

## CABINET

22 May 2012

<b>Title:</b> Retender of the Young Person's Specialist Substance Misuse Service	
<b>Report of the Cabinet Member for Crime, Justice and Communities</b>	
<b>Open Report</b>	<b>For Decision</b>
<b>Wards Affected:</b> None	<b>Key Decision:</b> No
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<b>Accountable Divisional Director:</b> Glynis Rogers, Divisional Director Community Safety and Public Protection	
<b>Accountable Director:</b> Anne Bristow, Corporate Director of Adult and Community Services	
<b>Summary:</b> <p>The Young Person's specialist substance misuse service provides open access and structured treatment to young people up to the age of 19 in relation to substance misuse problems. In 2010/11, 349 young people accessed this service for support regarding their substance misuse. The current contract for the service will expire on the 31 March 2013. This report asks Cabinet to give permission for the re-tendering of the Young Person's Specialist Substance Misuse Service, known as SubWize, in line with public procurement law and local authority regulations.</p>	
<b>Recommendation(s)</b> <p>The Cabinet is recommended to:</p> <ul style="list-style-type: none"><li>(i) Approve the procurement of a Young Person's Specialist Substance Misuse Service, to include a Single Point of Contact (SPoC) service, on the terms detailed in the report; and</li><li>(ii) Indicate whether the Cabinet wishes to be further informed or consulted on the progress of the procurement and the award of the contract, or whether it is content for the Corporate Director of Adult and Community Services, in consultation with the Corporate Director of Finance and Resources, to award the contract to the successful contractor.</li></ul>	
<b>Reason(s)</b> <p>To assist the Council to deliver the following Policy House themes:</p> <ul style="list-style-type: none"><li>• Better together: through reducing criminal and anti-social behaviour and safeguarding children.</li><li>• Better health and well-being: through treatment and abstinence from substance</li></ul>	

misuse.

- Better future: through accessing education, training and employment opportunities as a holistic approach to substance misuse treatment.

## **1. Introduction and Background**

- 1.1 Substance misuse is defined by the National Institute for Health and Clinical Excellence (NICE), as intoxication by, or regular excessive consumption of and/or dependence on psychoactive substances, leading to social, psychological, physical or legal problems. This definition relates to both legal and illegal substances.
- 1.2 According to both national and local treatment records, in Barking and Dagenham the number of young people that are accessing treatment services has increased from 204 in 2009/10 to 349 in 2010/11. The numbers in structured treatment has also increased from 159 in 2009/10 to 242 in 2010/11. From the 2010/11 Needs Assessment the Drug and Alcohol Action Team (DAAT) has calculated that there is a treatment naïve population for young people of 129 individuals (41%) which is slightly higher than the regional percentage of (37%). The treatment naïve population are those who are known to other services, such as police, in relation to substance misuse but who have not been engaged with substance misuse treatment services.
- 1.3 In 2010/11 alcohol and cannabis were the drugs of choice for young people in Barking and Dagenham which is reflective of national trends (National Drug Treatment Monitoring Service, NDTMS).
- 1.4 The Young Person's specialist substance misuse service contract is currently funded through a range of funding streams, with a total contract value of £233,500 These agencies include:
  - Department of Health via the National Treatment Agency, (NTA);
  - LBBB;
  - NHS Barking and Dagenham; and;
  - Youth Justice Board.
- 1.5 LBBB currently have a contract which provides a specialist open access substance misuse service to young people; this includes advice, information and guidance on reducing harm.
- 1.6 In addition to this service structured substance misuse treatment is accessed through a referral. Structured substance misuse treatment involves a care planned medical, psychosocial or specialist harm reduction intervention aimed at alleviating the current harm caused by substance misuse.
- 1.7 The current provider of the SubWize Service is Crime Reduction Initiatives (CRI). CRI was awarded a two year contract which has been extended for 1 year. CRI work closely with the Youth Offending Service (YOS) to provide effective treatment for young offenders. The service also works with "hidden harm" clients, that is, young people that are affected by parental or sibling substance misuse.

