

**Open Report on behalf of Glen Garrod,
Executive Director – Adult Care and Community Wellbeing**

Report to:	Executive
Date:	7 March 2023
Subject:	Substance Misuse Grant Monies
Decision Reference:	I028836
Key decision?	Yes

Summary:

This report outlines additional funding that National Government has allocated to Lincolnshire to support delivery of the 2021 National Drug Strategy, and seeks authorisation for an exception to the Council's Contract Regulations to enable delivery of initiatives for which grant monies have been allocated by variation to the Council's existing Substance Misuse Treatments and Recovery contracts, and Housing Related Support contract in order to facilitate the grant allocation by 1st April 2023 in line with deadlines set by the Government.

Recommendation(s):

That the Executive:

1. approves the modification of the Substance Misuse Treatment Service contract to a maximum value of £1,665,453 to incorporate delivery of activity in support of the National Drug Strategy for a 12-month period between 1st April 2023 and 31st March 2024;
2. approves the modification of the Substance Misuse Recovery Service contract to a maximum value of £174,000 to incorporate delivery of activity in support of the National Drug Strategy for a 12-month period between 1st April 2023 and 31st March 2024;
3. approves the modification of the Housing Related Support Service contract to a maximum value of £533,325 to incorporate delivery of activity in support of the National Drug Strategy for a 12-month period between 1st April 2023 and 31st March 2024; and
4. delegates to the Executive Director - Adult Care and Community Wellbeing in consultation with the Executive Councillor for Adult Care and Public Health

authority to determine the final form of the modifications referred to in paragraphs 1 and 2.

Alternatives Considered:

1. Procurement of a new contract
The Council's Contract Regulations require variations to contracts not expressly within the scope of the original procurement to be considered for procurement of a new contract.

Tight deadlines for meeting the grant funding requirements have been imposed on Lincolnshire County Council by the Office for Health Improvement and Disparities and the Department for Levelling Up, Housing and Communities. The time required to undertake a new procurement for services to utilise the grant funding would result in the Council being unable to fulfil the deadlines imposed.

In this instance, the additional services required are consistent with the scope of the existing services, but the contract does not expressly make provision for flexibility to increase service capacity above the original defined funding envelope.

A change in contractor, which may result from a new procurement, would cause substantial duplication of costs for the Council; consisting of the costs associated with the procurement and contract management of an additional service, and in particular duplication in the costs of delivery of a secondary service involving separate infrastructure, management and operating overheads, and further duplication and complexity in associated partnerships and relationships.

Reasons for Recommendation:

In total the grant funding on offer to Lincolnshire for 2023/24 is £2.637 million. This is significant inward investment for substance misuse prevention and treatment, and it will enable us to work in partnership across Lincolnshire to improve health and wellbeing outcomes, and reduce crime.

If we are not able to vary the current contracts there is a risk that Lincolnshire will lose the funding allocated by OHID and DLUHC. This is because we would need to work with partners to redesign our applications and undertake new procurement procedures to allocate and utilise the funding, which would exceed the timeframes set out by National Government.

Regulation 72(1)(e) of the Public Contracts Regulations 2015 define circumstances in which a contract modification is not to be taken to be material for the purposes of requiring a competitive procurement to be carried out. These modifications are considered to meet these requirements.

In particular the modifications would not make the contracts materially different in character; do not introduce new conditions; do not change the economic balance of the contracts; and do not change the scope of the contracts considerably.

1. Background

1.1. 'From harm to hope: A 10-years drugs plan to cut crime and save live' was launched in December 2021. In February 2022, the Government announced a comprehensive spending review for substance misuse services in England and Wales, to support delivery of the new national strategy. Since April 2022, Lincolnshire County Council has been encouraged to apply for four separate funding streams to support delivery of the national strategy:

- The Supplemental Substance Misuse Treatment and Recovery Grant (SSMTR) which is being managed by the Office of Health Improvement and Disparities (OHID).
- A separate Supplemental Substance Misuse Treatment and Recovery Grant (SSMTR) for Housing Support, also managed by OHID.
- The Rough Sleeping Drug and Alcohol Treatment Grant (RSDATG) which is being managed by the Department for Levelling Up, Housing and Communities.
- A grant from Probation to support people on probation with substance misuse needs.

