

THE CABINET

Tuesday, 28 September 2010

Agenda Item 11. Procurement of Drug Treatment Services (Pages 1 - 10)

The attached report replaces the version that was included within the main agenda pack

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CABINET

28 SEPTEMBER 2010

REPORT OF THE CABINET MEMBER FOR HEALTH AND ADULT SERVICES

Title: Procurement of Drug Treatment Services	For Decision
<p>Summary:</p> <p>The Crime and Disorder Act requires the Council to work together with its partners to address the harm to the community caused by drugs. This approach centres on education, treatment and enforcement. This report addresses the retendering of two treatment services which support substance misusers, including offenders who are on Orders who are subject to testing and treatment as part of their sentence.</p> <p>In 2009/10, 2,032 individuals accessed drug treatment services in the borough with 1,381 of them being new presentations. 289 of those individuals had a mental health diagnosis whilst in drug treatment and 355 people accepted Hepatitis B vaccinations.</p> <p>From March 2009 until February 2010, 216 individuals were referred into drug treatment via the Drug Interventions Programme (DIP), of which 50 people were given a Drug Rehabilitation Order by the Courts.</p> <p>As a result of people accessing drug treatment in the borough they are given the necessary support to become drug free, move away from criminal activity, be supported into secure accommodation and helped into employment, training and education. These outcomes ensure that individuals can be re-integrated into their families and contribute positively to the local community.</p> <p>The services currently provided are:</p> <p>(1) Structured Day Programme, Structured Counselling for Drug Users and Family and Carer Services.</p> <p>These services are currently provided by St.Lukes Daybreak Drug Project and consist of running specific groups for service users who have been given Drug Rehabilitation Requirements by Court. A family and partner evening group is run to support family members and partners of drug users. Groups are also run for people with cannabis and stimulant drug use problems. All individuals accessing Daybreak Drug Project are offered one to one therapeutic counselling and there is a specific women's group.</p> <p>(2) Specialist Prescribing Service (which includes the Dual Diagnosis and Blood Borne Viruses Services)</p> <p>These services are currently provided by DRIVE (North East London Foundation Trust NELFT). They provide substitute medication for people wanting to stop using heroin. Medical assessments are carried out by a doctor and all patients have their own keyworker with whom all care is planned.</p> <p>The Dual Diagnosis service supports individuals who experience mental health</p>	

problems but also have problems with any drugs. The service includes outreach, counselling and additional support.

The procurement of these services will enable the Council and its partners to ensure that:

- There are high numbers of drug users recorded as being in effective treatment;
- Drug users are receiving fair and equitable access to drug treatment services;
- Drug treatment services make a positive contribution to ensuring that rates of local acquisitive crime are affected.

Without these essential services being in place the health and well being of those residents who experience substance misuse and their families and carers would deteriorate. These services must be supplied to assist individuals to lead healthy alcohol/drug-free, crime free lifestyles and increase their opportunities to make a positive contribution in society.

Wards Affected: ALL

Recommendation(s)

The Cabinet is recommended to agree:

- (a) the procurement of Drug Treatment Services to provide:
- (1) Structured Day Programme and Structured Counselling for Drug Users and Family and Carer Services, on the terms detailed in this report
 - (2) A Specialist Prescribing Service (which includes Dual Diagnosis and Blood Borne Virus Services) on the terms detailed in this report.
- (b) to delegate to the Corporate Director of Adult and Community Services the authority to award the contracts.

Reason(s)

To assist the Council in achieving its Community Priorities of “Improving Health, Housing and Social Care”, “Fair and Respectful”, “Prosperous” and “Inspired and Successful”.

Comments of the Chief Financial Officer

The re-tendering of these drug treatment services will be funded from within existing budgets. Specifically with regard to the Structured Day Programme, £100,000 will come from the Council’s core funds within Adults and Community Services and £250,000 from NHS Barking and Dagenham’s pooled treatment budget managed by the Council.

The Specialist Prescribing Service of £686,536 is funded from the NHS Barking and Dagenham’s pooled treatment budget.

It is anticipated by the service that savings of around £50,000 may be achieved through the re-tender process. Any money ultimately released will then be subject to consideration for savings or service improvement through the normal processes.

