CABINET

22 January 2013

Title: Contract for Provision of Community Alcohol	Services	
Report of the Cabinet Member for Crime, Justice and Communities		
Open Report	For Decision	
Wards Affected: All	Key Decision: Yes	
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Summary:

The Community Alcohol Service provides interventions for vulnerable residents with alcohol support needs and their family members and carers. The Community Alcohol Service assists individuals experiencing problems with alcohol to fully recover from these problems to enable them to lead healthy, alcohol free lifestyles and improve their health and wellbeing that will increase their opportunities to make a positive contribution to society.

The Health and Wellbeing Strategy and the Joint Strategic Needs Assessment (JSNA) are two of the key statutory documents that are produced by the Health and Wellbeing Board under the Health & Social Care Act 2012¹. The proposed Health and Wellbeing Strategy along with The Government's Alcohol Strategy and its implementation at a local level will encourage Local Authorities, NHS, Police and Crime Commissioners and other stakeholders to work together to improve the health and wellbeing of residents and reduce health and social inequalities. These new strategies and acts will also enable the partnership to use new powers and responsibilities to address local alcohol issues and reduce alcohol related health harms.

In Barking and Dagenham residents are not as healthy as they could be; alcohol plays a significant part in ill health for many residents. Alcohol misuse is a sizable problem in the borough and is contributing to hospital emergency admissions, domestic violence as well as poor mental and physical health.²

The Borough's latest Joint Strategic Needs Assessment (JSNA) and local alcohol strategy successfully raises awareness of inter-dependant alcohol related harms throughout the partnership. The Health and Wellbeing Board and local Alcohol strategies will directly enable a unified strategy to take alcohol related problems forward. Utilising the JSNA will identify the health and wellbeing needs of the Borough, providing an evidence base for the planning and funding of local alcohol services and the required action to be taken by local

¹ HM Government (2012). Health and Social Care Act. 2012. London. http://www.legislation.gov.uk/ukpga/2012/7/contents/enacted

² LBBD Health & Wellbeing Strategy 2012 – 2015.

partners working together.

A key principle within the health and wellbeing strategy is the attainment and maintenance of good health is a team effort. This principle applies in reducing alcohol related harms within the Borough. It is essential that a partnership approach is taken in addressing the needs of the Borough's alcohol problems.

It is a reality that some people misuse alcohol; which has an adverse impact on their health and wellbeing and on the community in which they live. The JSNA in 2011 estimated that 26,646 (20.15% of adult population in B&D) were hazardous drinkers; with 5,708 (4.14% of adult population in B&D) estimated as harmful drinkers and 27,030 (19.7% of adult population in B&D) estimated binge drinkers. Barking and Dagenham has 17 wards, six of which have been identified as particular binge drinking hotspot areas and is ranked the twelfth highest in London for binge drinking.

Barking and Dagenham is also significantly higher than the national averages for alcohol attributable and related hospital admissions for both males and females; being ranked 260 and 273 respectively in the country.³ The rate of hospital admissions by residents from Barking and Dagenham has been increasing above the London and England average since 2002.

There has been a 136% increase in the amount of people accessing alcohol treatment in Barking and Dagenham over the last three years, from 273 in 2009/10 to 643 in 2011/12, (JSNA 2011).

From 1 April 2010 to 31 March 2012 there were 1,181 referrals and 723 assessments carried out at the alcohol service. Between 1 April 2010 and 31 March 2012 there were 908 Barking & Dagenham residents in treatment for alcohol problems. Of this 908, 515 (75%) successfully completed treatment.

The current community alcohol service contract has reached its end. This report seeks agreement to re- tender the community alcohol service. The current contract expires on 31 May 2013 and has an annual value of £446,617.

Recommendation(s)

The Cabinet is recommended to:

- (i) Approve the procurement of Community Alcohol Services, for a period of three years, with an option to extend for a further period of up to two years (dependent upon satisfactory performance and availability of funding) to a maximum value of £2,233,085, as detailed in the report; and
- (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 Head of Legal and Democratic Services and Divisional Director of Finance, to award the contract upon conclusion of the procurement process.