1.2 In July 2022, the Executive approved an exception to Council's Contract Regulations to enable delivery of initiatives for which grant monies had been allocated to the Council from DHSC and DLUHC for 2022/23, through existing contracted substance misuse services. The total value of the additional grant funding for 2022/23 was £1,401,739. At that time, we indicated that additional funding was expected to at least 2024/25, although specific funding allocations were not yet confirmed, being subject to an annual application process to confirm availability and level of funding to be provided.

1.3 Following communication with the Office for Health Improvement and Disparities (OHID), the Department for Levelling Up, Housing and Communities (DLUHC) and the National Probation Service we now have more clarity on the funding allocations for 2023/24. Across 4 separate grants, Lincolnshire County Council will be awarded £2,637,178 to enhance substance misuse treatment and recovery in 2023/24:

- Supplemental Substance Misuse Treatment and Recovery (SSMTR): £1,273,853
- Rough Sleeper Drug and Alcohol Treatment Grant (RSDATG): £587,000
- Probation: £200,000
- Supplemental Substance Misuse Treatment and Recovery for Housing Support (SSMTR – HS): £576,325

- 1.4 Conditions on the funding include that:
- Public Health Grant Funding must be maintained at 2020/21 levels as a minimum.
 - Spending plans must be developed in consultation with a wide range of stakeholders including the police and crime commissioner, the local health and social care system, probation and NHS health and justice colleagues.
 - Bids across different streams must align funding to avoid duplication.
 - Future grants (e.g. SSMTR is expected to continue annually for the life of the 10-year national drug strategy) are subject to performance reviews of current spending.
 - Any unspent funding must be returned.
- 1.5 On a national basis the additional funding should deliver:
- 54,500 new high-quality treatment places, including 21,000 new places for opiate and crack users, bringing a total of 53% of opiate and crack users into treatment.
 - A treatment place for every offender with an addiction.
 - 30,000 new treatment places for non-opiate users and alcohol users.
 - A further 5,000 more young people in treatment.
 - 24,000 more people in long-term recovery from substance dependence.
 - 800 more medical, mental health and other professionals.
 - 950 additional drug and alcohol and criminal justice workers.
 - Sufficient commissioning and co-ordinator capacity in every local authority.
- 1.6 The aim of all additional funding is to improve the quality and reach of the current Substance Misuse Treatment and Recovery Services. Each funding stream comes with a 'menu of interventions' on which the grant funding may be spent. The public health team at LCC have worked in partnership with colleagues from existing treatment and recovery services, District Councils, the NHS, Police, Probation, and the Community and Voluntary Sector, to develop plans for each funding stream.

2. Grant Applications and Proposals for Lincolnshire

- 2.1 The proposed expenditure against each stream of additional grant funding is outlined in the paragraphs below. The initiatives are taken from a 'menu of interventions' set out by the funders and all proposals are either approved or, following discussions with national teams, are about to be submitted for approval.
- 2.2 These build on the work already completed in 2022/23 to help reduce service caseloads, improve outcomes, resolve any remaining gaps in provision, and help stabilise the workforce to provide a secure base with which to further develop the service.
- 2.3 The application processes for each funding stream are as follows:
- SSMTR: Application opened February 2022 and closed February 2023. Outcome expected March 2023.

- SSMTR-HS: Application opened August 2022 and closed October 2022. Grant issued January 2023.
- RSDATG: Application opened April 2022 and closed May 2022. Grant issued November 2022.
- Probation: Discussions started June 2022 and concluded January 2023. Outcome expected February 2023.

