

18 Procurement Strategy Report Template

Signing-off Sheet

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|---|---|-------------------------|------------|
| Title of Report: | Contract Variation Adult Substance Misuse (Drug and Alcohol) Integrated Service | | |
| Name of Meeting: | Procurement Board | Date of Meeting: | 18/09/2023 |
| This Report is currently listed on the Forward Plan: Yes | | | |

| | Name of consultee: | Clearance given: (Yes / No) |
|---|---------------------------|---------------------------------------|
| Required Consultees on Draft Report (these must be consulted or an explanation given i.e. not relevant) | | |
| Cabinet Member(s): | Councillor Worby | Yes |
| Ward Members (for Ward related issues) | | |
| Departmental Finance (via financialimplication@lbbd.gov.uk) | Katherine Heffernan | Yes |
| Corporate Risk (via christopher.martin@lbbd.gov.uk) | | |
| Corporate Procurement (via euan.beales@lbbd.gov.uk) | Adebimpe Winjobi | Yes |
| HR (via gail.clark@lbbd.gov.uk) | | |
| Legal Practice (via legalimplications@lbbd.gov.uk) | Kayleigh Eaton | Yes |
| Corporate Policy and Equality Impact (via Ce-Strategy@lbbd.gov.uk) | | |
| Property/Asset Management (via anthony.wiggins@lbbd.gov.uk) | | |
| Adults' and Children's Safeguarding (via christopher.bush@lbbd.gov.uk) | Chris Bush | Yes |
| Public Health (via matthew.cole@lbbd.gov.uk) | Mathew Cole | Yes |
| Sustainability and Net Zero (via neil.pearce@lbbd.gov.uk) | | |
| Business Continuity and Disaster Recovery (via mandy.beacher@lbbd.gov.uk) | | |
| Other Consultees (including external bodies): (To be completed as appropriate) | | |
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Procurement Board

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| Title: Contract Variation Adult Substance Misuse (Drug and Alcohol) Integrated Service | |
| Report of the Councillor Maureen Worby, Cabinet Member for Adult Social Care and Health Integration | |
| Open Report / Open Report with Exempt Appendix / Fully Exempt Report Open Report | For Decision Yes |
| Wards Affected: All | Key Decision: Yes |
| Report Author: Amolak Tatter, Commissioning Manager | Contact Details: Tel: 0797 200 3623 E-mail: Amolak.tatter@lbbd.gov.uk |
| Accountable Director: Chris Bush, Commissioning Director for Children's Care and Support | |
| Accountable Executive Team Director: Elaine Allegretti, Director of People and Resilience | |
| <p>Summary:</p> <p>To waive the requirement to tender and approve the variation of the contract for the provision of Adult Substance Misuse (Drug and Alcohol) Integrated Service to CGL for a period of 12-months from 1st April 2023 to 31st March 2024.</p> <p>This is a retrospective waiver in relation to a current contract where a service is being provided to residents. Alongside this, new substance misuse services are in the process of being procured with an anticipated start date of new contracts on 1 April 2024. Agreement to extend the contract will ensure service continuity during procurement and enable payment for services already carried out this financial year 2023-24.</p> <p>The current value of the contract for the year 1 April 2023-31 March 2024 is £1,836,351.76.</p> <p>It is regretted that a retrospective waiver is required. Initially it was expected that a new service contract would be in place this financial year and as such the current contract would not need to be extended. The reason(s) for delay were:</p> <ul style="list-style-type: none"> • the undertaking of a comprehensive needs analysis required by the Office for Health Improvement and Disparities (OHID), • In addition a cultural competency analysis followed that has informed the service specification of the new service in relation to better meeting the needs of a diverse population. • Finally, OHID (Grant Manager) had indicated that it was going to undertake a national Substance Misuse Direct Purchasing System (DPS) from which Local Authorities could undertake 'mini re procurements or direct award. However, OHID | |

has been unable to deliver this procurement at the scale and pace indicated. Alongside a number of other local authorities, Barking and Dagenham has been forced to go out to full procurement late, which it is now taking place.

