

## HEALTH AND WELLBEING BOARD

5 July 2017

<b>Title:</b> Procurement of Integrated Adult and Young People Substance Misuse (Drug and Alcohol) Services	
<b>Report of the Cabinet Member for Social Care and Health Integration</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes
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<b>Accountable Director:</b> Mark Tyson, Commissioning Director, Adults' Care and Support.	
<b>Accountable Strategic Director:</b> Anne Bristow, Strategic Director, Service Development and Integration	
<b>Summary:</b> <p>Substance misuse (drug and alcohol) is defined as intoxication by or regular excessive consumption of and/or dependence on psychoactive substances, leading to social, psychological, physical or legal problems. It includes problematic use of both legal and illegal drugs (including alcohol when used in combination with other substances). Drug or Alcohol misuse can have a major impact on people's life chances and significant impact on health services, crime and community safety and is an important contributor to adult and children's social care needs</p> <p>London Borough of Barking and Dagenham (LBBD) currently have contractual provisions in place for the delivery of a range of young people and adult drug and alcohol service treatment services by different service providers across the Borough. These services play 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 Barking and Dagenham.</p> <p>The provisions are currently made up of 4 adult services and 1 young people service with a total spend of circa £2.3m per annum;</p> <ul style="list-style-type: none"><li>• Community Alcohol Service- £409,883 per annum</li><li>• Horizon service- £339,631 per annum</li><li>• Recovery management Service &amp; Prescribing service - £1,082,015 per annum</li><li>• Intuitive Recovery Programme £30,000 per annum</li><li>• Subwize Young People's Service £302,643 per annum</li></ul> <p>All the contracts are due to expire on 31<sup>st</sup> March 2018 with the exception of the Young People service contract which is due to expire 30<sup>th</sup> November 2017; there are no provisions within the contracts for extensions.</p> <p>This report seeks approval for the Council to proceed with the procurement of an integrated</p>	

substance misuse service under two contracts (adults and young people).

It is proposed that going forward, the services will be delivered as two distinct services;

- Lot 1: Young People's Integrated substance misuse service
- Lot 2: Adults integrated substance misuse service

The young people's service contract (Lot 1) will be awarded to the successful provider for a period of 5 years and 4 months (3 years and 4 months initially with the option to extend for a further 2-year period). The adult's service contract (Lot 2) will be awarded to the successful provider for a period of 5 years (3 years initially with the option to extend for a further 2-year period).

Streamlining the system will enable the council to make efficiencies and ensure improved outcomes for service users.

### **Recommendation(s)**

The Health and Wellbeing Board is recommended to:

- (i) Agree that the Council proceed with the procurement and award the contract for the provision of an integrated substance misuse service for adults and young people respectively in accordance with the strategy set out in the report; and
- (ii) Delegate Authority to the Strategic Director of Service Development and Improvement, in consultation with the Director of Public Health, Chief Operating Officer and the Director of Law and Governance, to award the contracts for the provision of an integrated substance misuse service for adults and young people respectively to the successful bidder in accordance with the strategy set out in this report.

### **Reason(s)**

The procurement exercise will ensure compliance with the Council's Contract Rules and EU Legislation and ensure continued service provision beyond the contract end dates.

The new services would support the Council's priority of enabling social responsibility, through improving access to healthcare, protecting the vulnerable and encouraging people to take responsibility for their health and wellbeing. It would also contribute to the Council's commitment to borough growth by supporting those with substance misuse problems into employment.

## **1. Introduction and Background**

- 1.1 Substance misuse (alcohol and drugs) is a cause of considerable harm to the health and wellbeing of Barking and Dagenham residents. In Barking and Dagenham, it is estimated that there are currently over 1,000 individuals who use opiates and/or cocaine and over 7,000 people using cannabis according to the National Crime Survey for England and Wales and 2011 census population figures.

In addition, it is estimated that about one in five of the adult population in Barking and Dagenham are hazardous alcohol drinkers (drinking over the recommended 14 units per week), with nearly 6,000 of them drinking sufficient amounts to be harmful to their health.