³ The rank of the local indicator value among all 326 local authorities in England. A rank of 1 is the best local authority in England and a rank of 326 is the worst. For indicators 20 to 24, a rank of 1 is the highest and a rank of 326 is the lowest. Local Alcohol Profiles for England (2012). North West Public Health Observatory., Liverpool John Moores University.

Reason(s)

To assist the Council and partners to deliver the priorities within the Health and Wellbeing Strategy:

- To reduce health inequalities.
- To promote choice, control and independence.
- To improve the quality and delivery of services provided by all partner agencies.

To assist the Council to deliver the following Policy House themes:

- Better together: through reducing criminal and anti-social behaviour and safeguarding children.
- Better health and well-being: through treatment and abstinence from alcohol misuse.
- Better future: through accessing prevention, education, training and employment opportunities as a holistic approach to alcohol 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 There are an estimated 9 million people who drink above the levels of NHS guidelines, of which approximately 1.6 million have an alcohol dependence. There were 1million alcohol related violent crimes and 1.2 million alcohol related hospital admissions in 2010/11 costing society an estimate £21 billion annually⁴.
- 1.3 Locally the Borough is ranked 316 out of 326 Local Authorities for alcohol related recorded crimes⁵. The partnerships Crime & Disorder Strategic Assessment 2011 found that alcohol is a key driver of crime and disorder in the Borough.
- 1.4 The Government has estimated 645 troubled families in Barking and Dagenham who require tailored interventions; many of these are likely to have some level of alcohol and or substance misuse within the family.
- 1.5 Local Authorities and the new Health and Wellbeing Boards will be required to use the ring-fenced public health grant to address local public health problems, including reducing alcohol related health harms. Accordingly the proposed Health and Wellbeing Strategy aims to prevent fewer adolescents, young adults, adults and older people who problematically use alcohol. Prevention and treatment for young people are covered under a separate contract.
- 1.6 Research shows that along with higher unemployment and bankruptcy, an economic recession brings increased drinking of alcohol with heavy drinking and alcohol dependence significantly increasing as macroeconomic conditions

⁴ HM Government (2012). The Governments Alcohol Strategy. London: Home Office. http://www.homeoffice.gov.uk/publications/alcohol-drugs/alcohol-alcohol-strategy?view=Binary

⁵ Local Alcohol Profiles for England (2012). North West Public Health Observatory. Liverpool John Moores University.

- deteriorate⁶. This will place more demand for alcohol treatment services in the borough during an economic downturn.
- 1.7 The community alcohol service contract is currently funded through a range of funding streams, with a total contract value of £446,617. The majority of the funding comes from the Public Health grant which is currently managed through the PCT. The Council also contributes towards the funding of the service. See para 2.13.
- 1.8 From April 2013 funding for alcohol services to reduce alcohol related harms and offending will be decided at a local level through Health and Wellbeing Boards from the ring-fenced public health grant. Barking and Dagenham are awaiting confirmation of the allocation of the Public Health grant for the Borough which was anticipated would be announced in December 2012.
- 1.9 The current community alcohol service provides a specialist alcohol misuse service to problem drinkers, their families and professionals working with such residents. This service includes advice, information, assessments, counselling, community detoxification, outreach, day programme, and interventions on reducing harm, family / carer services and Accident and Emergency and hospital liaison.

1.10 Outcomes

The key outcomes for the joint Health and Wellbeing Strategy are:

- To increase the life expectancy of people living in Barking and Dagenham.
- To close the gap between the life expectancy in Barking and Dagenham with the London average.
- To improve health and social care outcomes through integrated services.
- 1.11 The key outcomes for Barking and Dagenham Council forthcoming Alcohol Strategy are:
 - Reduction in Alcohol related harm.
 - Improved health outcomes for people misusing alcohol.
 - A safer community with a reduction in victims of alcohol related crime.
 - Preventing young people from drinking alcohol.
 - Strong and resilient families that are able to meet their individual needs.

2. Proposal and Issues

2.1 To support local people to make lifestyle choices at an individual level which will positively improve the quality and length of their life and overall increase the health of the population.