- 1.8 SubWize also provide outreach work in partnership with Integrated Youth Support Services (IYSS) on the Youth Bus and increase awareness on the effects of substance misuse in Schools and Children's Centres and at Community events.
- 1.9 The current contractor was awarded the contract in 2010 and performance has improved since they took over the service. In line with the terms of the contract a subsequent extension has therefore been granted for 1 year. This expires in March 2013.
- 1.10 Outcomes  
Of the 242 young people that were in structured treatment in 2010/11, 122 individuals left treatment services. Of the 122, 80 individuals completed their treatment as a planned exit and on completion of their treatment 50 of these individuals were occasional users, (had a drink or smoked cannabis once in the past 28 days) with 30 individuals recorded as drug and or alcohol free. Although it is the goal for treatment services to have young people leave treatment services drug and alcohol free, this is not always possible. Of the 122 individuals the remaining 42 left as an unplanned exit and dropped out of treatment. The challenge of attrition amongst service users is always a possibility in treatment services, and as such engagement with clients and maintaining them in treatment is continuously reviewed.
- 1.11 The YP Treatment Data Summary report for Q3 2011/12 shows that for the cohort of 248 individuals 71% of young people in structured treatment have left in an agreed and planned way which is inline with comparative partnerships at 75% and nationally at 77%. Of the young people that have left in an agreed and planned way 88% have met goals agreed on their care plan at exit which is also in line with comparative partnerships at 83% and nationally at 88%. This shows that the partnership has positively decreased the attrition rate for young people and is working effectively to meet the goals set on individual care plans.

## **2. Proposal and Issues**

- 2.1 The Young Person's specialist substance misuse service contract will expire on the 31 March 2013. It is proposed that a new contract will be tendered and procured which will continue to provide open access and structured specialist substance misuse services, to commence on the 1 April 2013.
- 2.2 In 2010/11 Barking and Dagenham had the highest number of young people in treatment in London. This is reflective of the disproportionately high younger population in the borough, (JSNA 2011) and the effectiveness of the service in engaging with young people in the borough. In 2010/11 349 young people were referred to treatment services of which 242 were in specialist structured substance misuse treatment.
- 2.3 The future need of the service is expected to increase reflecting the projected population increase amongst young people. Data from the GLA suggests a 19% increase in the 10-14 years old age group between 2012 and 2017 and a 2% increase in the 15-19 years old age group. It is estimated that in 2012 there are 24,000 young people aged between 10-19 years old. On a ward level it is predicted that the largest growth in the young people's population will be Thames (78% increase), Gascoigne (34%) and Abbey (13%).

- 2.4 The demographic make up of the borough has also changed over recent years and the emerging needs of the young people's population will be factored into service provision. The most significant changes have been the increase in the Black African community from 4.4% in 2001 to 15.3% in 2011 and amongst the White Other cohort with an increase from 2.6% to 12.3% over the same period. Data collected from the School Census shows that 60% of the pupils currently enrolled in Barking and Dagenham come from a non White British background. Future service provision will look to increase the number of young people engaged in treatment services from non White British backgrounds from the current figure of 31%; making the service more reflective of future population need. This fact has also been highlighted in the Equality Impact Assessment for this service.
- 2.5 The procurement of this service will achieve improved outcomes for young people focusing on early intervention and prevention of substance misuse in line with the National Drug Strategy 2010 "Reducing Demand, Restricting Supply, Building Recovery: supporting people to live a drug free life". These outcomes are also reflected in the Barking and Dagenham Substance Misuse Recovery Strategy and Treatment Plan 2011-2014, and the Children and Young People's Plan 2010-13. In addition, strong links will be established to the Troubled Families project, supporting greater parental awareness of substance misuse.

#### Finance

- 2.6 The Young Person's substance misuse service finances are made up of an amalgamation of several funding streams. These include the Department of Health Pooled Treatment Budget, London Borough Barking and Dagenham, Youth Justice Board, and NHS Barking and Dagenham funding. The NHS and Department of Health money is paid to the Local Authority by NHS Barking and Dagenham on a yearly basis. The indicative funding for the contract is detailed below. However, the exact funding will be confirmed following a discussion at the Joint Commissioning Board.

<b>Funding Source 2011/12</b>	<b>Value (£)</b>
Department of Health Young People Pooled Treatment Budget	124,500
LB Barking and Dagenham	110,500
Youth Justice Board	22,700
NHS Barking and Dagenham	71,300
<b>Total Value</b>	<b>329,000</b>

- 2.7 The formula for allocating the budget is only just being developed, and it is expected to take into account the current investment in treatment services. Over time, however, it is expected to move to an allocation based on an assessment of need. These changes in resources may have a consequential effect on services and there are few certainties to future funding in the current economic climate. To alleviate the financial risk to the Council in future years the contract will have a break clause with a three month notice period.
- 2.8 NHS Barking & Dagenham have agreed that they will continue to work in partnership with the Council to deliver substance misuse treatment services. There is continued pressure on NHS Barking and Dagenham budgets during the coming two years, as identified in their draft Commissioning Strategy Plans, and should

they propose a reduction in the level of funding for the services currently being tendered, then contracts will have to be amended accordingly. To protect the Council's interests, therefore, the contract for the new service will contain a break clause, stating a three month notice period, to be served at any time should existing funding streams cease or be reduced.