- 1.2 The Psychoactive Substances Act was introduced in May 2016. The Act is a legislative initiative aimed at banning psychoactive substances, and has been introduced in order to prevent the continued manufacturing of 'legal highs'. Locally, it is known that Nitrous Oxide (laughing gas) and Spice (synthetic cannabis) the main substances used by young people that engage with the young people's drug project.
- 1.3 LBBD has also set up an addiction to medicine treatment pathway to support those individuals who are either prescribed pain killers or purchase them over the counter and have subsequently become dependent on them. 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.
- 1.4 The Barking and Dagenham Substance Misuse Strategy (2016-2020) sets out the Borough's vision for improving the health and wellbeing of residents and reducing the impact of substance misuse on the wider community by 2020. The Strategy identifies a number of objectives which will underpin commissioning plans and other agreements, to work in partnership, in order to make the greatest impact across the health and criminal justice system. In line with the visions of Ambition 2020, the commissioning of substance misuse services need to be less traditional and more efficient and innovative in order to maximise the positive impact for Barking and Dagenham residents.
- 1.5 LBBD currently commission a range of open access and specialist services that enable people who misuse drug and/ or alcohol to access treatment and work towards recovery. There are currently four separate contracts for different substance misuse services providing adult drug treatment including prescribing, structured drug programme, adult alcohol treatment and young people's substance misuse support in the borough. The services are namely:

Community Alcohol Service	£409,883 per annum
Horizon service	£339,631 per annum
Recovery management Service & Prescribing service	£1,082,015 per annum
Intuitive Recovery programme	£30,000 per annum
Subwize Young Peoples Service	£302,643 per annum

- 1.6 Referrals into the services come through different means including self-referral, Criminal Justice Services, General Practice or other local authorities. The aim is to target behaviours and drug/ alcohol use, reduce usage and other consequences and improve the overall health of the individual and therefore the borough.
- 1.7 **The Adult Drug Treatment Service** is the first point of contact for any adult over 18 years who requires support, advice or treatment for a drug issue. Individuals are assessed for their needs and a recovery plan devised. Many people will require stabilisation prior to reducing their drug use, therefore the initial assessment will include identifying need around housing, health and family and friends. This service also includes a clinical service providing substitute medication to heroin users (such

as Methadone or Buprenorphine – also known as Subutex). Prescriptions are issued onsite with consumption supervised at contracted pharmacies.

- 1.8 LBBB has set up an addiction to medicine treatment pathway to support those individuals who are either prescribed pain killers or purchase them over the counter and have subsequently become dependent on them. 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.
- 1.9 Those individuals that have been arrested for particular crimes will be drug tested at the police station for Class A drugs. Drug workers assess the individual and refer into the adult drug treatment service if appropriate. They will also support adult drug users through the court process and advocate on their behalf for community sentences with treatment requirements attached. Individuals that are due to be released from prison will be contacted in preparation for return into the community.
- 1.10 **The Adult Structured Drug Treatment Programme** is a day programme for individuals who are stable in their recovery journey and are ready to engage in more intensive group therapy. Counselling is also offered for those who require it.
- 1.11 **Community Alcohol Service-** The adult alcohol service provides advice, support and treatment for those individuals who require interventions around their alcohol use. Individuals are offered a variety of integrated and efficacy based interventions and specialised community support to assist a service user through their issues to achieve their intended goal of controlling their alcohol use. The modalities include pharmacological detox and various structured talking therapies that can include whole family counselling. Maintenance of an individual's time within the service can include interest groups such as arts, relaxation and gardening. St Luke's provides support for an individual to empower themselves for life beyond the Service with CV support, and internet access to help a service user attain employment or education.
- 1.12 **Subwise Young Peoples Service** -The young people's substance misuse service is a service aimed at young residents who are looking for advice and support around issues of substance misuse. The staff attend school assemblies and organise workshops and one to one sessions to highlight the negative effects of using drugs and alcohol. They also provide therapeutic interventions to children who have witnessed their parents or carers abusing substances. this service is key to the continuation of the preventative work that has been delivered in the borough to ensure that the next generation of substance misusers are dramatically reduced. Working with children who have been directly affected by someone using substances will equip them with the life skills they need to go onto live a healthy lifestyle. Educating young people through interactive workshops and assemblies to dispel myths around drugs and alcohol alongside other healthy relationship messages will ensure young people have the tools to make informed choices. Confidential one to one sessions are also offered to those young people who would prefer advice and support bespoke to them.
- 1.13 The Psychoactive Substances Act was introduced in May 2016. The Act is a legislative initiative aimed at banning psychoactive substances, and has been introduced in order to prevent the continued manufacturing of 'legal highs'. Locally, it is known that Nitrous Oxide (laughing gas) and Spice (synthetic cannabis) are the