In all applications we have been asked to model activity from 1st April 2023.

a. SSMTR

SSMTR is designed to strengthen the core treatment offer and boost specialist support within services. In line with the ‘menu of interventions’ supplied by the Office for Health Improvement and Disparities, our application for the SSMTR Grant requests funding for:

Table 1: Proposed SSMTR funded activities

Area	Intervention	Number of staff	Cost
1	Specialist commissioning support Drug related death coordinator	2.0 FTE	£112,000
2	Substance misuse workers	3.0 FTE	£135,000
3	Criminal justice workers	6.0 FTE	£270,000
4	Criminal justice team leader	1.0 FTE	£55,000
5	Female specific workers	2.0 FTE	£93,000
6	Young person’s worker	1.0 FTE	£48,000
7	Residential rehabilitation provision	N/A	£120,000
8	Mental health liaison workers ¹	2.0 FTE	£90,000
9	Hospital liaison worker	1.0 FTE	£45,000
10	Psychotherapist	1.0 FTE	£55,000
11	Uplift for staff Treatment	N/A	£93,453
12	Uplift for staff Recovery	N/A	£30,000
13	Naloxone Coordinator	1.0 FTE	£60,000
14	Young Oasis service	2.0 FTE	£12,400
15	Family support service	2.0 FTE	£55,000
	Totals	24 FTE	£1,273,853

b. SSMTR – HS

¹ Seeking match-funded by the Integrated Care Board for a total of 4 FTE posts.

The SSMTR-HS is designed to improve recovery outcomes for people in treatment for drug dependency through housing support. The application has been agreed with OHID and the grant was issued in January 2023, with the expectation that it will be fully operational by 1st April 2023. The SSMTR-HS grant totals £576,325 for 2023/24, and the table below details the planned use of funding.

Table 2: SSMTR-HS funded activities

Number	Intervention	Number of staff	Cost
16	Specialist housing support workers	9.0 FTE	£394,113
17	Specialist housing support team leader	1.0 FTE	
18	Specialist housing support workers	3.0 FTE	£111,212
19	£500 x 28 rent deposits £500 x 28 rent in advance	N/A	£28,000
20	Substance misuse trainer	1.0 FTE	£40,000
21	Naloxone kits	N/A	£3,000
	Totals	14.0 FTE	£576,325

c. RSDATG

The Rough Sleeper Drug and Alcohol Treatment Grant must focus on substance misuse treatment for individuals who are rough sleeping or at risk of rough sleeping. In line with the 'menu of interventions' the application for the RSDATG, which was approved in November 2022, will fund:

Table 3: RSDATG funded activities

Number	Intervention	Number of staff	Cost
22	Data Analyst	1.0 FTE	£47,000
23	Outreach Team Leader Outreach	2.0 FTE	£50,000
24	Outreach substance misuse workers	7.0 FTE	£294,000
25	Non-medical prescriber	1.0 FTE	£76,000
26	Transition Support Practitioner	1.0 FTE	£38,000
27	Peer Recovery Planner	1.0 FTE	£70,000
28	Trauma Incident Reduction Training	N/A	£12,000
	Totals	13.0 FTE	£587,000

d. Probation

Lincolnshire has been allocated £200,000 funding from Probation for 2023/24 and 2024/25. The grant is in the final stages of development and should be complete by the end of January 2023, with the service being fully operational by 1st April 2023. The service address gaps in support for relapse prevention for people on probation with identified substance misuse needs who do not meet the clinical threshold for intervention under existing commissioned services, and intensive keyworker

support for people on probation who are chaotic, high risk and high need and therefore hard to engage with substance misuse services. The table below outlines the proposed allocation of funding from the Probation grant.

Table 4: Probation funded activities

Number	Location	Number of staff	Cost
29	Lincoln	2.0 FTE	£95,000
	Boston and Skegness	1.5 FTE	£67,500
	Grantham	0.5 FTE	£22,500
30	All sites, testing equipment		£15,000
	Totals	4.0 FTE	£200,000

2.4 In Lincolnshire we expect that this additional funding will deliver the following local outcomes:

- Improved accessibility of the service and quality of care for key vulnerable population groups including women, people who are homeless or at risk of rough sleeping, and young people.
- Improved engagement of people in contact with the criminal justice system in treatment, including continuity of care between prison and community services, leading to reduced recidivism.
- An increase in prevention and early intervention work with children and young people to support harm reduction and drug awareness.
- More people supported to become drug and/or alcohol free through residential rehabilitation.
- A reduction in drug-related deaths.