- 2.9 From 1 April 2013, health improvement work will be led by local authorities using funds from ring-fenced public health budgets to improve health and tackle inequalities in their local area. The Council will have a new statutory duty to take steps to improve the health of their population in addition to other related statutory functions. The new responsibilities of local authorities will include commissioning local activity on alcohol and drug misuse services. The current PCT 2011/12 allocated spend of circa 2.6 million will form part of the shadow public health grant for 2012/13. For 2013/14 the Government will set public health ring fenced grant using a process that includes estimating the long term aim for the most efficient use of resources based on a formula set by an independent group of NHS managers, GPs and academics - currently the Advisory Committee on Resource Allocation (ACRA). On 1 April 2013, this grant will be passed directly to the Council via Public Health England.
- 2.10 Officers are currently drafting the tender specification based on best practice models provided by The National Treatment Agency for Substance Misuse and incorporating the findings of the draft Equality Impact Assessment on the Young People's Recovery Strategy and Treatment Plan and the Joint Strategic Needs Assessment recommendations. The new service will also include the post of a Family and Transition worker which is currently being piloted.
- 2.11 Procurement process  
This contract falls under the OJEU category of health and social care and will be procured under Part B of the OJEU process and in line with local procurement rules. This contract is also outside of the Elevate procurement arrangements.
- 2.12 Tender Evaluation  
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) |
- 2.13 Prospective tender candidates will be advised of these weightings beforehand. This will enable a fair and even handed approach to be taken. Prior to award of the contract an evaluation of the price will be carried out to ensure that provider organisations tendering for the contract provide fair and competitive prices that are consistent with the service specification and the services required to be delivered.

2.14 In addition tenders will be designed to ensure compliance with grant funding conditions from all agencies. Statutory requirements mandate that a range of drug treatment options are available within Barking and Dagenham for its residents. The provision of the tendered services will deliver against statutory requirements under the Drugs Act 2005.

2.15 Tender Timetable

Outline tender timetable for Young Person's specialist substance misuse service (all dates are provisional and subject to change)

Action	Date
Cabinet approval	22 May 2012
Advertise	11 June 2012
Expressions of interest to be returned	23 July 2012
Evaluate returns	7 August 2012
Invitation to Tender to be sent out	24 August 2012
Tenders to be returned	28 September 2012
Interviews to be conducted	15 October 2012
Approval from Chief Officer and 10 day standstill period	5 November 2012
Contract Award	19 November 2012

2.16 Contracts will be awarded to the successful provider for a period of two years and eight months with an option to extend for a further period of up to two years dependant upon satisfactory performance and availability of funding. The total contract value for the Young Person's specialist substance misuse service over a four years and eight months period is estimated up to a value of £1,089,700. If the contract is not extended beyond the initial two years and eight months period, then the total contract value over the two years and eight months period is estimated up to a value of £622,700.

**3. Options Appraisal**

3.1 **Option 1** - Tender for a two years and eight months term contract; with the option of up to a two year extension subject to satisfactory performance. This is the preferred option to provide open access and structured substance misuse services.

3.2 **Option 2** - To undertake tenders separately for open access and structured substance misuse services. This would mean losing the holistic approach to substance misuse treatment service provision and a potential decrease in the number of young people accessing treatment services. This also goes against guidance from the NTA to provide an integrated substance misuse service for young people.

3.3 **Option 3** - Do nothing/disinvest in drug treatment services – if the contract is not re-tendered these services will cease and customer needs will not be met. This is vitally important as Barking and Dagenham had the highest number of young people in treatment in London for 2010/11. Not having these services will accordingly impact beyond individual drug users themselves and onto the local community, increasing multiple disadvantage amongst young people with substance misuse, for example in relation to poor health, offending behaviour and opportunity losses in employment and education.

#### **4. Consultation**

- 4.1 The provision of young people's treatment services has been consulted on as part of the DAAT Recovery Strategy and Treatment Plan 2011-14 by the Joint Commissioning Board and the Community Safety Partnership Board. Formal consultation of the tender will be carried out as part of the procurement process. This will include consultation with the BAD Youth Forum, Parents Forums and schools.

