

Grants Determination (Cabinet) Sub-committee 16th January 2019	 TOWER HAMLETS
Report of: Denise Radley, Corporate Director, Health, Adults and Community	Classification: Unrestricted
Substance Misuse Prescribing Costs	

Lead Member	Councillor Jones, Cabinet Member for Adults and Health
Originating Officer(s)	Rachael Sadegh, Service Manager – Substance Misuse
Wards affected	All wards
Key Decision?	No
Forward Plan Notice Published	13/12/18
Reason for Key Decision	
Community Plan Theme	Better health and well-being

Executive Summary

LBTH currently commissions a number of treatment interventions for individuals who misuse drugs / alcohol. The primary service providing such interventions is Reset drug / alcohol treatment service currently contracted to East London Foundation Trust (ELFT). The cost of this service is met via the Public Health Grant. An important element of the treatment of drug / alcohol addictions is pharmacological therapy. A number of different drugs are used though many will be familiar with Methadone and Buprenorphine used to substitute illicit Opiates (mainly Heroin). In Tower Hamlets, these drugs are prescribed by Reset treatment service (ELFT) practitioners and by GPs.

The costs associated with prescribing these drugs have been shared over time with both LBTH and Tower Hamlets Clinical Commissioning Group funding this resource. Due to the recommissioning undertaken across the drug / alcohol treatment system and to ensure transparency, a grants agreement is required to reimburse these prescribing costs on an annual basis.

A paper was submitted to the Grants Determination Sub-Committee on 24/10/17 requesting authorisation to transfer funds for these purposes to Tower Hamlets Clinical Commissioning Group (THCCG). Following agreement at this Committee, further discussions have taken place with THCCG at the Joint Commissioning Executive (JCE) and arrangements have changed with a proposal that LBTH reimburses ELFT directly with a contribution from THCCG.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve an annual grant to ELFT to the value of up to £400k to fund drug costs associated with substance misuse treatment interventions for the duration of the current Reset contract with ELFT (due to end on 30th October 2019).
2. Delegate authority to Corporate Director Health, Adults and Community to approve funding agreement between THCCG and LBTH.
3. Note that payment of the grant will be made in arrears at the end of the year in which expenditure was incurred. The first payments will therefore be for the contract year 31st October 2016 to 30th October 2017 and 31st October 2017 to 30th October 2018.

1. REASONS FOR THE DECISIONS

- 1.1 To facilitate service delivery as per the service specification for Reset drug / alcohol treatment service and to ensure appropriate clinical governance.
- 1.2 To ensure a transparent transfer of funds to ELFT to reimburse drug costs incurred by the Reset service.

2. ALTERNATIVE OPTIONS

- 2.1 LBTH to transfer liability for prescribing costs to Reset drug / alcohol treatment service. This would require a contract variation agreeable to both parties and would limit control over prescribing costs within the service. Such an arrangement would require discussions with THCCG in relation to whether an agreed funding contribution would be forthcoming. This would also not address spend to date. The Joint Commissioning Executive will be considering a pooled funding arrangement for future contracts.

3. DETAILS OF THE REPORT

- 3.1 LBTH currently commissions a number of treatment interventions for individuals who misuse drugs / alcohol. The primary service providing such interventions is Reset drug / alcohol treatment service currently contracted to East London Foundation Trust (ELFT) from 31st October 2016 to 30th October 2019. The cost of this service is met via the Public Health Grant.
- 3.2 An important element of the treatment of drug / alcohol addictions is pharmacological therapy. A number of different drugs are used though many will be familiar with Methadone and Buprenorphine used to substitute illicit

Opiates (mainly Heroin). In Tower Hamlets, these drugs are prescribed by Reset treatment service (ELFT) practitioners and by General Practitioners.