2.5 The total value of the additional grant funding for 2023/24 is £2,637,178 made up of:

- SSMTR: £1,273,853
- SSMTR-HS: £587,000
- RSDATG: £587,000
- Probation: £200,000

In total, this represents an overall increase to the core budget (£5,447,653) in 2023/24 of 48.4%.

2.6 OHID and Probation have both indicated that future grants will be made available to Lincolnshire based on performance during 2024/25.

3. Outcomes and Benefits

3.1 The National Government grant funding outline above will expand the Substance Misuse Service further in Lincolnshire, giving us an opportunity to enhance provision and develop a substance misuse treatment programme that reflects best practice in a wider range of service elements. We will be able to enhance

treatment and recovery options, reduce worker caseloads, homelessness and housing issues and increase capacity and quality of our treatment and recovery services. With a greater focus on quality, this will also increase the workforce morale and aid staff retention.

- 3.2 The proposed improvements will complement existing health and criminal justice services and assist Lincolnshire County Council in meeting targets related to the new drug strategy, the women's strategy, dual diagnosis policy and criminal justice across police, courts, probation and prisons. The posts that were implemented in 2022/23 are operating well and initial feedback on the impact of the posts has been positive, the grants detailed within this paper continue to build on that success by further enhancing and developing services.
- 3.3 The aim is to have a more stable and resilient workforce that is well equipped to deliver high quality substance misuse treatment and prevention work, helping move clients through treatment into long term sustainable recovery.

4. Timescales and Implementation

- 4.1. National Government expects the SSMTR and RSDATG grant funding to continue from 1st April 2023, and in the case of SSMTR-HS and Probation to begin from 1st April 2023. Performance across these grants is being scrutinised by a board chaired by the Prime Minister.
- 4.2. All the additional grant funding will be used to enhance Lincolnshire's existing treatment and recovery service offer, for example through the promotion of assertive outreach, specialist support for vulnerable groups, and developing more integrated ways of working. In order to ensure Government timescales for continuation or commencement of grant funded activity can be met, it is proposed that the majority of funding will need to be distributed and utilised by the following incumbent Providers:
 - We Are With You in the delivery of the existing Substance Misuse Treatment and Recovery contracts
 - Framework Housing Association in the delivery of the existing Housing Related Support Service contract
- 4.3. The proposed variation to the Treatment Contract is £1,665,453 made up of the elements described in 2-11 in Table 1, 20-21 in Table 2 and 23-25 in Table 3 above and the £200,000 grant from the Lincolnshire Probation Service. The interventions this will fund are closely aligned to the existing scope of the contract and the value represents 5.23% of the original total contract value (£31,854,564). As such, the proposed variation does not change the economic balance or change the scope of the contract considerably.
- 4.4. The proposed variation to the Recovery Contract is £174,000, made up of the activity described in 12-13 in Table 1 and 27-28 in Table 3 above. Again, the

interventions this will fund are closely aligned to the existing scope of the contract and the value represents 8.29% of the original total contract value (£2,097,900), so the economic balance of the contract is not changed and the scope of the contract will not be considerably altered.

4.5. The proposed variation to the Housing Related Support Service contract is £533,325, made up of the activity described in 16-19 in Table 2 above. Again, the interventions this will fund are closely aligned to the existing scope of the contract and the value represents 5.33% of the original total contract value (£10,000,000), so the economic balance of the contract is not changed and the scope of the contract will not be considerably altered.