main substances used by young people that engage with the young people's drug project.

- 1.14 In the last year, outcomes for drug and alcohol treatment have improved and the services in scope of this procurement strategy form a key part of the drug treatment pathway and are key to sustaining and building on this improvement. During 1<sup>st</sup> August 2015 to 31<sup>st</sup> July 2016, 1337 individuals engaged in adult drug and alcohol services and 297 successfully completed their treatment and did not return in 6 months. For opiate/heroin treatment Barking and Dagenham is the 8<sup>th</sup> highest performing borough for successful completions. The young people's substance misuse service had 88% (N=106) individuals leave the service in a planned way compared to the London average (82%) during 1<sup>st</sup> July 2015 to 30<sup>th</sup> June 2016 with cannabis and alcohol the most prevalent substances used.
- 1.15 LBBD's priorities for the drug and alcohol treatment system are to improve recovery outcomes and ensure the treatment pathway meets the changing needs of the population of drug and alcohol users. This includes:
  - Supporting clients with different patterns of drug and alcohol use (i.e. meeting the needs of the increasing number of users of novel psychoactive substances and alcohol);
  - Increasing uptake of treatment for people, including young people who misuse drugs and alcohol;
  - Supporting the treatment system to better promote recovery in the opiate using population;
  - Developing more flexible and personalised services, with a greater emphasis on community based programmes.
- 1.16 The alcohol service and adult structured drug treatment contracts have been extended to fall in line with the ending of the adult drug treatment contract on 31<sup>st</sup> March 2018.
- 1.17 The young people's substance misuse contract will expire and has no scope for further extension, therefore it is expected that this part of the contract will commence sooner on 1 December 2017.
- 1.18 It is anticipated that through commissioning an integrated substance misuse service, pathways for entry into and within the treatment system will be simplified. Service users will be able to access any aspect of the service without having to be re-assessed or change keyworker or provider. This will improve retention and therefore successful completions and ensure better outcomes for service users.
- 1.19 Robust KPI's will be within the service specification including those that are monitored through Public Health England. The expectations will be that performance will always be within the top quartile of our partnership group across England. Where there is evidence that performance is declining, appropriate monitoring measures will be put in place to support the provider with improving outcomes.
- 1.20 Total contract value in last Financial Year was £2.3m and estimated spend over last three years is circa £6.9m. The funding is mainly from the Public Health grant and £110k is from Mayor's Office for Police and Crime (MOPAC). Our intention is to

deliver efficiencies (circa 200k per annum across the entire treatment pathways). Through the re-modeling of the drug and alcohol treatment pathway to a new model of integrated working will help deliver this.