#### **5. Financial Implications**

Implications completed by: Ruth Hodson, Finance Group Manager

- 5.1 Due to financial constraints it is necessary to tender within the budgets and funding the Council receives, as there is no additional capacity available. Members should be aware that agencies may choose to reduce or stop these funding streams.
- 5.2 Funding for Youth Justice Board and NHS Barking and Dagenham have not yet been confirmed for 2012/13.
- 5.3 In 2013/14 the funding for drug misuse will be transferred from the PCT to Councils by the Public Health Grant. However, these allocations have not been agreed and are still in negotiation nationally.

#### **6. Legal Implications**

Implications completed by: Antonia Asielue, Senior Lawyer, Procurement & Contracts

- 6.1 This report is seeking Cabinet's permission to tender the contract for a specialist substance misuse service which provides open access and structured treatment to the youth up to nineteen (19) years of age. It is proposed that the contract will be for a two years and eight months period, but with an option to extend for a further period of up to two years.
- 6.2 The Public Contracts Regulations allows local authorities to enter into a contract with a service provider, following a competitive tendering process.
- 6.3 The particular service to be procured in this report is classified as a Part B service and therefore not subject to the strict tendering rules in the Public Contract Regulations. However due of the value of the contract which is stated to be approximately £622,700 over the initial two years and eight months contract term, the Council, in conducting the procurement, still has a legal obligation to comply with the relevant provisions of Rule 3 of the Council's Contract Rules and with the EU Treaty principles of equal treatment of bidders, non-discrimination and transparency in procuring the contracts.
- 6.4 The report sets out in paragraph 2.15 the tender timetable for the procurement of this service. The contract is to be advertised in June 2012 with the expectation that expressions of interest will be returned by potential bidders in July 2012. Following the evaluation of these, relevant bidders will be invited to tender for the contract,

with a view to appointing a preferred bidder and awarding the contract in November 2012. The EU Treaty principles noted above generally encourage the advertisement of contracts in a manner that would allow any providers likely to be interested in bidding for the contracts identify the opportunity and bid for the contracts, should they wish to do so.

- 6.5 In deciding whether or not to approve the proposed procurement of the contract, Cabinet must satisfy itself that the procurement will represent value for money for the Council.
- 6.6 In accordance with Rule 3.6.4, the report additionally requests that Cabinet indicate whether it wishes to be further informed or consulted on the progress of the procurement and award of the contract, or whether it is content for the Corporate Director of Adult and Community Services, in consultation with the Section 151 Officer (the Corporate Director of Finance and Resources) to monitor the progress of the procurement and award the contract upon conclusion of the procurement exercise.
- 6.7 Contract Rule 13.3 provides delegated authority to the commissioning Corporate Director, in consultation with the Section 151 Officer, to approve the award of a contract upon conclusion of a duly conducted procurement exercise, in the absence of direction to the contrary from Cabinet.
- 6.8 The Legal Practice confirms that there are no legal reasons preventing Cabinet from approving the recommendations of this report.

## **7. Other Implications**

- 7.1 **Risk Management** - The commissioning of the young people's treatment services is based on a sound needs assessment thereby reducing the risks associated with commissioning.

Risks associated with the procurement process will be mitigated by ensuring European Union, (EU), rules and Council procedures are followed in commissioning this service.

All potential providers will be assessed for financial viability before progressing to the tender stage. The procurement process and the 70:30 balance between quality and price in the evaluation of tenders is designed to ensure that only competent providers progress to the final stage.

Formal quarterly performance and contract monitoring meetings of the service will take place once it is in place. This includes audits, service user and professional's consultation and informal reviews by Adult and Community Services, Children's Services and the Community Safety Partnership.

Not commissioning the service carries significant risk in terms of outcomes for young people as outlined above at Option 3 and below in 7.4.

- 7.2 **Contractual Issues** - The existing contract is due to finish on the 31 March 2013 with the new contract in place on the 1 April 2013. EU and Council procurement procedures will be followed to enable to a fair competitive tendering process.



