

15 September 2016		ITEM: 13
Health & Wellbeing Overview and Scrutiny Committee		
Re-Procurement of the Integrated Adults Substance Misuse Treatment Service		
Wards and communities affected: All	Key Decision: Key Decision – spending above £500K	
Report of: Councillor James Halden, Portfolio Member for Education and Health		
Accountable Head of Service: Tim Elwell-Sutton, Consultant in Public Health		
Accountable Director: Ian Wake, Director of Public Health		
This report is Public		

Executive Summary

This report sets out the proposals for the re-procurement of the Integrated Adults Substance Misuse Treatment Service contract (“the Service”) which provides a recovery-focussed adult drug and alcohol treatment system within Thurrock. The current contract expires on 31 March 2017 and a new contract will be put in place for 1 April 2017.

The current contract has been in place since 1 April 2014 and was awarded to Kent Council for Addiction (KCA). As part of a corporate merger, Addaction acquired KCA in the summer of 2014 and took over the responsibility of the contract. There have been some issues with the quality and safety of the service which are currently being addressed. Because of these and given that Addaction did not win the contract in their own right, officers have decided not to exercise the optional two year extension and instead will take the contract to the market. This will also provide the opportunity to further integrate the service, with the inclusion of additional responsibilities, and look to generate additional savings.

The residential detox budget is currently held by Public Health – but clients are referred directly by the Service Provider – and therefore we have little control over spend. In the new arrangement, the budget will be transferred to the Provider to ensure there is sufficient leverage on cost control. It is envisaged that the funding for this will reduce as more clients are supported in the community.

It is envisaged that a competitive procurement exercise will secure an overall saving of £90 - £100K

Council and external stakeholders including the CCG and Primary Care have been consulted to finalise the requirements.

1. Recommendation(s)

Health & Wellbeing Overview and Scrutiny Committee is recommended to:

1.1 Comment on the re-procurement of the Integrated Adults Substance Misuse Treatment Service.

2. Introduction and Background

- 2.1 The current contract was awarded to KCA on 1st April 2014 for a period of three years with a two year extension option.
- 2.2 There have been some issues with the quality and safety of the service which are currently being addressed. It is now felt that in order to further improve delivery and ensure a fully integrated approach, whilst at the same time delivering cost savings, it should go through a full market tender.
- 2.3 The opportunity provided here for a re-procurement allows for improvements in specification scope, style, content (integrated services) and performance management to support and incentivise good service delivery.
- 2.4 The cost of the current Adult Treatment and Prescribing contract is £1,006,000 for 2016/17, and there are five additional, related services provided outside of this contract but within the Drugs and Alcohol budget.

Service	Cost
Residential Detox and Rehabilitation	£100,000
Supervised Consumption	£25,000
Drug Testing Kits	£10,000
Advocacy Service	£33,000
Dual Diagnosis Worker	£60,000
Total additional services	£228,000
Addaction Contract	£1,006,000
Adult DAAT Budget Total	£1,234,000

- 2.5 The re-tender of the Service through a competitive process should allow some economies of scale and allow the entire scope of additional services, with the exception of the Advocacy provision, to be delivered at a cost lower than the current budget figure for 2017/18 although savings are unlikely to be considerable. Moving forwards, as targets and priorities change, the contract will be scaled according to need.

- 2.6 The current Advocacy Service will not be re-procured after it ends on 31 March 2017 as Service Users are able to access these services through Adult Social Care (Advocacy and Carers Support). The new service specification for the Integrated Service will require the Provider to deliver Service User Involvement (feedback and peer mentoring) plus general signposting to other services.

3. Issues, Options and Analysis of Options

Timescale and Procurement Route

- 3.1 The tender now falls under the Public Contracts Regulations' "Light Touch Regime" as the whole life value is above £625,000. This requires advertisement in OJEU and compliance with certain EU Procurement Directive standards.
- 3.2 Additionally, within this procurement, it is important to include sufficient time for implementation because, if there is a change in contractor, it is likely there will also be significant TUPE transfer of staff at contract change-over. Transfer of client records and set up of the new service to ensure it is safe and ready for operation on 1st April is a complex and time-consuming process for any new Provider, as well as for the Council.
- 3.3 Subject to approval by Health Overview and Scrutiny Committee, this report will be submitted to Cabinet in October for confirmation and the tender will be issued mid to late October with a contract start date of 1 April 2016.

Contract Specification

- 3.4 The Contract will be established and priced flexibly, to ensure that it can be scaled to meet changing service user needs alongside funding priorities during the (maximum) five year term.
- 3.5 Key requirements of the Service are to deliver a safe and effective integrated service to Thurrock residents aged 18 years and over, their families and friends who are experiencing issues with drug and/or alcohol use.
- 3.6 The integrated service will incorporate the core adult treatment functions plus the prescribing function, supervised consumption, needle exchange service, community and residential detox and rehab, the dual diagnosis service, drug testing kits and all associated cost related to such an integrated service.
- 3.7 The service will operate an outreach and prevention function on a needs-basis. It will also develop and maintain a thriving recovery community to ensure residents can exit treatment and live free from dependency or risk of relapse.

4. Reasons for Recommendation

- 4.1 This report is submitted to Health Overview and Scrutiny Committee to comment on the re-tender for a contract with a whole life cost valued above £750K. The total estimated value for this contract over the maximum 5 year period of delivery is c. £6 million.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 This proposal has been discussed and agreed with internal and external stakeholders including the Community Safety Partnership, CCG and Primary Care.
- 5.2 This report is presented to Health & Wellbeing Overview and Scrutiny Committee for agreement.

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 The contract aims to meet corporate priorities through the delivery of high quality services both at the early intervention and treatment recovery stages.

The following two examples show how priorities will be delivered through the contract:

Priority	Delivered By
Improve Health and Wellbeing	Clearly this is the fundamental scope of the Service. Included is preventative work as well as treatment and recovery
Encourage and promote job creation and economic prosperity (and Social Value Act)	Clear targets to be set around volunteering, training and employment opportunities for local people – including service users in their recovery phase

7. Implications

7.1 Financial

Implications verified by: **Jo Freeman**
Management Accountant

The procurement aims to secure a contract with additional integrated services within or below the current annual price. The contract will be scalable to enable it to adjust to priorities and changes in funding availability during the maximum 5 year term as the ring-fence on the Public Health Grant is removed in 2018/19.

7.2 Legal

Implications verified by: **Kevin Molloy**
Solicitor

This report is seeking approval from Health Overview and Scrutiny Committee to tender the contract noted in the report. The proposed procurement is estimated well above the EU threshold for “Health” services (£625K) within the new Light Touch Regime of the Public Contracts Regulations 2015. This means that there is a legal requirement to competitively tender the contract via the Official Journal of the European Union (OJEU).

Taking the above into account, on the basis of the information in this report, the proposed procurement strategy should comply with the Regulations and the Council’s Contract Rules.

The report author and responsible directorate are advised to keep Legal Services fully informed at every stage of the proposed tender exercise. Legal Services are on hand and available to assist and answer any questions that may arise.

7.3 Diversity and Equality

Implications verified by: **Rebecca Price**
Community Development Officer

The Service will be available across the whole community, responsive to gender and or culturally specific need as well as needs relating to the particular substance misuse, and the Provider must demonstrate they are an equal opportunities employer. This will be tested as part of the tender process.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder)

The Service will link with the Community Safety Partnership via Public Health to ensure it is responsive to identified need within the borough.

8. Background papers used in preparing the report (including their location on the Council’s website or identification whether any are exempt or protected by copyright)

None

9. Appendices to the report

None

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