- 1.21 By transferring the existing different services into an integrated service, this will reduce the capital and organisational costs of multiple providers as well as reducing duplication of provision and focusing service provision on current need. This new model makes more effective and efficient use of resources through promoting collaborative and partnership working.
- 1.22 As a result of re-modelling the substance misuse services there will potentially be a saving of approximately £200k per year. By including the Intuitive Recovery programme (£30k) and combining the group element of the horizon service will save on management costs and potentially premises. This will potentially be a saving of £1m over five years.
- 1.23 The proposed approach will also deliver a treatment service that is better integrated with primary care and has a greater focus on psychosocial interventions; provide the best outcomes for service users and enabling the service to better support the Council's strategic priorities for substance misuse treatment.
- 1.24 Re-commissioning the services described above brings together the specialist clinical expertise required, to ensure a focus on integrated care and provide expert support across the treatment pathway. It will enable the council to ensure it is meeting the complex needs of people with drug and alcohol problems and ensure that there is specialist expertise in drug and alcohol treatment that can be used flexibly across the system. It will support the management and integration of care for people with drug and alcohol problems in primary care.
- 1.25 Given that the young people's substance misuse service contract will expire sooner (30th November 2017) than the adult's substance misuse services (31st March 2018), it is recommended that the two be procured as separate lots in the same procurement exercise at the same time with the expectation that the young people element will start earlier on 1st December 2017.

## **2. Proposed Procurement Strategy**

### **2.1 Outline specification of the works, goods or services being procured.**

Core elements of the service delivered are:

#### **Lot 1: Young People's Integrated substance misuse service**

- Preventing young people in Barking & Dagenham from developing substance misuse and criminal careers and provide early interventions to those young people at risk of substance misuse and offending behaviour.
- Reducing the level of substance misuse related problems and achieve improvement in health, social, psychological, legal, welfare and life chances of young people who are vulnerable through use of illicit drugs and/or alcohol and hidden harm.

## **Lot 2: Adults integrated substance misuse service**

- Drug services: the core interventions will include prescribing, psychosocial interventions; education, training and employment support, hepatitis screening and support into blood borne virus (BBV) treatment and peer mentoring. The new service will be responsive to changing trends and have a skilled workforce that will work collaboratively with key stakeholders on a wider range of cross cutting themes.
- Alcohol services - the service will continue to provide alcohol services such as hospital liaison nurses, older people and alcohol services, community detoxification, and core alcohol interventions. The service will generate efficiencies in wider health services including through diverting alcohol users from A&E and hospital admission and reducing ambulance call outs.
- The proposed service model will respond to the needs of families through early identification and prevention work prior to reaching crisis. Specialists will work alongside family services and lead or contribute to joint needs assessments.
- The service will maintain a focus on hidden harm and prevention work with provision of bespoke training.
- The new model will also work with local criminal justice agencies by sharing intelligence and supporting the case management of offenders on integrated offender management programmes. Preventing residents of Barking & Dagenham from developing substance misuse issues and criminal careers and provide early trauma based interventions to those individuals at risk of substance misuse and offending behaviour.
- Reducing the level of substance misuse related problems and achieve improvement in health, social, psychological, legal, welfare and life chances of residents who are vulnerable through use of illicit drugs and/or alcohol and hidden harm.
- A specialist treatment service for people with drug and/or alcohol problems who have additional complex needs around mental health, offending or other health issues. The service will also deliver in-reach prescribing service to the direct access gateway service for people with substance misuse problems

The service model and specification will be reviewed prior to tender issue. Providers will be requested in their tender response to propose how to best deliver the services with room for innovation

### **2.2 Estimated Contract Value, including the value of any uplift or extension period.**

**Lot 1: Young People's Integrated substance misuse service-** Estimated cost of £1,600,000 for the 5-years and 4 months

**Lot 2: Adults integrated substance misuse service -**Estimated cost of £9,000,000 for the period of 5 years

The funding is mainly from the Public Health grant and £110k per annum from Mayor's Office for Police and Crime (MOPAC).

It should be noted that given the uncertainty over the future of the Public Health Grant, if the decision is taken to procure services over a five-year period, the contracts will need to contain appropriate termination clauses if Public Health funding ceases. The new agreements will include a clause allowing the Council early termination of this service should the grant funding which pays for the service be reduced or withdrawn

### **2.3 Duration of the contract, including any options for extension.**

#### **Lot 1: Young People's Integrated substance misuse service**

5 years and 4 months (3 years and 4 months initially with the provision to extend for a further 2-year period) from 1st December 2017 to 31<sup>st</sup> March 2023

#### **Lot 2: Adults Integrated substance misuse service**

5 years (3 years initially with the provision to extend for a further 2-year period) from 1st April 2018 to 31<sup>st</sup> March 2023.