Comments of the Legal Partner		
The Legal Partner (Procurement, Property and Planning) confirms that there are no legal reasons preventing Cabinet from approving the recommendations of this report.		
The legal comments are included within the body of the report.		
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1. Background

- 1.1 The Adult and Community Services Department together with NHS Barking & Dagenham jointly fund the provision of drug treatment in the borough. The tenders will be structured to ensure that the tender process provides best value and serves and meets the needs of residents who require drug treatment in the borough.
- 1.2 The Structured Day Programme / Counselling and Family/Carer Services are currently being provided by St. Lukes Daybreak Drug Project. The current contract was awarded to Daybreak from April 1st 2007 for 3 years with a further option to extend for 1 year. The current contract with Daybreak cannot be further extended under Council rules and EU procurement law.
- 1.3 The Specialist Prescribing Service, including Dual Diagnosis and Blood Borne Virus Services, is currently being provided by North East London NHS Foundation Trust (NELFT). The current contract has been delivered by NELFT since October 2006 when this new service was set up in Barking and Dagenham. The current financial arrangements for the funding of this service forms part of the main NHS Barking & Dagenham Mental Health Contract and Commissioning Framework. The Joint Commissioning Board have authorised that the funding for the specialist prescribing service should be separated out and that this should go to public tender as stipulated by the Council's Contract Rules and EU requirements for the procurement of services.

2. Proposal

- 2.1 The services provided by the Daybreak Drug Project (Structured Day Programme/ Counselling and Family/Carer Services) now require re-tendering as the contract is approaching its expiry date of March 31st 2011. The contract value for these services is currently **£350,000** per annum. Funding will be provided from the Department of Health, NHS Barking & Dagenham and Adult and Community Services core funding. Some savings will be anticipated on the current total spend through improvement in value for money being achieved.

- 2.2 The contract value for services provided by DRIVE/NELFT Specialist Prescribing Service, (including Dual Diagnosis and Blood Borne Virus Services) is currently **£686,536**. Funding is provided from the Department of Health, NHS Barking & Dagenham Pooled Treatment Budget which is managed by the Council. Savings are expected on the current total spend through improvement in value for money being achieved. It is proposed that both these services go out to an open tender process.
- 2.3 Through the re-tendering of these services a value for money exercise will take place and contract prices will be reviewed in order to deliver economical service provision and provide cost savings to the Council and NHS Barking & Dagenham. The majority of the funding of these services currently comes from central Government Department of Health funding.
- 2.4 Prior to awarding the new contracts (subject to approval from the Cabinet) an evaluation of the price will be carried out to ensure that provider organisations tendering for the two contracts provide fair and competitive prices that are consistent with the service specification and the services required to be delivered.
- 2.5 The procurement of these drug treatment services aims to achieve improved outcome based targets for those residents who access drug treatment. This will include an increase in service users/patients returning to employment, education or training and /or a reduction in substance misuse hospital admissions and an increase in the uptake of admissions to stable accommodation for individuals with drug problems.
- 2.6 The re-tendering of these two services will help improve access, attendance, engagement and retention of hard to reach groups and treatment for those not accessing services. In addition it will provide improved take-up of treatment by black and minority ethnic communities; increased value for money; improved partnership working; reductions in further offending and improved physical and mental health for individuals and the wider community.

3. Financial Issues

- 3.1 The cost of the Structured Day Programme / Counselling and Family / Carer Services (Daybreak (1) services is currently funded with £250,000 from NHS Barking & Dagenham budgets and £100,000 from Council mainstream funds.
- 3.2 DRIVE/NELFT (2), Specialist Prescribing Service, including Dual Diagnosis and Blood Borne Virus services is currently funded with £686,536 from Department of Health NHS Barking & Dagenham mainstream funds.
- 3.3. The guarantee and certainties of funding cannot be absolute in the current economic climate. NHS Barking & Dagenham have stated that they will continue to work in partnership with the Council to deliver drug treatment services, however there will be pressure to consider cost savings against all levels of current investment. Accordingly, both contracts will contain break clauses enabling notice to be served at any time should existing funding streams cease or be reduced.
- 3.4 It has been identified that the re-tendering of these two services will make estimated cost savings in the region of £50,000 over the lifetime of the contracts.