- 2.2 A Borough where residents and visitors choose to drink alcohol in a safe and responsible manner and where harm from its effects are responded to quickly.
- 2.3 The community alcohol service contract will expire on the 31 May 2013. It is proposed that a new contract will be tendered and procured which will continue to

⁶ French, M.T., et al. Macroeconomic Conditions and Alcohol Consumption: When the Economy is Down, Alcohol Consumption Goes Up," Science Daily - October 13, 2011. http://www.sciencedaily.com/releases/2011/10/111013091350.htm

- provide structured community alcohol recovery services, to commence on the 1 June 2013.
- 2.4 Barking and Dagenham ranks the 12th highest borough in London in terms of binge drinking. Synthetic estimates from 2007/2008 data show that there was a 49% increase from 2003-2005 estimates. This put the borough at the 10th lowest; however, prevalence still remains lower than the national average.
- 2.5 Alcohol related hospital admissions are highest among young couples with prosperous lifestyles. Young married couples in former council housing (4.30%), poor pensioners (5.92%) and middle income married couples (8.42%) had the lowest alcohol related admissions in the borough. Young couples with prosperous lifestyles as a whole constitute 11% of the households in the borough, whereas group1 (Younger married couples, council housing) and 8 (poorer pensioners, reliant on benefits) constitute 20% and 5.3% of the households respectively.
- 2.6 Residents who are alcohol dependent require clinical detoxification services, which are offered both in the community and on an in-patient basis. In 2010/11 107 residents completed a community detoxification (63 men and 44 women). In 2011/12 there were 11 alcohol in-patent detoxifications carried out and these 11 went onto residential rehabilitation to address their alcohol problems.
- 2.7 Since the 2001 Census the total borough population has increased by 22,000 residents, estimated population of 185,900. This represents a 13.4% increase. The Borough has the highest population percentage of those aged 0 to 19 at 31% in England and Wales. The greatest increase has been in the 0-4 year age group, which has risen by almost 50% from 12,500 in 2001 to 18,700 in 2011. This is the highest growth for this age group of any local authority in England and Wales. There has been a 20% decrease in the 65+ age group in the borough, which is the biggest decrease in London; however, life expectancy has increased from 77 to 79 years for males and 81.1 to 83.3 years for females.
- 2.8 The most significant changes in the Borough 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.
- 2.9 The emerging population growth and diversity within the Borough will place future demands on the alcohol service to meet residents' needs who will be from various international ethnicities and religions.
- 2.10 Future service provision will look to increase the number of residents engaged in alcohol treatment services from non white British backgrounds; making the service more reflective of the wider population.
- 2.11 The procurement of this service will achieve improved outcomes for residents focusing on reducing alcohol related harm by providing evidence based Information and Brief Interventions (IBA) in line with the Public Health Outcomes Framework and Barking and Dagenham Health and Wellbeing and Alcohol Strategies.

Finance

- 2.12 From 1 April 2013, Public Health will be led by Local Authorities using the ring fenced Public Health Grant to improve health and tackle inequalities in their local area in line with the Public Health Outcomes Framework. The Council will have a new duty to take steps to improve the health and wellbeing of their population. The new responsibilities of local authorities will include commissioning local activity on Public Health which includes alcohol and drug misuse treatment and recovery services. In 2013/14 the Government will set public health ring fenced grants 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). From 1 April 2013, this grant will be passed directly to the Council via Public Health England.
- 2.13 Decisions of Local Authority & local NHS mainstream funding for alcohol provision will be agreed at local Health and Wellbeing boards. Indicative funding for 2013/14 is detailed below:

Funding Source 2013/14	Value (£)
Public Health Grant	£341,131
LB Barking and Dagenham mainstream	£105,486
Total Value	£446,617

2.14 The Public Health Grant for 2013/14 and 2014/15 was announced on 10 January 2013 and there is sufficient funding for this contract. In June 2012, the Department for Health published interim recommendations from the Advisory Committee on Resource Allocation (ACRA) which recommended allocating public health funding to Local Authorities based on a formula rather than baseline estimates of spending. The introduction of the formula is recommended for 2015/16 onwards and this could impact on the value of Barking and Dagenham's Public Health grant.

To alleviate the financial risk to the Council in future years the contract will have a break clause with a three month notice period.

