

Meeting: Safer Communities Executive Board

Date: 15th October 2008

Report Title: Reductions to the Pooled Drug Treatment Budget

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1. Summary

1.1 Two specific factors have influenced the reduction to the Pooled Drug Treatment Budget (PTB):

1.2 Firstly, as part of the Government's most recent Comprehensive Spending Review the Department of Health had to make local efficiency savings of £50m per annum against national expenditure on the PTB by 2010/11. The PDTB is the main 'health' budget for commissioning drugs provision in the borough. It sits outside of the Area Based Grant (ABG) and is ring fenced until 2011 when it in all likelihood it will go into the ABG. Whilst the official line from the National Treatment Agency on this, is that this is not effectively a cut, more a redistribution of the overall pot of money available to those partnerships that had previously not done so well out of the PTB allocation. However, this is not the reality on the ground.

1.3 Secondly, changes in the funding formula for the PTB allocations (from the Yorke formula) to the formula as outlined below means that Haringey DAAT is effectively looking at cuts of 26% over three years against our 2007/08 PTB allocation - see below. This 'indicative allocation' was also based on performance outturn in 2007/08 using the new definition of effective treatment as 'those who are crack/heroin users only'. So in other words our year end position for 'numbers in effective treatment' excluded non heroin/opiate crack users, bringing the overall 'number in effective treatment' down - which means less money. This performance outturn was then turned into a 'projected trajectory' of performance over the three years and used as the basis for our allocation along with the formula as outlined below.

2. Haringey Projected Budget 2008/09 – 2010/11

PTB Allocation 2008/09 actual	Percentage change 2008/09 from 2007/08	PTB Allocation 2009/10 projected on 1% standard increase	Percentage change 2009/10 from 2007/08	PTB Allocation 2010/11 projected on 1% standard increase	Percentage change 2010/11 from 2007/08
£3,466,001	95%	£3,180,945	87%	£2,705,844	74%

Source: National Treatment Agency

2.1 The majority of these monies are tied up in existing drug treatment service contracts – when inflationary uplifts for staff costs on commissioned services are included the reductions increase further.

The funding formula itself states:

- **Activity** i.e.: the number of individuals in effective treatment in the year. This will account for 75% of the allocation. **(which translates as crack and heroin users as per N140)**
- **Case Mix:** The differential cost of providing treatment to Problem Drug Users (PDUs, i.e. users of crack and / or opiates) and non PDUs will be reflected in a 2:1 differential when calculating each area activity. **(This essentially means that you get more money per each crack/heroin user as they are more expensive to treat)**
- **Caseload Complexity:** 25% of the allocation will determined by factors reflecting the complexity of the local treatment population. **(again this seems to be about % of PDU's)**
- **Area Cost Differential:** This reflects the true cost differential to provide the same level of service across the country. **(This is about the unit costing event currently taking place)**

It is interesting to note that London boroughs with the highest levels of deprivation on the whole seem to have fared the worse under this new regime.

3. Impact of reductions on the drug treatment system:

3.1 From next year the 'cuts' that Haringey have to make will start to impact directly

on 'Tier 3' drug services – (that is services that are working with primary crack and heroin users), services that work with children affected by parental substance misuse and some of our 'wrap-around-support' services.

3.2 In order to give providers the necessary notice of any change to their allocation the Joint Commissioning Group has begun planning early for

these 'cuts'. Three different options for meeting these cuts were put to the DAAT Board on the 4th September, one of which was agreed. Providers will now be formally notified.

3.3 The DAAT Partnership Board recognise that against this background it is unrealistic to look to the PTB as the sole source of monies for commissioning drugs services/projects. We need to begin to have the discussion about what is absolute priority - and from this identify the means to commission this work.

3.4 Also of note is the equality impact of this formula - which is too heavily weighted to crack and heroin users and compromises our ability to commission services to meet the diverse needs of a borough such as Haringey - e.g. work with the Somali community on khat, problems caused by heavy cannabis use and in particular skunk, which is having a devastating effect on many of our African Caribbean community.

4. Recommendations:

4.1 **Board to note:** Cllr Canver has written to Vernon Coaker – Parliamentary Undersecretary of State for Policing, Security and Community Safety outlining the concerns re these reductions.

4.2 A paper is going to Haringey Council's Chief Executive management Board on 14th October on drugs/alcohol commissioning to consider any opportunities for mainstreaming some of this work.

4.3 The 2008/09 annual drug treatment needs assessment will include a specific section on the impact of these reductions and identify 'unmet need'.

4.4 This will be reflected in the development of the drug treatment plan for 2009/10.

5.4 The SCEB Performance Management Group to investigate and consider the scope for meeting some of this unmet need.

Legal Comments:

If there is a reduction in drug treatment services as a result of the reduced budget provision, there may be an increased demand for community care services from drug and alcohol users. The local authority has a statutory duty to assess people who appear to be in need of community care services under section 47 of the *National Health Service and Community Care Act 1990* and a duty to provide services for people who meet the eligibility criteria in accordance with the *Fair Access to Care Services Guidance*. The impact on local authority community care resources and mental health services will therefore need to be considered.

Financial Comments:

The Chief Financial Officer notes the contents of this report and the impact of efficiencies within central government and also changes in the approach to PTB allocations which appear to impact negatively on Haringey's future resources. The impact of reduced provision will need to be clearly monitored for its effect on performance.

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