4. Legal Issues

- 4.1 The services to be provided under the two contracts to which this report relate are classified as “Part B” services under the Public Contracts Regulations 2006 (the “Regulations”) therefore the full rigour of the Regulations do not apply.
- 4.2 As the value of the contracts exceed the EU threshold for services (currently £156,442), however, the Council still has a legal obligation to comply with the EU Treaty principles of equal treatment of bidders, non-discrimination, and transparency in procuring the contracts. A contract award notice is also required, under the Regulations, to be published in the Official Journal of the EU upon selection of a service provider.
- 4.3 Furthermore, the Council’s Contract Rules (Contract Rule 3.6) require the strategy for the procurement of contracts of above £400,000 in value to be submitted to Cabinet for approval prior to procurement of such contracts.
- 4.4 Accordingly, the Cabinet Member for Health and Adult and Services, in compliance with the Contract Rules, has set out the proposed strategy for the procurement of these contracts in Paragraphs 6.3 to 6.10 of this report, for approval by Cabinet. This strategy complies with the EU Treaty principles of equal treatment of bidders, non-discrimination, and transparency.
- 4.5 The report states that the Structured Day Programme services are currently being provided St Luke’s Daybreak Drug project under a contract that is due to expire on 31st March 2011. It is anticipated that conclusion of the proposed re-procurement of this contract will coincide with the expiry of the contract.
- 4.6 The report further states that the Specialist Prescribing Services are currently being provided by North East London Foundation Trust (NELFT), under a contract between NHS Barking and Dagenham and NELFT for the provision of Mental Health Services.
- 4.7 The report is proposing that (as authorised by the Joint Commissioning Board) the Specialist Prescribing Services should be separated out from the Mental Health Services currently being provided by NELFT and retendered.
- 4.8 As the current Mental Health contract between the NHS Barking and Dagenham and NELFT under which the Specialist Prescribing Services are currently being provided is not due to expire until 2013, the Adult and Community Services directorate have confirmed that six months notice, as required under the terms of the NELFT / NHS Barking and Dagenham contract, of the intention to terminate NELFT’s provision of the Specialist Prescribing Services will be given to NELFT, once Cabinet’s approval of the proposed re-procurement of the Specialist Prescribing Services is secured. It is anticipated that conclusion of the proposed re-procurement of the contract will coincide with the expiry of the notice period.
- 4.9 The report is additionally requesting that Cabinet delegates its authority to award the proposed contracts to the Corporate Director for Adult and Community Services.
- 4.10 Cabinet has the power under Section 15 (6) of the Local Government Act 2000 and under Part C of the Council’s Constitution to delegate its powers to officers.

- 4.11 The Legal Partner (Procurement, Property and Planning) confirms that there are no legal reasons preventing Cabinet from approving the recommendations of this report.

5. Other Implications

Risk Management

- 5.1 Attention is drawn to the fact that the Department of Health has only guaranteed that the Pooled Treatment Budget will come to the Partnership and remain ring-fenced for drug treatment up until 2010/11. In addition, any reliance on the Council's Area Based Grant (ABG) must be treated with caution as this funding source is likely to reduce locally and nationally. Both these funding issues may have a consequent effect on services. Accordingly, non completion of the re-tendering of the services described within this report may result in an increase in crime and disorder and have detrimental effects on the health and wellbeing of residents.
- 5.2 It is very likely that the withdrawal of these core substance misuse treatment services would result in the loss of a significant number of service users and patients, at a time when the DAAT partnership should be showing greater outcomes for people entering drug and alcohol treatment. This would conflict with the Partnership's ability to achieve its vital signs targets. Statutory requirements stipulate that a range of drug treatment options and interventions are made available within Barking and Dagenham for its residents.
- 5.3 The services will be managed through formal quarterly performance and contract monitoring meetings and ongoing service improvement audits, service user and patient consultation and informal reviews by the Drug and Alcohol Action Team.

Contractual Issues

- 5.4 Daybreak Contract (Structured Day Programme/Counselling and Family/Carer Services) has been extended until March 2011 (2 years maximum extension time) and cannot be extended further beyond this date under the Council's Contract Rules and EU requirements.
- 5.5 DRIVE/NELFT Contract (Specialist Prescribing Service, including Dual Diagnosis and Blood Borne Virus Services) currently forms part of the main NHS Barking & Dagenham Mental Health Contract. The Joint Commissioning Board have authorised that the funding for the specialist prescribing service be separated out and that a separate contract is tendered for in order to enable improved monitoring processes as a stand alone contract.