2.15 Officers are currently drafting the alcohol service tender specification based on local needs analysis, evidence based interventions and best practice models provided by NICE, The Alcohol Learning Centre and Public Health England.

2.16 **Procurement Process**

This contract falls under the EU procurement category of health and social care and will be procured under Part B of the EU procurement process and in line with the Council's Contract Rules. This contract is also outside of the Elevate procurement arrangements.

The contract will be advertised on the Council's website at http://www.lbbd.gov.uk/BUSINESS/CURRENTTENDERS/Pages/Tenders.aspx and the Contracts Finder website: http://www.contractsfinder.businesslink.gov.uk.

2.17 Tender Evaluation

The evaluation of tender submissions will be based on a quality: cost matrix of 70:30.

- 2.18 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 value for money and fair and competitive prices that are consistent with the service specification and the services required to be delivered.
- 2.19 In addition, tenders will be designed to ensure compliance with grant funding conditions from all agencies and the Public Health England and local Health and Wellbeing Outcomes Framework.

2.20 Tender Timetable

Outline tender timetable for the Community Alcohol service (all dates are provisional and subject to change).

Action	Date
Cabinet approval	22 January 2013
Advertise	28 January 2013
Expressions of interest to be returned	11 February 2013
Evaluate returns	15 February 2013
Invitation to Tender to be sent out	18 February 2013
Tenders to be returned	18 March 2013
Interviews to be conducted	29 March 2013
Approval from Chief Officer and 10 day standstill period	5 April 2013
Contract Award	15 April 2013

2.21 Contracts will be awarded to the successful provider for a period of three years, with an option to extend for a further period of up to two years dependent upon satisfactory performance and availability of funding. The total contract value for the Community Alcohol service over five years is estimated up to a value of £2,233,085. If the contract is not extended beyond the initial three years period, then the total contract value over this period is estimated up to a value of £1,339,851. These contract values are dependent on allocations received from Public Health England (PHE) through the Public Health Grant.

3. Options Appraisal

- 3.1 **Option1** Tender for a three year term contract; with the option of up to a two year extension subject to satisfactory performance. This is the preferred option to provide the community alcohol service.
- 3.3 Option 2 Do nothing/disinvest in community alcohol treatment services if the contract is not tendered these services will cease and customer needs will not be met. This is vitally important as the demand for alcohol services has increased year on year since 2009/10. Not having these services will accordingly impact beyond individual alcohol misusers themselves and onto the local community, increasing multiple disadvantages amongst residents with alcohol problems, for example in

relation to poor health and wellbeing, alcohol related crime, alcohol related hospital admissions, public health and opportunity losses in employment and education.

4. Consultation

4.1 There is a commitment to working with all members of LBBD diverse communities and understanding the prevalence and impacts of alcohol on specific groups. We will use a range of communication approaches to ensure all groups are offered equal access to alcohol services. This will be carried out through the commissioning cycle process and include service user involvement. Consultation with service users through the community alcohol service annual review (October 2012) reported that residents would like more information about the options of alcohol treatment available to them and more communication about reducing alcohol related harm to individuals and family members.

5. Financial Implications

Implications completed by: Dawn Calvert, 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 The contract for provision of Community Alcohol Services is jointly funded between the Council's General Fund and the Public Health Grant. The Public Health Grant for 2013/14 and 2014/15 was announced on 10 January 2013 and there is sufficient funding for this contract. The Public Health Grant is a ring fenced grant and expenditure will have to be accounted for on an annual basis.

6. Legal Implications

Implications completed by: Bimpe Onafuwa, Solicitor – Contracts and Procurement

- 6.1 This report is seeking Cabinet's permission to tender the contract for community alcohol services which provides alcohol services and interventions for vulnerable residents with alcohol support needs and their family members and carers. It is proposed that the contract will be for a three year 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 £1,338,000 over the initial three years 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 2.20 the tender timetable for the procurement of

this service. The contract is to be advertised in January 2013 with the expectation that expressions of interest will be returned by potential bidders in February 2013. 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 April 2013.