- 3.3 Prior to the transition of Public Health (and the Public Health Grant) into the Local Authority, the majority of funds for substance misuse treatment interventions were held by Tower Hamlets Primary Care Trust. Upon the transition of Public Health in 2013, funding associated with public health initiatives (including substance misuse) were amalgamated and allocated to LBTH via the Public Health Grant. Whilst this included all funding associated with treatment service contracts, it did not include funding associated with prescribing costs and other non-discreet services such as diagnostic testing.
- 3.4 At the point of transition in 2013, substance misuse services were structured and contracted very differently to the current treatment system which was implemented in October 2016. Prescriptions for the drugs concerned were written by GPs with a special interest in substance misuse (GPwSIs) who worked in treatment services, ELFT practitioners working in the Specialist Addictions Unit (SAU) and General Practitioners within their own surgeries. GPwSIs and GPs used THPCT / THCCG prescription forms to prescribe and therefore these costs were picked up by THPCT / THCCG. ELFT practitioners prescribed on ELFT prescriptions and the costs of these drugs were included in the contractual value for the SAU service. Hence in 2013, the PHG allocated to LBTH included provision for SAU prescribing costs but not for the costs incurred for prescriptions written by GPs and GPwSIs. However, up until the point of implementing new services in October 2016, funding arrangements remained the same with THCCG paying for GP / GPwSI costs and LBTH funding the SAU service (including prescribing costs).
- 3.5 When treatment services were recommissioned in October 2016, the GPwSI function and the SAU contract was terminated. All prescribing is now undertaken by Reset drug / alcohol treatment service (ELFT) and GPs within their own practices. In 2015, an agreement was reached with THCCG that they would continue to fund all prescribing costs with the exception of the cost previously included within the SAU contractual value.
- 3.6 Drug costs were explicitly excluded from the Reset contract in order to maintain the balance of prescribing costs between LBTH and THCCG. Original plans for ELFT to prescribe on THCCG prescription forms have now been reconsidered and therefore it is more logical for ELFT to invoice LBTH for the full cost and LBTH to invoice THCCG for the agreed contribution. THCCG will directly cover the cost of all primary care prescribing. Reset prescribing costs for 17/18 are £350k and the CCG will be contributing £89k.
- 3.7 After much deliberation within LBTH and with THCCG colleagues, LBTH legal services have recommended that this annual payment is made as a grant. Approval was obtained from this Committee on 24/10/17 but now that payment mechanisms have been revised, approval is sought for the payment to be made directly to ELFT.

- 3.8 Exact payment amounts will depend upon monthly prescribing costs incurred which is validated by returns from the NHS Business Authority. Data to date shows an average total cost of £344,000.
- 3.9 LBTH officers have worked with THCCG to agree the contribution of THCCG to the prescribing costs incurred. An agreement has been reached for 2016/17 and 2017/18 and the calculation will be similarly applied to 2018/19 and 2019/20 (April to October).
- 3.10 The Joint Commissioning Executive also agreed that a pooled funding arrangement be pursued for new Reset contracts commencing in October 2019. Therefore this transfer of funds will not be necessary in future contracts.

4. EQUALITIES IMPLICATIONS

- 4.1 Substance misuse services are subject to annual needs assessments and service equity audits. There are no impacts on equality as a result of this funding arrangement.

5. OTHER STATUTORY IMPLICATIONS

Best value (bv) implications

- 5.1 The exclusion of prescribing costs from the service specification ensures an additional control measure on the cost of the treatment service and safeguards investment in frontline staff.
- 5.2 The contribution of THCCG is well received and alternative arrangements would be challenging to resource.

Sustainable action for a greener environment

- 5.3 No impacts

Risk management implications

- 5.4 The risks within this proposal are primarily related to the variable budget. Whilst the prescribing budget in recent years has been relatively stable, the impact of the new service model cannot accurately be estimated.
- 5.5 Whilst the new service is anticipated to be more effective in facilitating service users to complete treatment earlier and hence incur lower prescribing costs, it is also expected to increase the total cohort in treatment.
- 5.6 There is also the risk of new pharmacological technologies being developed for the treatment of addiction which could be expensive. There are no known developments anticipated currently. Any future risk would be managed via discussion within the prescribing sub-committee as to the merits and

affordability of such drugs in the first instance. This would be followed by agreed addition to the approved formulary of prescribable drugs if possible, with or without prescribing restrictions. If an increased budget was required to meet costs, this would be discussed with both organisations to determine whether resource was available prior to authorising prescribing of the relevant medications.

Crime and disorder reduction implications

- 5.7 The use of Opiate Substitution Therapy and successful engagement in drug treatment has demonstrated effectiveness in reducing crime and is an essential element of the National Drug Strategy as well as Tower Hamlets Substance Misuse Strategy.

Safeguarding implications

- 5.8 Successful treatment of drug / alcohol misuse has many benefits for affected families, safeguarding both vulnerable adults and children of drug / alcohol users. Much of this treatment relies upon effective pharmacological therapies alongside psychosocial interventions.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The report recommends an annual grant of up to £400k for the period October 2016 – October 2019 to ELFT to fund drug costs associated with substance misuse treatment interventions. Contributions from THCCG have been agreed towards the grant that will be made to ELFT. The remaining grant award after the THCCG contribution will be funded through the Public Health grant.

7. COMMENTS OF LEGAL SERVICES

- 7.1 The Council has the legal power to make this grant
- 7.2 Grants Determination Sub-Committee had previously approved this grant. However, due to a technical change in the commercial relationship the grant recipient will now be ELFT rather than the CCG. Legal Advice given to the officers involved was that whilst the grant was essentially the same and for the same ultimate purpose, the change in the identity of the grant recipient required a reapproval under the constitution. However, all other aspects in respect of Best Value and other legal duties of the Council remain the same as were considered in the previous report.
- 7.3 There are also no new Equalities considerations that must be accounted for prior to the making of this decision.

Linked Report

- None

Appendices

- None.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None

Officer contact details for documents:

N/A