Recommendation(s)

The Procurement Board is recommended to:

- (i) Agree that the Council approves the retrospective modification of the contract for the provision of St Luke's service with Change Grow Live (CGL) to extend for a period of 12-months from 1st April 2023 to 31st March 2024, in accordance with the Council's Contract Rules.

Reason(s)

This retrospective waiver is required to ensure service continuity during the financial year 2023-24 and to enable payment for services provided to date. The treatment of drug and or alcohol addiction is important to support recovery, families, reduce acquisitive crime and improve physical and mental health.

Alongside this the Borough is in the process of procuring a new adult substance misuse service. The new contract is anticipated to start 1 April 2024. Extending the current contract to 31 March 2024 will allow procurement to take place inclusive of a necessary 3-month lead-in for the new service. The tender process has already begun with a number of well-known organisations in the field expressing interest in working for Barking and Dagenham.

The variation to the contract will ensure we take into consideration the recommendations from the Needs Assessment, including Cultural Competence Assessment, the Government 10-year drug strategy and aligning additional Supplementary Grant within main service delivery, as outlined below.

The borough has received additional funding for drug and alcohol from the Government through OHID, for 4-years, covering the period from 2021/22 to 2024/25.

1. Introduction and Background

- 1.1 Substance misuse is defined as intoxication by or regular excessive consumption of and/or dependence on psychoactive substances, leading to social, psychological, physical, or legal problems.
- 1.2. Increasing and higher risk of drugs and drinking creates a huge burden on the health (and wider public sector) system both in terms of the cost of treating alcohol related diseases and the impact on hospital and primary care demand. It is associated with a wide range of problems, including physical health problems such as cancer and heart disease.
- 1.3. LBBD has commissioned Integrated open access and specialist services that enable people who misuse drug and/ or alcohol to access treatment and work towards recovery. The current contract provides a Trauma Informed Approach

(TIA), prescribing, structured drug and alcohol programmes, counselling, needle exchange and BBV (Blood Born Virus) testing.

- 1.4. The service offers 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.
- 1.5. The criminal justice provision in the service, supporting offenders through the court process and advocating on their behalf. Individuals that are due to be released from prison will be contacted in preparation for returning into the community.
- 1.6. The integrated substance misuse service, St Luke's, has continued to be successful in engaging and providing treatment to the most vulnerable residents who are using Drugs and/or Alcohol, either through the voluntary route or those referred through the criminal justice system.
- 1.7. During the period 2021/22 Barking and Dagenham received additional funding from the Government through the Office for Health Improvement and Disparities (OHID), previously known as PHE (Public Health England), initial funding came through the Universal Grant £384,000 which has been proportioned between the adult and young people which has enabled the services to set up Complex Criminal Justice Team (CCJT). The CCJT engages with both young people and adult service users who are using substances and in the criminal justice system.
- 1.8. Following year 2022/23, the funding comes through the Supplementary Grant, the borough received £394,998 and for the period 2023/24, the borough received £432,581, which has enabled the Borough to sustain the CCJT and for 2024/25 the borough will receive £709,925 which will enable us to enhance the offer.
- 1.9. To sustain the service for 12-month (2023/24) the total contract value will be £1,836,351.00 which includes the Supplementary Grant.
- 1.10. The Government launched its 10-year drug strategy in December 2021, "From harm to hope: a 10-year drug plan to cut crime and save lives", which has led to setting up Combating Drugs Partnership Boards, to take this agenda forward.
- 1.11. The OHID had requested for all boroughs to undertake a drug and alcohol 'Needs Assessment', which was commissioned and completed December 2022.
- 1.12. In addition, we commissioned a Cultural Competence Review given the shift in the ethnic profile of Barking & Dagenham in the past 20-years from majority White British, reviewing the way in which we deliver strategies and services to best engage with, and meet the needs of, it's now global majority residents in 2023, which was completed in May 2023.
- 1.13. Despite the challenges, during the period 2021/22 with the pandemic, the service had 990 service users in treatment, which is illustrated in the table below and provides a breakdown substance. Opiate being the main drug, followed by Alcohol only.

