and drugs) is a cause of considerable harm to the health and wellbeing of Islington residents. In terms of alcohol, around one in three residents are estimated to drink at increased

or high risk levels. Islington has the largest number of people accessing alcohol misuse treatment in London reflecting these high levels of population need. Islington has the second highest rate of opiate and crack use in London and the number of non-opiate users attending treatment is also increasing. Drug and alcohol use has a significant impact on health services, crime and community safety and is an important contributor to adult and children's social care needs.

- 3.3 The initial procurement report, appended to this document, provides an outline of the range of services available to support the sustained recovery of substance misusers and those affected by someone else's substance misuse. The shared care service delivered in partnership between Whittington Health and local GPs to support people with drug and alcohol problems in primary care settings, with good links with secondary care and specialist treatment, is an essential component of this pathway. As outlined in the initial procurement report, working in close collaboration with Islington CCG, Islington Council is also aligning the shared care service with the Practice Based Mental Health model in Islington – facilitating a more integrated approach to care delivery between general practices, Whittington Health and Camden and Islington Foundation Trust.
- 3.4 The national strategy for the NHS published in 2014, The Five Year Forward View, calls for new service models to support rapid progress in promoting health and wellbeing and providing care. These include more integrated models working across primary and community health care services and social care. This is already a major focus locally, through initiatives such as Islington's nationally recognised Pioneer programme and the work being developed through the Better Care Fund. Drug and alcohol issues are a significant cross-cutting risk factor in primary care, for example in long term conditions management and reducing preventable hospital admissions. The shared care service for people with drug and alcohol problems in primary care described above falls within scope of these new models of integrated working being developed locally. Jointly commissioning this service directly with the NHS can best realise the benefits for service users and value for the council. This strategic approach was approved by Islington Council's Executive in February 2015, where approval was given for using a section 75 as the method to support commissioning of integrated services with the local NHS.
- 3.5 Following Executive approval, there has been significant work to develop and take forward this approach. However as implementation has progressed, it has become apparent that the approach to jointly commissioning this integrated model with the CCG should be through a section 76 as opposed to a section 75, as originally set out and agreed by the Executive. All other details about the service, outcomes and resource requirements/commitments remain the same as specified in the original February 2015 procurement strategy report (appended to this report).
- 3.6 The Section 76 arrangement between LBI and Islington Clinical Commissioning Group will deliver a primary care-based treatment service that is better integrated with primary care and has a greater focus on psychosocial interventions, enabling the service to better support the Council's strategic priorities for substance misuse treatment. It is proposed that the amount to be transferred by the council to the CCG is £701,000.
- 3.7 Section 76 of the NHS Act 2006 enables joint health and social care funding. Section 76 allows local authorities to make payments, as in this case for service contributions, to NHS bodies to support specific additional NHS services, where this ensures a more efficient use of resources. The integrated approach for delivery of the substance misuse shared care would maximise the efficient use of resource and a more holistic approach for service users. The shared care service will develop as a fully integrated primary care substance misuse and mental health service over the new contract period, with the aim of referrals from GPs to the integrated service being managed through a single pathway, in order to:
- Provide a more seamless service for patients, service users and carers that delivers care in a holistic and integrated manner
  - Avoid duplication of service delivery;
  - Adapt the skill mix and increase awareness of the teams supporting individuals accessing the services – improving early identification, referral and intervention
  - Align delivery to support a collaborative approach to addressing local need and making best use of the commissioning resource across the CCG and LBI
- 3.8 Significant efficiencies are being delivered through the remodelling of the drug treatment pathway. The

procurement approach recommended in this report will help deliver this. The total cost of the shared care service in 2016/17 will be £701K. This proposal, along with the wider redesign of the substance misuse pathway, contributes to a 20% saving compared to 2014/15 in the cost of substance misuse services in Islington and a cumulative reduction of 28% since April 2013.

- 3.9 Following Executive approval, the Section 76 agreement will be finalised with ICCG. The delivery of the new service model is already being developed in conjunction with providers.

## **4 Implications**

### **4.1 Financial implications:**

The total annual budget for the shared care service is £701K per annum, and this service should not cause a financial pressure to the council. A section 76 is a formal mechanism that allows the transfer of funds to flow from the Council to the CCG.

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service. The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.

### **4.2 Legal Implications:**

The council may make payments to the CCG under the power conferred by section 76 of the National Health Service Act 2006. In doing so the council is required to meet the requirements set out in the National Health Service (Conditions Relating to Payments by Local Authorities to NHS Bodies) Directions 2013. The main conditions that need to be satisfied pursuant to the Directions are as follows:

1. Before making a payment under section 76 the council must be satisfied that the payment is likely to secure a more effective use of public funds than the deployment of an equivalent amount on the provisions of local authority services; and the council must be satisfied that the CCG intends to meet the cost of the project to the extent that it is not funded by the s76 payments; and for so long as the project is considered by the council and the CCG to be necessary or desirable (Direction 2).
2. The council must ensure, so far as is practicable, that the payment is used by the CCG in such a way as will secure the most efficient and effective use of the amount paid; and with the agreement of the CCG prepare a memorandum of agreement in writing in the form set out in Annex 1 of the Directions (Direction 3).
3. Following the making of a s76 payment the council must require the CCG to provide an annual voucher in the form set out in Annex 2 of the Directions. The CCG must send completed vouchers to their external auditor by no later than 30<sup>th</sup> September following the end of the financial year in question and arrange for these to be certified and submitted to the council by no later than 31<sup>st</sup> December of that year (Direction 5).

The council's constitution requires the Executive to approve revenue expenditure above £500,000.00.

### **4.3 Environmental Implications**

The service should have only a minimal environmental impact being primarily conducted within office locations. Where possible staff will be encouraged to use public transport to travel for work purposes. Fuel usage for lighting, heating and operating equipment within the building will be considered and where possible gas and/or electricity will not be wasted.

It is possible that the service will be required to dispose of hazardous materials related to drugs testing and harm reduction activities (i.e. needle exchange or disposal). The specification will require that these are safely disposed of in accordance with current waste regulation including Duty of Care regulation.

### **4.4 Resident Impact Assessment:**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A resident impact assessment was completed as part of the initial procurement strategy report in February 2015. There is no potential for discrimination and all appropriate opportunities to advance equality have been taken.

## 5 Reason for recommendations

- 5.1 Islington requires a range of substance misuse services that meet the needs of residents in a flexible way. Alcohol and drug misuse causes significant harm to the health and wellbeing of individuals, families and communities. Levels of mortality and illness among people who are problem drug users are high.
- 5.2 This shared care service for substance misuse plays a key role in improving the recovery outcomes of substance misusers with complex needs (alcohol and drugs) and supporting GPs to treat people in primary care. The use of a Section 76 funding agreement between LBI and Islington Clinical Commissioning Group will deliver a primary care based treatment service that is better integrated with primary care and has a greater focus on psychosocial interventions, enabling the service to better support the Council's strategic priorities for substance misuse treatment. Using a Section 76 to facilitate this approach ensures the efficient use of resources.

**Appendices:** Report to Executive, 12 February 2015 'Approval of Procurement Strategy for Specialist Substance Misuse Services'.

Final report clearance:

**Signed by:**



13 April 2016

Executive Member for Health and Wellbeing

Date

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