Staffing Issues

- 5.6 There are no direct TUPE implications for Council staff. Officers will facilitate any TUPE implications between the existing provider and any new provider that may occur. The risks of redundancy of staff sit with the commissioned organisation that provides the service and not with the Council.

Customer Impact

- 5.7 There are a range of drug and alcohol treatment services available to all residents of the borough. The Structured Day Programme/Counselling and Family/Carer

Services and Specialist Prescribing Service, including Dual Diagnosis and Blood Borne Virus Services are an integral and essential part of the borough drug treatment system. There are approximately 800 people in drug treatment over the course of a year. The removal of these two essential services would impact on the ability to provide necessary frontline drug treatment services to meet the needs of residents. The re-tendering and delivery of these two services will enable improved access to treatment for new clients and improved outcomes for those currently accessing drug treatment services. The re-tendering of these services has been informed by the annual needs assessment process and is in line with the needs of the Barking and Dagenham drug using population. The need to provide drug treatment services has been subject to extensive consultation, with the benefit of input from all local partners, key agencies and professional groups.

5.8 The Equality Impact Assessment undertaken by the Drug and Alcohol Action Team detailed that the main areas for improving services are around equitable and fair access to and for marginalised groups. This knowledge will directly inform the tender process.

5.9 There are a number of improvements for inclusion within the tenders that are expected to have positive customer impacts. These are:

- Extension of current opening hours.
- Increased opportunities for improved outcomes for those accessing treatment to improve health, wellbeing and safety.
- Drug Treatment Organisations to set up drug treatment satellite services within community, voluntary and religious organisations to ensure that access is fair and equitable for all residents.

Safeguarding Children

5.10 Although these services will be provided primarily for adults, under the “Think Family” agenda, drug treatment services and Family Intervention Services will be working more closely and in joint partnership to safeguard children and improve their wellbeing. In 2009/10 there were a total of 262 drug and alcohol users accessing drug and alcohol treatment who have children residing with them. There were a further 221 drug and or alcohol users who either had children in care or living with another family member or partner. In 2009/10 there were 27 pregnant drug and or alcohol users receiving drug and or alcohol treatment. The withdrawal of these services will have an impact on the parenting capacity of these individuals in drug treatment. The impact on children of Substance Misusing parents can affect young people greatly in all areas of learning, development and health. Access to drug treatment for parents that have problems with drugs can help improve the wellbeing of their children and also safeguard them against potential harm while also reducing inequalities for the parents and children. All tendered services will have to demonstrate how they will work with the substance misuser’s family in a holistic manner under the ‘Think Family approach’.

Health Issues

- 5.11 Residents with recreational and problematic drug use experience a multitude of both physical and mental health issues. The withdrawal of these two services would have a significant health and wellbeing impact on residents requiring these services as well as the wider local community as a whole. From April 2009 until March 2010 there were a total 2,032 individuals accessing the drug treatment services in the borough with 1,381 of them being new presentations to the services. There were 289 individuals with a mental health diagnosis whilst in drug treatment during 2009/10 and 355 people that accepted Hepatitis B vaccinations at these services. Without these two services all these individuals would be at risk.

Crime and Disorder Issues

- 5.12 Section 17 of the Crime and Disorder Act 1998 requires local authorities to integrate consideration of crime and disorder issues into all their functions and corporate thinking. The Act was revised in 2006 and a new provision was made under Section 17, which directly relates to the harm caused by drug and alcohol misuse. Research indicates that effective treatment and aftercare is a key component in the rehabilitation of drug using offenders. The provision of these services contributes to the reduction of crime and community safety amongst adults with substance misuse needs who maybe committing acquisitive crime to fund their illicit drug dependency.
- 5.13 Without these services being in place, the Drug Interventions Project would suffer a marked reduction in the achievement of targets and would be unable to deliver our statutory requirements. Those offenders who would be involved in the scheme would also be at risk of not being engaged with at such an early opportunity, which may lead to re-offending. In addition the Priority & Prolific Offenders (PPO's) scheme benefits directly from these services; there were 23 PPO's accessing drug treatment in 2009/10. The Daybreak Service is integral to the success of the Drug Rehabilitation Requirement Scheme which forms part of the Drug Interventions Project (DIP). From March 2009 until February 2010 there were a total of 216 individuals that were referred into drug treatment system via DIP, of whom 50 people were given a Drug Rehabilitation Order by the Courts.