| Substance Category | Nos in Treatment |
|---------------------------|-------------------------|
| Alcohol only (Alc) | 305 |

| | |
|-----------------------------------|------------|
| Alcohol and non-opiate only (A&N) | 167 |
| Non-opiate only (Non-o) | 165 |
| Opiate (Opi) | 353 |
| Total Clients | 990 |

1.14. The table below shows that there were 574 new presentations into the service during the period 2021-22, with Alcohol only as the high in presentations, followed by Alcohol and non-opiate only.

| Substance Category | New Presentations |
|-----------------------------------|-------------------|
| Alcohol only (Alc) | 214 |
| Alcohol and non-opiate only (A&N) | 126 |
| Non-opiate only (Non-o) | 109 |
| Opiate (Opi) | 125 |
| Total Clients | 574 |

(Source: National Drug Treatment Monitoring System (NDTMS) 2020/21))

Current Contract Arrangement

- 1.15. In April 2018, CGL (Change, Grow, Live) were awarded the contract for a three-year period (2018/29, 2019/20, 2020/21) with the option to extend for two years on an annual basis, taking the total period of the contract to a potential five years to which ended on 31st March 2023.
- 1.16. The initial duration of the contract for CGL was five-years (three-years with an additional two-years extension on an annual basis), contact values during this period from 1st April 2018 until 31st March 2023, was £7,996,783.
- 1.17. We are currently going through the retendering to procure a new contract, which will be implemented from 1st April 2024, extending the service contract for 12-months will ensure continuation of integrated service for a vulnerable population.
- 1.18. Unfortunately, there is no extension provision in the existing service contract which ended on 31st March 2023.
- 1.19. The annual value of the contract is £1,836,351 for 2023/24, which includes:
- £1,599,663 Public Health Core Grant
 - £236,688.76 portion of the Supplementary Grant from The Office for Health Improvements and Disparities (OHID)
- 1.20. We are requesting a variation for 12-months (1st April 2023 to 31st March 2024) for the incumbent providers, CGL, this includes up to a 3-month period mobilisation phase for the new service. The contract value will not exceed more than 50% of the value of the original contract or the framework agreement.

1.21. It is regretted that a retrospective waiver is required. Initially it was expected that a new service contract would be in place this financial year and as such the current contract would not need to be extended. The reason(s) for delay were:

- the undertaking of a comprehensive needs analysis required by the Office for Health Improvement and Disparities (OHID),
- In addition, a cultural competency analysis followed that has informed the service specification of the new service in relation to better meeting the needs of a diverse population.
- Finally, OHID (Grant Manager) had indicated that it was going to undertake a national Substance Misuse Direct Purchasing System (DPS) from which Local Authorities could undertake 'mini re procurements or direct award. However, OHID has been unable to deliver this procurement at the scale and pace indicated. Alongside a number of other local authorities, Barking and Dagenham has been forced to go out to full procurement late, which it is now taking place.

2. Proposed Procurement Strategy

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

2.1.1 Integrated substance misuse service (drug and alcohol service)

Core elements of the service delivered are:

2.1.2 The Community Integrated Substance Misuse Service is for Barking & Dagenham residents from the age of 18 experiencing problems with drugs and/or alcohol, family members, and other professionals working with residents with substance misuse addition. The service will work within a results-based accountability model that will have an integrated approach with staff working within the Criminal Justice System, such as Probation, Prison's and Police Custody, Anti-Social Behaviour (ASB) Teams, Community Mental Health Teams (CMHT), Pharmacies, GP's and A&E, Hospital departments.