Contract extensions will be based on performance related quality measures and delivery of key outcomes. This is considered the option which will lead to the Council obtaining best value for money and will provide a stable and supportive environment for service users.

### **2.4 Is the contract subject to (a) the (EU) Public Contracts Regulations 2015 or (b) Concession Contracts Regulations 2016? If Yes to (a) and contract is for services, are the services for social, health, education or other services subject to the Light Touch Regime?**

The contract is subject to the (EU) Public Contracts Regulations 2015 and as a health contract is subject to the Light Touch Regime. Because the estimated value of the contract is higher than the set threshold (currently EUR 750,000), it needs to be opened up to competition and be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations.

### **2.5 Recommended procurement procedure and reasons for the recommendation**

The procurement will be undertaken using the competitive procedure with negotiation process under the Public Contract Regulations 2015 and will be advertised in the Official Journal of the European Union (OJEU) and Contracts Finder as required by the Regulation. This approach will allow the council to work with interested parties to design the service. This approach is more flexible and allows for more tailored and innovative specifications and solutions to be developed against an overall service model, key outcomes and performance indicators developed by commissioners.

There are several advantages to this, the opening up of the development of the specification with potential bidders will allow bidders to draw on their experience and knowledge to ensure that a bespoke solution is created for LBBD. Many



bidders will have experience of delivering such services elsewhere and will be well placed to work with commissioners to design a high-quality service model.

At this stage, therefore, it is not possible to articulate the detailed configuration of the new services, as the competitive procedure procurement with negotiation process itself will help in the design of this. Bidders would be required to put in a bid for the provision of either Lot 1 (Young People) or Lot 2 (Adults) or both Lot 1 and Lot 2.

Through the competitive procedure with negotiation, commissioners will work with the bidders to identify economies of scale for delivery. That is, some elements of the services may need to be delivered in one location, whereas others could be delivered at several locations.

The procurement approach will aim to stimulate the market to deliver innovative new service models, with strong clinical governance that will improve quality and outcomes for service users and release further cost savings.

The procurement timetable is as follows (this will be shorter for the young people's service):

<b>Activities/ Tasks</b>	<b>Date</b>
Issue PIN for Expression of Interests	May 2017 (tbc)
Market Engagement Event	Early June 2017 (date tbc)
Prepare Tender Documents (Conditions, Specification, ITT, TUPE etc)	By 23 <sup>rd</sup> June 2017
Issue contract notice /ITT (Allow min 6 weeks for tender document to be returned)	10 <sup>th</sup> July 2017
Deadline for clarifications	18 <sup>th</sup> August 2017
Return Tenders	25 <sup>th</sup> August 2017
Tender Evaluation	29 <sup>th</sup> August – 29 <sup>th</sup> September 2017
Negotiation and Final Tender return	2 <sup>nd</sup> October – 20 <sup>th</sup> October 2017
Final Tender Evaluation	23 <sup>rd</sup> October – 10 <sup>th</sup> November 2017
Prepare contract award report and get approval	13 <sup>th</sup> to 24 <sup>th</sup> November 2017
Provisional Award (notify successful/ unsuccessful Tenderer's)	27 <sup>th</sup> November 2017
Standstill Period	28 <sup>th</sup> November – 8 <sup>th</sup> December 2017
Final award	11 <sup>th</sup> December 2017
Service Mobilisation including potential TUPE transfers	Dec 2017 -March 2018
Contract commencement	1st December 2017 – young people substance misuse treatment 1st April 2018 – adult substance misuse treatment

## **2.6 The contract delivery methodology and documentation to be adopted.**

The Council's standard terms and conditions contract will be used for the delivery of the contract. A no fault termination clause will be included in the contract allowing notice to be given by the Council for early termination. This allows increased flexibility should a significant change in service provision be required.

Service performance will be monitored through a series of Key Performance Indicators (KPIs) as detailed in the service specification that includes quantitative and qualitative data, service user feedback and activity on outstanding action plans reviewed at quarterly meetings.