6. Options appraisal

- 6.1 Do nothing – if the two contracts are not re-tendered then these services will cease, and customer needs will not be met. The Council's ability to develop any capacity into the drug treatment system could be undermined which could have further impacts on crime rates and the health of local residents. Not having these two services will accordingly impact beyond individual drug users themselves and into the local community.
- 6.2 Re-tender. The re-tendering of both services will enable significant cost savings in the region of £50,000. It will enable the improvement of the provision of services to meet customer needs and increase the capacity within these services. The re-tendering will enable improvements to the health and well-being of residents who experience substance misuse problems and their families. Based on existing levels of activity these services will assist over 2000 residents throughout the life of the contract to lead healthier alcohol/drug-free lifestyles and increase their opportunities to make a positive contribution to the borough and society as a whole.

- 6.3 The re-tenders will be carried out in compliance with EU rules. Interested parties will be invited to tender on the basis of a two-stage process. The first stage will be to invite expressions of interest requiring the completion of a pre-qualification questionnaire which will be assessed against the responses given. This will result in a shortlist of up to six preferred providers being invited to tender.
- 6.4 Under the revised EU Procurement Rules (31st January 2006) the procurement of this service is a Schedule 3, part B service under category 25 of Health and Social Care. Part B services are not required to go through the full EU procurement procedure but are not exempt from many of the regulations.
- 6.5 The evaluation of tender submissions will be based on a quality cost matrix of 70/30 with weightings to be as follows:
- Staffing & Personnel related issues (10)
 - Partnership Working and Information Sharing to Achieve Effective Outcomes (10)
 - Safeguarding (5)
 - Service Delivery (25)
 - Presentation (5)
 - Interview (15)
 - Cost / Pricing Schedule (30)
- 6.6 Tenderers will be advised of these weightings beforehand. This will enable a fair and even handed approach to be taken.
- 6.7 Officers are currently drafting the tender specification based on best practice models provided by The National Treatment Agency for Substance Misuse.
- 6.8 **Expected Outline Timetable for Daybreak** (all dates are provisional and subject to change)

Action	Date
Cabinet Approval	28 th September 2010
Advertise	5 th October 2010
Expressions of interest to be returned	26 th October 2010
Evaluate returns	9 th November 2010
Invitation to Tender to be sent out	23 rd November 2010
Tenders to be returned	21 st December 2010
Interviews to be conducted	18 th January 2011
Approval from Chief Officers and 10 day standstill period	25 th January 2011
Contract Award	1 st February 2011

- 6.9 **Expected Outline Timetable for DRIVE** (all dates are provisional and subject to change)

Action	Date
Cabinet Approval	28 th September 2010
Advertise	5 th October 2010
Expressions of interest to be returned	26 th October 2010

Evaluate returns	9 th November 2010
Invitation to Tender to be sent out	6 th December 2010
Tenders to be returned	17 th January 2011
Interviews to be conducted	14 th February 2011
Approval from Chief Officers and 10 day standstill period	28 th February 2011
Contract Award	March 2011

- 6.10 Contracts will be awarded to the successful provider/s for a period of three years, with an option to extend for a further two years dependent upon satisfactory performance.
- 6.11 The total contract value for the Structured Day programme /Counselling service and Family / Carer Services over a three year period is £ 1,050,000. If the contract is subject to a two year extension period then the total contract price over 5 years is expected to be approximately £1,750,000.
- 6.12 The total contract value for the Specialist Prescribing Service (includes Dual Diagnosis and Blood Borne Virus Services) over a three year period is £2,059,608. If the contract is subject to a two year extension period then the total contract price over 5 years is expected to be approximately £3,432,680.

7. Background Papers Used in the Preparation of the Report:

Barking & Dagenham Adult Substance Misuse Treatment Plan 2010/11
 Barking & Dagenham Drug Treatment Needs Assessment 2009/10
 Models of Care update (2006): Published by the National Treatment Agency
 National Drugs Strategy 2008 – 2018: HM Government

8 List of appendices: None