2.1.3 The service will continue to provide:

- Supporting vulnerable service users to maintain abstinence.
- Encouraging ambition and aspiration and enable them to be realised through recovery plan goals.
- Enabling and encouraging service users who misuse substances to remain in or re-engage with education, training, and employment.
- Helping service users with substances to manage their behaviours and emotions appropriately, and to challenge inappropriate or damaging behavior and attitudes.

- Identifying service users 'At-Risk' of abuse or harm and working with them and other agencies to manage situations with a high standard of practice.
- Providing a unitary service with no clinical/talking therapy split.
- Promoting physical, mental, and sexual health on an individual and service wide level.
- Developing effective and meaningful user participation that achieves evidenced results for the service and the individuals involved.
- Working with people with service users to build, or rebuild, safe and positive social relationships and networks, particularly with their families.

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

2.2.1 Total Value £1,836,351.76 (12-months):

- £1,599,663 Public Health Core Grant
- £236,688.76 portion of the Supplementary Grant from The Office for Health Improvements and Disparities (OHID)

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

2.3.1 12-months from 1st April 2023 to 31st March 2024, (this includes up to a 3-month period for mobilisation phase for the new service); however, if the incumbent provider is successful, they will not require lead in time and will be able to deliver the new contract immediately.

2.4 **Is the contract subject to (a) the 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?**

2.4.1 Yes, subject to the Light Touch Regime

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

2.5.1 Waive the requirement to tender and approve the variation of the contract for the provision of St Luke's service with CGL for a period of 12-months from 1st April 2023 to 31st March 2024, (this includes up to a 3-month period for mobilisation phase for the new service) in accordance with the Council's Contract Rules

Reasons:

- 2.5.2 While we are currently in the process of retendering the contract for the adult integrated substance misuse, we will need to ensure there is a service in place that will continue to engage with residents who are using substances, including those have been identified as vulnerable.
- 2.5.3 The service will need to continue to work and provide support to service users 18-years and over, including those who are within the criminal justice system, such as those who are identified with substances by the Probation Service.
- 2.5.4 During the procurement of new services we have taken into consideration the following:
- the Governments 10-year Drug Strategy “From harm to hope: a 10-year drug plan to cut crime and save lives.
 - the recommendations from the Needs Assessment are incorporated within the service specification and contract.
 - Cultural Competency recommendations.
 - Supplementary Grant is aligned with the main core grant to enhance the Integrated Complex Criminal Justice Team.
 - To ensure continuation of service for a vulnerable population

2.6 The contract delivery methodology and documentation to be adopted

- 2.6.1 The contract document will be a Deed of Variation prepared by the legal team to vary the termination date of the contract.
- 2.6.2 The Community Integrated Substance Misuse Service is for Barking & Dagenham residents from the age of 18 plus, experiencing problems with drugs and/or alcohol, family members, and other professionals working with residents with substance misuse addition. The service will work within a results-based accountability model that will have an integrated approach with staff working within the Anti-Social Behaviour (ASB), Probation, Community Mental Health Teams (CMHT), GP’s and A&E, Hospital departments.

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

- 2.7.1 To act as a gateway into drug and alcohol treatment for residents of Barking and Dagenham and case manage service users to recovery:
- To work with people with drug and alcohol problems to build, or rebuild, safe and positive social relationships and networks, particularly with their families.
 - The service will continue to engage with adults 18-years and over and provide interventions regarding their drug and/or alcohol use.

- Enhance the engagement of adults who are in the criminal justice system, such as the Probation Service.
- Continue to provide continuity of care and engage with offenders released from prison and returning to the borough.
- To provide high quality, harm reduction interventions that are flexible to meet the changing demographics of the borough.
- To work in partnership with the Local Authority, Health, Criminal Justice and other key stakeholders
- To work and support Adult Social Care teams and provide Hidden Harm work.
- To provide needle exchange service within the service and local pharmacies.
- To assess and support service users who require residential rehabilitation and/or detoxification.
- Continue to provide specialist prescribing for stabilisation, reduction and detoxification for the following:
 - Opioid dependency.
 - Dependent Alcohol users assessed as safe for community detoxification.