## **2.7 Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract**

Investing in drug treatment optimises an individual's social capital. There is a significant and growing body of evidence showing that investing in the prevention and treatment of drug and alcohol misuse improves social, physical, human and recovery capital. Delivery of the service will reduce on-costs to Council by £2.50 per £1 invested.

As individuals recover from their addiction or problem use they increase their ability to access education, training and employment, sustain appropriate housing, commit fewer crimes and improve relationships often reconnecting with their families and gain positive social networks.

The impact of not investing in this will result in a negative impact on individuals, families and the community increasing costs to health and social care systems, criminal justice systems and increases demands on the welfare benefits system. A comprehensive review and re-procurement of the treatment system to operate under a new model that delivers recovery focused services in a more streamlined and cost-effective way will benefit substance misusers, their families and the local community. It will also mean that significant savings will be achieved with minimal impact to recovery outcomes.

Our intention is to deliver efficiencies (circa 200k per annum across the entire treatment pathways). Through the re-modelling of the drug and alcohol treatment pathway to a new model of integrated working will help deliver this. The potential savings will be realised by eliminating significant duplication within the currently system. By transferring the existing different services into an integrated service, this will reduce the capital and organisational costs of multiple providers as well as reducing duplication of provision and focusing service provision on current need. This new model makes more effective and efficient use of resources through promoting collaborative and partnership working

## **2.8 Criteria against which the tenderers are to be selected and contract is to be awarded**

The services are complex and work with people who are vulnerable with complex needs around substance misuse and mental health so quality, partnership working and safety are key considerations. It is proposed that a Quality/Price split of 40:60 is

used in the assessment of tenders, with the quality assessment being broken down into: service model – namely, creating change, access, managing complex partnerships and clinical pathways, and delivering health outcomes; clinical governance and quality assurance; social value, including training and research. For this service there is a clear need to drive major innovation in quality of services as well as costs

The scope of the contract will be published beforehand including the minimum requirements, award criteria and their weightings, and this will not be changed during the negotiation process. The whole process will be fully documented.

The first stage is advertisement and the conduction of an initial tender stage. After the evaluation of initial tenders, a decision will be made whether to award the contract to one of the bidders based on the outcome of the evaluations, or to negotiate on an equal treatment basis with the bidders who meet the criteria after evaluation.

If the decision is to conclude the negotiations all the bidders will be informed and a common deadline to submit any new or revised tenders will be set. Negotiation dialogue would only be to improve the bids, and not be on the fundamentals of the service. At the end of this process (which may include a best and final offers stage), the contract will be awarded to the supplier with the most economically advantageous tender using the award criteria in the procurement documents.

## **2.9 How the procurement will address and implement the Council's Social Value policies**

The Council's social value responsibilities are taken through its vision: One borough; One community; London's growth opportunity. Through the re-procurement of the contracts, the Council will ensure service continuity that meets the needs of the local population who misuse drug and alcohol and their families.

In line with the visions of Ambition 2020, the commissioning of substance misuse services need to be less traditional and more efficient. Early intervention to support those that have been affected by substance misuse is imperative to prevent the next generation of problematic drug and alcohol users.

It would also contribute to the Council's commitment to growth by supporting those with substance misuse problems into employment.

The Council will work with the provider to seek to identify local opportunities for apprenticeships, training and recruitment for Barking and Dagenham residents.

## **3. Options Appraisal**

### **3.1 Option 1 – Do Nothing**

This option is not viable because the Council needs to commission services for young people and adults who misuse drugs or alcohol. Having no service in place may lead to the deterioration in individuals' health and circumstances and for some may result in death. This could also lead to an increase in health and social care costs and an increase in crime. Reduction or cessation of these services would

affect the performance against substance misuse Public Health Outcomes Framework (PHOF) indicator.