- 6.5 The report also states that the tender is also to be advertised on a few websites, including the Council's website. In keeping with the EU Treaty principles noted above it is appropriate that the Council publicises the contract 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. 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.
- 6.6 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.
- 6.7 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 alcohol treatment services is based on a sound needs assessment, national and local alcohol strategies 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 are 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 start up reviews, annual reviews, audits, service user and professional's consultation and informal reviews by Adult and Community Services and the Community Safety Partnership.

Not commissioning the service carries significant risk in terms of outcomes for residents and the borough as outlined above at Option 2 and below in 7.4.

- 7.2 **Contractual Issues** The existing contract is due to finish on the 31 May 2013 with the new contract in place on the 1 June 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 annual service review and needs analysis has been carried out on community alcohol service treatment and provision that will feed into the procurement of the community alcohol service. The review and needs analysis has shown a year on year increase in the demand for alcohol treatment and services. Through the analysis of data and the annual review it is known that there has been good work done in engaging with the white male population. Areas that need improvement are engaging with the black and minority ethnic groups and groups that have disabilities along with working with GP's in the borough.
- 7.5 Safeguarding Vulnerable Adults and Children - Robust safeguarding policies and procedures will be evidenced as part of the procurement process including compliance with local safeguarding procedures. The community alcohol service is a specialist service that is an integral element of the local suite of services available to residents and connects strongly with the priorities within the Health and Wellbeing Strategy and the work of the Barking & Dagenham Adults Safeguarding Team, as well as the corporate priorities of the council as listed within the policy house. There are robust referral pathways between substance misuse services and the local adults safeguarding team and social services. All staff in adult substance misuse treatment services are qualified to recognise child protection issues. Whilst staff have a duty to respect and protect the confidentiality of service users which is both professional and a legal responsibility; complete confidentiality cannot be guaranteed. There may be cases when it is lawful to break confidence, there are situations that might arise where confidential information may need to be shared; for example in an emergency where there is a risk to the client or others.

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.

7.6 **Health Issues** – Reducing alcohol related harm at all levels is important for individuals, communities and society. Lost productivity due to alcohol costs the country about £7.3 billion, with alcohol harm costing the NHS about £3.5 billion per year⁷. Furthermore addressing alcohol consumption amongst adults and young people will reduce chronic health problems in the future for example liver disease. The Joint Strategic Needs assessment highlighted that there were particular local issues relating to alcohol misuse including alcohol related hospital admissions. There is a body of evidence which demonstrates the connection between alcohol

⁷ National Treatment Agency. Making Recovery Real: the public health future of drug and alcohol treatment conference: 15.10.12

and increased likelihood of chronic liver disease, coronary heart disease as well as the increased accidental injuries and increased frequency of domestic violence.

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 borough has one of the highest rates of alcohol related crime in London and England. Criminal records acquired by both adults and young people act as a barrier for future employment thereby contributing to cycles of offending behaviour and welfare costs for the Local Authority. Therefore the provision of community alcohol services will make a positive contribution to community safety within the borough. It will achieve this through providing brief interventions, education and prevention, treatment and support that will reduce offending and enable residents to lead healthy alcohol free lifestyles and improve their health and wellbeing that will increase their opportunities to make a positive contribution to the Borough and society.

7.8 **Property / Asset Issues -** The current provider currently operates from the community alcohol service in Linton Road, Barking. These premises are on a lease arrangement with the current provider who is responsible for the lease. There is the potential for a shared use of the building and negotiated change of leaseholder and this will be detailed in the service specification with details of rental costs.

Background Papers Used in the Preparation of the Report:

- Improving outcomes and supporting transparency: a public health outcomes framework for England, 2013-2016 (DoH, 2012)
- Healthy Lives, Healthy people: Our strategy for public health England (Department of Health white paper, 2010)
- HM Government (2012). The Government's Alcohol Strategy. London: Home Office. http://www.homeoffice.gov.uk/publications/alcohol-drugs/alcohol/alcohol-strategy?view=Binary
- Local Alcohol Profiles for England (2012). North West Public Health Observatory.
 Liverpool John Moores University.
- Barking and Dagenham Joint Strategic Needs Assessment 2011
- Children and Young People's Plan 2011 2016 (LBBD)
- Barking and Dagenham Alcohol Strategy 2013 2016 (Unpublished until 2013)

List of appendices: None