2.7.2 A comprehensive review and re-procurement of the treatment system to operate under a new model that delivers recovery focussed 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 service recovery outcomes.

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

2.8.1 N/A

2.9 How the procurement will address and implement the Council's Social Value policy

2.9.1 The Council's social value responsibilities are taken through its vision: One Borough; One Community; No one Left Behind. Through the variation 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.

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

2.10 London Living Wage (LLW)

2.10.1 The requirement of LLW will continue to be met by the provider.

2.11 How the Procurement will impact/support the Net Zero Carbon Target and Sustainability

2.11.1 The provider will continue to provide a review and delivery plan of how they will support Barking and Dagenham's Net Zero Carbon Target.

3. Options Appraisal

3.1 Council needs to commission services for adults who misuse drugs or alcohol. Having no service in place is likely to 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.

4. Waiver

4.1 To waive the requirement to tender and approve the variation of the contract for the provision of Adult Substance Misuse (Drug and Alcohol) Integrated Service St Luke's Service with CGL for a period of 12-months from 1st April 2023 to 31st March 2024 in accordance with the Council's Contract Rules.

4.2 The ground upon which this waiver is required is Contract Rule 6.6.(e) The circumstances of the proposed contract are covered by legislative exemptions (whether under EU or English law).

5. Consultation

5.1 Key stakeholders have been consulted before the commencement of the competitive procurement process including service users, carers, and key partners in health, social care, criminal justice, and housing agencies.

6. Corporate Procurement

Implications completed by: Adebimpe Winjobi, Head of Public Health Programme

6.1 This report is seeking the approval to waive the requirement to tender and approve the variation of the contract for the provision of Adult Substance Misuse (Drug and Alcohol) Integrated Service to CGL for a period of 12-months from 1st April 2023 to 31st March 2024 in accordance with the Council's Contract Rules due to unforeseen circumstances.

- 6.2 It has been stated that the council is currently in the process of retendering the contract for the young people integrated substance misuse and during this period the council need to ensure there is a service in place that will continue to engage with adults who are using substances in the borough, including those have been identified as vulnerable.
- 6.3 The contract variation for this contract is based is Reg 72(c) of PCR 2015 and can justify the use as:
- The need arises from circumstances which a 'diligent contracting authority' could not have foreseen- in this case a delay to the procurement of a new service
 - The overall nature of the contract is not altered;
 - The increase in price is less than or equal to 50% of the contract value.
- 6.4. support the recommendation if this report.

7. Financial Implications

Implications completed by Katherine Heffernan – Head of Service Finance:

- 7.1 This report seeks Council's approval for retrospective variation and extension of the contract for the provision of adult substance misuse (drug and alcohol) integrated service with Change Grow Live (CGL) for a period of 12 months from 1st April 2023 to 31st March 2024.
- 7.2 The contract extension is required to ensure continuation of the integrated service for Borough residents who are using substances during contract re-tendering period. This interim measure is required because the Council had been expecting to use a national Substance Misuse DPS but the Office for Health Improvement and Disparities (OHID) did not put this in place in the expected timeline.
- 7.3 The cost of the extension will be £1,836,352 which can be fully funded from Public Health grant and OHID supplemental grant as set out in paragraph 2.2.1.
- 7.4 This cost is an increase from the previous contract value (an average of £1,599,357 a year) as the supplemental grant has been used to expand and enhance the service. The commissioner has worked with the current provider to ensure that the service continues to meet the needs of users and offers value for money.