### **Option 2 – Undertake competitive procurement process as current provision (that is 4 adult and 1 young people’s separate drug and alcohol services)**

#### **Advantage**

- The procurement exercise will ensure compliance with the Council’s Contract Rules and EU Legislation and ensure continued provision of drug and alcohol services to local residents beyond the contract end dates

#### **Disadvantage**

- Limited efficiencies to be made as there will be increased management costs, five contracts to manage and therefore increased costs to authorities in terms of legal, commissioning and contracting, risk of duplication of services, does not take account of sustainability

### **Option 3: Undertake competitive procurement process for an integrated Adult and Young People service (preferred option)**

#### **Advantages**

- The procurement exercise will ensure compliance with the Council’s Contract Rules and EU Legislation and ensure continued provision of drug and alcohol services to local residents beyond the contract end dates
- Performance management will be more efficient as there will be just two contracts to manage, communication will be easier as only dealing with two providers, easier to promote locally.
- Service users will be able to access any aspect of the service without having to be re-assessed or change key worker or provider. This will improve retention and therefore successful completions and ensure better outcomes for service users.
- By transferring the existing different services into an integrated service, this will reduce the capital and organisational costs of multiple providers as well as reducing duplication of provision and focusing service provision on current need. This new model makes more effective and efficient use of resources through promoting collaborative and partnership working.
- The service delivery model meets the identified need for alcohol service, new drug trends addressed, takes service user and wider partnership feedback into consideration, creates more equitable and sustainable service for our populations, increases choice, clarifies pathways.

#### **4. Waiver**

4.1 Not applicable.

## **5 Equalities and other Customer Impact**

- 5.1 Service continuation would ensure that services for people who misuse alcohol and/or drugs remain available and are accessible to service users across the full range of gender, ethnicity, age, faith, disability, sexuality and all protected characteristics. There is scope in the longer term to have a positive effect on equalities through the commissioning of more flexible models of service delivery to better meet the needs and preferences of different groups within the population.

## **6. Other Considerations and Implications**

- 6.1 **Risk and Risk Management** - Failure to maintain service would cause significant harm to residents of the borough who are recovering from alcohol/ drug misuse, their families, as well as the general population. If the service were to terminate, there would be no pharmacological (alcohol detoxification medications, substitute prescribing) or psychosocial (counseling, key working and day programmes) interventions available across the borough for people who misuse drugs and alcohol. This would undoubtedly result in an excessive consumption of drugs and alcohol across the borough. This in turn would impact upon the level of ambulance call outs, hospital admissions, drug/alcohol related deaths and levels of crime and anti-social behavior.
- 6.2 **TUPE, other staffing and trade union implications** - Eligible staff currently employed in the service will, in the event of change in service provider, transfer their employment to the new provider under the Transfer of Undertakings (Protection of Employment) Regulations.
- 6.3 **Safeguarding Children** - Substance use presents a range of behaviours that pose a risk to the individuals themselves and others around them, and can give rise to a range of safeguarding concerns, including domestic violence. The borough's systems for reporting and investigating both adult and child safeguarding concerns have established links to drug and alcohol services, and the borough recognises the need for commissioning interventions to continue to foster these links, and provide training for those involved in safeguarding. All agencies commissioned to work with adults and young people are aware of LBBD safeguarding procedures and must adhere to incident reporting as part of their contractual obligations
- 6.4 **Health Issues** - The proposal is in line with the outcomes and priorities of the joint Health and Wellbeing Strategy. The award of the contract should further enhance the quality of and access to substance misuse service in the borough. The proposal will have a positive effect on our local community.
- 6.5 **Crime and Disorder Issues** - Substance misuse impacts on many areas of crime and disorder including anti-social behaviour and offending behaviour. By commissioning services that prevent people from using substances and supporting those that are using in a problematic way will support the Partnership in reducing offending behaviour. Those individuals that are drug tested positive for Class A drugs in police custody will be compelled to engage in drug treatment.
- 6.6 **Property / Asset Issues** - The proposal will have a neutral impact upon the property or assets.