4.6. The incumbent providers are performing well and meeting the majority of LCC's targets in substance misuse treatment and recovery, and housing related support services contracts. This puts them in a good position to incrementally expand the services in line with the increased funding. Adding these amounts of funding to the existing services does not therefore pose a risk to LCC as there is confidence the additional requirements will be met. However, there are external factors that pose some risk to spending the full 2023/24 allocations which include:

- Recruiting skilled staff to fulfil the roles identified above. This is a national issue with so much new funding being made available but may be particularly difficult along the east coast where recruitment has previously been challenging.
- Retaining skilled staff given the current uncertainty surrounding future grant funding, based upon performance reviews. We will work quickly with the provider to implement monitoring of grant related activity to support grant-related performance reviews. We will also work with OHID, DLUHC and Probation to secure funding allocations for 2024/25 as early as possible.
- OHID confirming the SSMTR allocation and planned activity in time to mobilise activity against the grant funding.

4.7 Looking beyond financial year 2023-24; because of the expectation that this funding will continue in the medium term but with the requirement for an annual application process for confirmation of allocations, with effect from financial year 2024-25, any additional Substance Misuse grant funding will be managed through the ongoing service recommissioning process as part of new contract(s) due to commence in April 2024.

5. Legal Issues:

Procurement Implications

The Council's Contract Regulations usually require variations to contracts not expressly within the scope of the original procurement to be considered for procurement of a new

contract. However, the Contract Regulations do permit exceptions to be made, approved by the Executive where the value is above the relevant threshold for the application of the Light Touch Regime under the Public Contract Regulations (PCR) 2015, and where the decision is compliant with the Council's obligations under the regulations set out in the PCR.

The PCR permits the modification of contracts under Reg. 72(1)(e) where the modifications, irrespective of their value, are not substantial within the defined meaning. For the purposes of the regulations, a modification is considered substantial where one or more of the following conditions is met:

- a) the modification renders the contract or framework agreement materially different in character from the one initially concluded;
- b) the modification introduces conditions which, had they been part of the initial procurement procedure, would have –
 - i. allowed for the admission of other candidates than those initially selected,
 - ii. allowed for the acceptance of a tender other than that originally selected,or
 - iii. attracted additional participants in the procurement procedure
- c) the modification changes the economic balance of the contract or the framework agreement in favour of the contractor in a manner which was not provided for in the initial contract or framework agreement;
- d) the modification extends the scope of the contract or framework agreement considerably.

In this instance, because the additional services required are consistent with the scope of the existing services and their proportionate values are small by comparison to the original total contract values, the proposed modifications are not considered to be substantial. In particular the contracts will not be materially different in character; no new conditions will be introduced that would have allowed for the admission of other candidates, the acceptance of a tender other than that originally selected or attracted additional participants; the provider will be required to perform additional services commensurate with the value of increased payments so the economic balance of the contracts will not change; and based on the proportionate values, the scope of the contracts will not change considerably.

The decision would therefore meet the requirements of Reg. 72(1)(e) and be compliant with the Council's obligations under the PCR.

Equality Act 2010

Under section 149 of the Equality Act 2010, the Council must, in the exercise of its functions, have due regard to the need to:

Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act.

Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; and sexual orientation.

Having due regard to the need to advance equality of opportunity involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it.
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to tackle prejudice, and promote understanding.

Compliance with the duties in section 149 may involve treating some persons more favourably than others.

The duty cannot be delegated and must be discharged by the decision-maker. To discharge the statutory duty the decision-maker must analyse all the relevant material with the specific statutory obligations in mind. If a risk of adverse impact is identified consideration must be given to measures to avoid that impact as part of the decision-making process.

No adverse impact has been identified for any of the protected characteristic groups identified by the Equality Act, in relation to this Report. The activity to be funded through the SSMTR, RSDATG and Probation Service is designed to be inclusive and improve access to substance misuse treatment and recovery services for all Lincolnshire residents who need it.

Joint Strategic Needs Analysis (JSNA and the Joint Health and Wellbeing Strategy (JHWS)

Lincolnshire's Joint Strategic Needs Assessment identifies Substance Misuse as a priority topic and describes the important role of a comprehensive treatment and recovery service

for reducing harm from substance misuse. It also describes substance misuse as a risk factor for contact with the criminal justice system in young people, and there are specific roles within the proposed funding that seek to address this challenge. The Joint Health and Wellbeing Strategy has identified Mental Health as a priority and the bidirectional relationship between substance misuse and poor mental health is well documented. As such, the proposed activity should contribute to this Health and Wellbeing Strategy priority.