- 7.3 **Staffing Issues** - There are no TUPE implications for LBBD staff; however, there are potential contractor to contractor TUPE implications.
- 7.4 **Customer Impact** - An Equality Impact Assessment (EIA) has been carried out on the young people's Recovery Strategy and Treatment Plan that will feed into the procurement of the young people's specialist treatment service. The EIA has shown an overall positive impact of service provision with an action plan for areas of improvement that will be fed into the service specification. Through the work done for the EIA it is known that there has been good work done in engaging with the white male population. There is also positive work around engaging young women. Areas that need improvement are engaging with the black and minority ethnic groups and groups that have disabilities.
- 7.5 **Safeguarding Children** - Robust safeguarding policies and procedures will be evidenced as part of the procurement process including compliance with local safeguarding procedures. The specialist substance misuse service is an integral element of the local suite of services available to young people and connects strongly with the priorities within the Children & Young People's Plan, the priorities within the local Children's Trust and the work of the Barking & Dagenham Children's Safeguarding Board, as well as the corporate priorities of the council as listed within the policy house. There are robust referral pathways between adult and young persons substance misuse services. All staff in adult treatment services are qualified to recognise child protection issues and it is explained to clients when confidentiality has to be broken.

The Youth Offending service works jointly to coordinating the care of presenting clients with substance misuse needs. They also consider transitional issues that older young people may be facing, such as housing, education and training, to ensure that their needs are met by the appropriate service and that they are able to reintegrate back into the community with a clearer vision.

All commissioned voluntary and statutory sector organisations must have their own safeguarding and child protection policies in place. Evidence of these is gathered at tender stage and then through contract monitoring and auditing processes. Case files are audited by commissioners to ensure best practice is routinely undertaken.

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.

The service also provides an essential element of the directorates 'early help' offer to young people, seeking to prevent their experimental drug use escalating into far more problematic drug use, thus assisting in the safeguarding of young people and reducing harm they may experience through more prolonged drug use and the possible consequences, e.g. criminal activity and physical ill health. The service will also work with Hidden Harm clients whose parents or siblings are involved in substance misuse as part of the 'Think Family approach' which provides holistic support to families with complex and inter-generational disadvantage. The service will link closely to the Troubled Families project currently being developed.

7.6 **Health Issues** - Evidence suggests tackling the use of cannabis is important as this is a gateway drug for individuals and can result in problematic drug use in the future. Addressing alcohol consumption amongst young people may also be a way of reducing chronic health problems in the future for example liver disease amongst young people. The Joint Strategic Needs assessment highlighted that there were particular local issues relating to alcohol misuse and the DAAT Young People's Needs assessment also highlighted that cannabis was the most commonly abused substance. There is a body of evidence which demonstrates the connection between alcohol and increased likelihood of chronic liver disease, coronary heart disease as well as the increased accidental injuries and increased frequency of domestic violence. The evidence base for cannabis is less well established but there is evidence of a connection with lung cancer due to the smoking of cannabis and increased accidental injuries.

7.7 **Crime and Disorder Issues** - Section 17 of the Crime and Disorder Act 1998 requires local authorities to take account of the crime and disorder impact of all their functions, decisions and policies. The Act was revised in 2006 and a new provision was made under Section 17. This directly relates to the harm caused by drug and alcohol misuse.

Substance misuse has a high correlation to anti-social and criminal behaviour. The highest cohort of people arrested for drug related acquisitive crime is 18-24 year olds. Criminal records acquired as young people act as a barrier for future employment thereby contributing to cycles of offending behaviour. Therefore the provision of a Young Person's specialist substance misuse service will make a positive contribution to community safety within the borough. It will achieve this through providing treatment and support that will reduce offending and enable young people to make a positive contribution to society.

7.8 **Property / Asset Issues** - The current provider currently operates from the Streetbase Advice Plus Suite in the Foyer and does not make a financial contribution to the accommodation. This has been facilitated through a partnership arrangement; however, there has been an indication by the sub-lessee, 14-19 Employment, Education and Training team, that this partnership arrangement will be revisited. There is potential for a negotiated settlement for the current accommodation and this will be detailed in the service specification.

#### **Background Papers Used in the Preparation of the Report:**

Barking & Dagenham Recovery Strategy and Treatment Plan 2011-14  
Barking & Dagenham Drug Treatment Needs Assessment 2010/11  
Drug Strategy 2010: Reducing Demand, Restricting Supply, Building Recovery: Supporting People to Live a Drug Free Life: HM Government.  
Drug and Alcohol Action Team Young People's Recovery Strategy and Treatment Plan Equality Impact Assessment (2011) – draft.  
Young people's substance misuse treatment services – essential elements, NTA  
Children and Young People Plan 2010-13  
Joint Strategic Needs Assessment 2011

**List of appendices:** None