8. Legal Implications

Implications completed by: Kayleigh Eaton, Principal Contracts and Procurement Solicitor, Law & Governance

- 8.1 This report is seeking retrospective approval to vary the contract for the Adult Substance Misuse (Drug and Alcohol) Integrated Service in order to extend by an additional 12 months. The Council currently has a contract in place with Change Grow Live. It is noted the initial term of the contract was from 1 April 2018 for an initial 3 years with an option to extend on a 1+1 basis. The contract period therefore ended in 31st March 2023 with a contract extension being put in place. This report seeks retrospective approval for this extension by way of a modification.
- 8.2 This report notes that the need has arisen due to a needs assessment which was requested by Office for Health and Improvement and Disparities (OHID). The aim of the assessment was to provide an analysis of current substance misuse needs and identify health inequalities and unmet needs to shape commissioning going forward. If the Council undertook the re-procurement prior to the results being known then there could have been a possibility that a new procurement would not have covered the recommendations of the review and therefore the Council's full requirements. The requirement for this review to be carried out so close to the end of the contract was not foreseen in the original procurement.
- 8.3 Regulation 72 (c) of the Public Contracts Regulations 2015 states that modifications to existing contracts are permitted where the need for modification has been brought about by circumstances which a diligent contracting authority could not have foreseen, the modification does not alter the overall nature of the contract and the increase in price does not exceed more than 50% of the original contract value.
- 8.4 As noted above the need for this extension could not have been foreseen. The services during the additional 12 months will not differ from those originally procured so it will therefore not alter the overall nature of the contract and the increase in price is approximately 23%, which does not exceed the 50% threshold.
- 8.5 The Council will be required to publish a notice of this modification in accordance with Regulation 72 (3).
- 8.6 The extension should be recorded in writing and signed by all parties.

9. Other Implications

9.1 Risk and Risk Management – N/A



9.2 TUPE, other staffing and trade union implications – N/A

9.3 Corporate Policy and Equality Impact – Substance misuse is linked with a range of health inequalities including poor physical and mental health, hidden harm, family

breakdown and involvement in the criminal justice system will ensure that services for people who misuse alcohol and/ or drugs remain available and are accessible to service users across the gender, ethnicity, age, faith, disability, sexuality, and all protected characteristics under the Equality Act 2010.

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. In evaluating Social Value proposals, additional consideration will be given to innovative ways of outreaching to those groups who are currently underrepresented in services based on the protected characteristics including race and ethnicity, gender reassignment, sex and sexual orientation.

Also included will be outreach to faith groups to raise awareness of drug and alcohol misuse and services. To support service development a Cultural Competency Needs Analysis has been commissioned to ensure an inclusive and culturally inclusive approach to ongoing service delivery. Service user groups are seen to support service development in relation to effectiveness and user input. Given their importance the successful provider(s) will be expected to facilitate the service user voice in the development of services.

- 9.4 **Safeguarding Adults and Children** – Substance misuse places vulnerable adults and children at risk. Substance misuse presents a range of behaviours that pose a risk to the individuals themselves and others around them and can amplify a range of safeguarding concerns, including domestic abuse and hidden harm. 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.
- 9.5 **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 services in the borough for adults and young people. The proposal will have a positive effect on our local community by improved services with greater accessibility and cultural competence thus helping to reduce health inequalities.
- 9.6 **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
- 9.7 **Property / Asset Issues** – The proposal will have a neutral impact upon the property or assets.

9.8 **Business Continuity / Disaster Recovery** – The proposal will have a neutral impact on business Continuity/Disaster Recovery. However, in relation to service continuity the incoming providers will be expected to provide a business continuity plan within one month of mobilisation.

Public Background Papers Used in the Preparation of the Report:

- Drug Market Profile Report 2019/20
- Governments 10-years drug strategy December 2021
- Need Assessment December 2022
- Cultural Competence Review May 2023

List of appendices:

Appendix 1 Substance Misuse Equalities Impact Assessment (Adult)



Appendix 3 Adult
Substance Misuse S

For further guidance on the completion of this report template please see **Reports for Council meetings – A Guide for Officers** at [Brand and templates \(sharepoint.com\)](#)