Crime and Disorder

Under section 17 of the Crime and Disorder Act 1998, the Council must exercise its various functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent crime and disorder in its area (including anti-social and other behaviour adversely affecting the local environment), the misuse of drugs, alcohol and other substances in its area and re-offending in its area.

There is a strong focus within the proposed activity on disrupting the relationship between substance misuse and crime and disorder. The grant applications were developed in collaboration with colleagues from Lincolnshire Police, the Probation Service, HMP Lincoln and wider partners who support people of all ages who are in contact with the criminal justice system. There is also specific support for vulnerable groups such as women and girls, designed to prevent and break cycles of criminal activity. The work will support people who often have poorer outcomes or struggle to remain engaged in treatment services to maintain engagement, thus improving outcomes for individuals and wider society.

6. Conclusion

National Government has allocated £2.637 million to Lincolnshire County Council to support delivery of the 2021 National Drug Strategy. This is significant inward investment for substance misuse prevention and treatment and it will enable us to work in partnership across Lincolnshire to improve health and wellbeing outcomes, and reduce crime.

The contract variations proposed are not materially different in character; do not introduce new conditions; do not change the economic balance of the contracts; and do not change the scope of the contracts considerably. If we are not able to vary the current contracts there is a risk that Lincolnshire will lose the funding allocated by OHID, DLUHC and Probation. This is because we would need to work with partners to redesign our applications and undertake new procurement procedures to allocate and utilise the funding, which would exceed the timeframes set out by National Government. As such, this report seeks authorisation for an exception to the Council's Contract Regulations to enable delivery of initiatives for which grant monies have been allocated by variation to the Council's existing Substance Misuse Treatments and Recovery contracts with We

Are With You, and existing Housing Related Support contract with Framework, in order to facilitate the grant allocation by April 2023 in line with deadlines set by the Government.

7. Legal Comments:

The Council has the power to modify the contracts as proposed and such modification is considered to be consistent with the Council's procurement law obligations for the reasons set out in detail in the Report.

The decision is consistent with the Policy Framework and within the remit of the Executive.

In particular the Council's Contract Regulations require the Executive to approve an alternative to a competitive procurement where the value of the services exceeds the Light Touch Regime threshold under the Public Contracts Regulations 2015 as applies to recommendation 1.

8. Resource Comments:

All grant funding and eligible spend will be accounted for separately aligned to the conditions of the grant. The grants are fully funded by Central Government and do not require LCC to commit to any additional funding. The proposed financial commitments detailed in this report are within the funding available. There is an expectation that this funding will continue in the medium term (approx. 10yrs) however the programme infrastructure is an annual application process for funding.

Whilst we are not anticipating any financial risk as a result of this process, should a financial pressure occur a review of expenditure commitments will take place to ensure we live within the funding available.

9. Consultation

a) Has Local Member Been Consulted?

Not applicable.

b) Has Executive Councillor Been Consulted?

Yes.

c) Scrutiny Comments










The decision will be considered by the Adults and Community Wellbeing Scrutiny Committee at its meeting on 22 February 2023 and the comments of the Committee will be reported to the Executive.

d) Risks and Impact Analysis

See body of report

10. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Supplemental Substance Misuse Treatment and Recovery Grant Funding Documentation	 OFFICIAL - Confirmation - suppldrug grant planning  Indicative OHID
Rough Sleeper Drug and Alcohol Treatment Grant Funding Documentation	 RSDATG Phase 3 Supporting Guidance.  RSDATG Phase 3 How to complete the 2022_25 Funding Pr  RSDATG Phase 3 2022_25 Revised Fur  RSDATG Phase 3
Supplemental Substance Misuse Treatment and Recovery Grant – Housing Support	 Supplemental Substance Misuse Ti  SSMTR Housing Support MOI.pdf  Housing Support Grant planning tem

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