## **7. Consultation**

7.1 In line with Council procedure the following have been consulted with:

- Statutory Proper Officer – Director of Public Health
- Strategic Director Service Development and Integration
- Group Manager Finance Adults and Community Services
- Legal Services
- Corporate procurement
- Councillor Maureen Worby- Portfolio holder for Adult Social Care and Health
- Procurement Board

7.2 Consultation activity is also being planned from June 2017 in order to effectively engage with people with substance misuse problems, their families and other key stakeholders on the proposed service model and ensure there are opportunities to influence and shape the new service.

## **8. Corporate Procurement**

Implications completed by: Adebimpe Winjobi, Senior Procurement and Contracts Manager

8.1 This report is seeking approval to procure a contract for the provision of an integrated drug and alcohol the service for young people and adults as two separate lots. The service being procured falls within the description of services covered by the Light Touch Regime under the Public Contracts Regulations 2015. As the estimated value of the contract is higher than the set threshold (currently EUR 750,000), it needs to be opened up to competition and be advertised in the Official Journal of the European Union (OJEU) as required by the Regulations.

8.2 In keeping with the EU procurement principles, it is imperative that the contract is tendered in a competitive way and that the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders.

8.3 The procurement will be undertaken using the competitive procedure with negotiation process under the Public Contract Regulations 2015. This approach will allow the councils to work with interested parties to design the service. It is more flexible and allows for more tailored and innovative specifications and solutions to be developed against an overall service model, key outcomes and performance indicators developed by commissioners and will provide best competition to get best value for money for the Council and will be compliant with the Council's Contract Rules and EU Regulations.

8.4 Corporate procurement will provide the required support to commissioners throughout the entire process.

## **9. Financial Implications**

Implications completed by: Katherine Heffernan, Group Manager - Finance

- 9.1 The current substance misuse services for adults and young people are funded predominantly through the Public Health Grant. For 2016-17, the grant provides a funding contribution of £2.866m for substance misuse services, of which £2.187m relates to services which will be included in the procurement of the integrated adult substance misuse service and the young people substance misuse service. Additional funding of £0.110m is received from The Mayor's Office for Policing and Crime (MOPAC), which also contributes towards the cost of the adult drug treatment services that will be incorporated into the contractual arrangements for the new integrated service.
- 9.2 With the intention to commence a new 5-year contract for the adult substance misuse service on 1 April 2018 and the young people substance misuse service on 1 December 2017, a proportion of both contract periods would fall within the ringfence conditions of the Public Health Grant. Public Health England recently announced that the ringfenced Public Health Grant would continue until the move to Business Rates Retention in April 2019. The cost of the new contracts could be contained within the overall Public Health budget until 31 March 2019. After this date, funding for non-mandatory Public Health services cannot be guaranteed. However, the new contractual arrangements will allow for the termination of the service prior to the completion of the 5-year contract period, should funding for the services no longer be available.

## **10. Legal Implications**

Implications completed by: Bimpe Onafuwa, Contracts and Procurement Solicitor

- 10.1 This report is seeking approval for the procurement of two separate contracts for the provision of Integrated Substance Misuse Services for Adults and for Young People.
- 10.2 The Light Touch Regime (LTR) would be applicable to this procurement as the services fall under the social and other specific contracts described in Schedule 3 of the Public Contracts Regulations (the PCR). In line with this regime, the PCR requires that contracts with a value above the current threshold of €750,000 (£589,148) be opened up to competition and be advertised widely enough for interested bidders to be aware of the procurement. The value of the Integrated Substance Misuse Services contract is estimated to be above the LTR threshold, and as such it needs to be tendered as required by the Regulations.
- 10.3 This procurement also has to be procured in line with the Council's Contract Rules which require contracts with a value of £50,000, or more, to be advertised and opened up to competition.
- 10.4 Procurement of this contract has to show equality in the treatment of bidders, transparency, as well as fairness in order to be compliant with the principles of the PCR and the Contract Rules. The proposed timetable, advertising media and evaluation criteria noted in the procurement strategy are indications of a compliant exercise.

10.5 The law and Governance Team are available to provide legal advice during this tender process.

**Public Background Papers Used in the Preparation of the Report:** None.

**List of appendices:** None.