CABINET

Contract Award Decision - Drug and Alcohol Treatment Services.

Portfolio Holder: Councillor Jenny Harrison, Adult Social Care and Public Health

Officer contact: Paul Cassidy Director of Adult and Children’s Services

Report Author: Janet Sewart, DAAT Strategic Manager Ext. 8749

15 December 2014

Reason for Decision
To advise on the outcome of the procurement process and recommended contract award for the new drug and alcohol treatment system, including a new recovery and reintegration service.

Executive Summary
The report details the tender evaluation process recently undertaken and the current situation regarding contracts for the provision of drug and alcohol treatment, support and recovery. The existing contracts are due to expire on 31st March 2015.

The contract was divided into two Lots with the opportunity to bid for one or both. One tender was received for both Lots. This was a collaborative bid of existing providers with Addiction Dependency Solutions as the lead agency (and sub-contracting arrangements for the other providers). The fact that there was only tender indicates the difficulties of securing a provider for a complex treatment system for the money available in Oldham. However the tender received was of high quality, very detailed, including an innovative model for delivery which matched the service specifications.
The lead provider and representatives from the sub-contracting providers attended an interview on 7 November 2014 to clarify some delivery aspects for the benefit of the Evaluation Panel. The Panel was satisfied with the outcome of the interview.

As the savings associated with this process are part of the Council’s 2015/16 budget savings proposals a full EIA has been undertaken. A final decision on the proposals will be taken at full Council on 17th December and should the proposal not be approved a revision of the investment in the service model will be undertaken.

Recommendations

1. Cabinet are requested to authorise the acceptance of the successful tender identified as a result of the recent process and approve the award of the appropriate contracts to Addiction Dependency Solutions.

2. Cabinet are requested to note the savings of £980,000 per annum against the current contract price.
Background

Oldham’s drug and alcohol treatment system has been re-designed and a new model has been procured for delivery in 2015-16. The reasons for this are the need to deliver the service at a considerably reduced cost and designing a model which will move towards delivering services differently as part of the Public Service Reform agenda. A decision has been taken by all key stakeholders to recommend the incorporation of the new Early Help offer for Public Service Reform into the offer for preventing, supporting and treating people using and misusing substances in Oldham.

Current Position

In accordance with the Council’s Constitution and European Legislation, the Council had put out to tender the drug and alcohol treatment services contracts. The existing contracts had been extended and were due to expire on 31st March 2015.

The decision was taken to have two lots. Lot 1 for structured treatment services; contract duration for two years with an option to extend for a further two years (one year at a time). Lot 2 for Recovery and Reintegration services, with a contract duration of 12 months, which will operate closely with the All Age Early Help Offer. Potential suppliers could bid for one or both of the lots.

The tender process began in August with a deadline of 20th October 2014 for completed submissions. The contract start date is expected to be 1st April 2015.

There was one submission. The submission is a lead provider model and is made up of the existing providers currently delivering the drug and alcohol treatment services in Oldham. The lack of submissions from other providers highlights the difficulties of securing a provider(s) for a complex treatment system for the funding allocated.

The submission has been evaluated and was a very good submission scoring 82 per cent for Lot 1 and 79 per cent for lot 2. Therefore the Council is in the position of being able to formally award the contract.

Options/Alternatives

Option 1 - Award the contract to the only bidder as the lead provider. The submission was of a very good standard and gives a viable model of delivery.
3.2 Option 2 – Not award the contract and instead request a waiver of the Contract Procure Rules to extend the existing contracts in order to put the tender back out to market with an increased funding envelope.

4 Preferred Option

4.1 Option 1 - Award the contract to the only bidder as the lead provider. The submission was of a very good standard and gives a viable model of delivery.

5 Consultation

5.1 A three year commissioning strategy has been produced and thoroughly consulted on. This provides the detail of the proposed new treatment system and a mandate to review and re-commission. Consultation has included all provider service managers, Council commissioners, the Police, Probation Service, NHS, National Treatment Agency, Voluntary Action Oldham, GPs, service users, and elected members

5.2 Consultation on treatment redesign has taken place. A development and consultation day was advertised on The Chest and was attended by service users and providers.

6 Financial Implications

6.1 The cost of the proposed contracts for Drug and Alcohol Treatment Services (Lots 1 and 2) and available revenue funding are as follows:

<table>
<thead>
<tr>
<th>(All figures £K)</th>
<th>2015/16</th>
<th>2016/17</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lot 1</td>
<td>Lot 2 Internal</td>
<td>Structured Treatment</td>
<td>1,999</td>
</tr>
<tr>
<td>Recovery &amp; Recruitment Service</td>
<td>198</td>
<td>-</td>
<td>12 month contract only at this moment</td>
</tr>
<tr>
<td>All Age Early Help Model</td>
<td>198</td>
<td></td>
<td>Lot 2 to merge with the All Age Early Help Model after 12 months</td>
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<tr>
<td>Total contract values</td>
<td>2,197</td>
<td>2,197</td>
<td></td>
</tr>
<tr>
<td>Other Drugs &amp; Alcohol contracts etc</td>
<td>482</td>
<td>282</td>
<td>Includes £300K (approx) PA for Tier 4 Inpatient/Residential Rehabilitation</td>
</tr>
<tr>
<td>Original Budget</td>
<td>3,459</td>
<td>3,459</td>
<td></td>
</tr>
<tr>
<td>Additional one year agreed resource</td>
<td>200</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Savings Proposal</td>
<td>(980)</td>
<td>(980)</td>
<td>Part of B039b Review of Public Health (£2,467K)</td>
</tr>
<tr>
<td>Revised Budget</td>
<td>2,679</td>
<td>2,479</td>
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</table>
The Drug and Alcohol Action Team, is mainly funded from the Public Health budget.

Oldham Council currently receives a public health grant of £14,915K. It is ring fenced for activity which has a demonstrable impact on public health outcomes. The Council has established a Public Health Transformation Fund in order to offer opportunity for those services which receive public health funding to demonstrate their contribution to public health outcomes, and assist in innovative approaches to service delivery against some of the many public health challenges within the borough.

The fund is comprised of the savings offered up by Public Health as part of the Council’s efficiencies programme. As part of this programme, £3,467K (in 2014/15) already supports wider council services that contribute to public health outcomes. Further efficiencies identified for 2015/16 of £2,467K will increase this internal support to £5,934K.

The saving of £980K afforded by the newly negotiated Drugs and Alcohol contracts has contributed to the additional £2,467K savings outlined for 2015/16.

There is adequate resource within the Council’s revenue budget for 2015/16 and 2016/17 to meet the cost of the proposed Drug and Alcohol arrangements referred to in this report.

Paul Clarke
Finance Manager

7 Legal Services Comments

7.1 The terms and conditions provide for the terms and extension provisions as described.
Mark Hope

8 Co-operative Agenda

8.1 The submission represents a co-operative approach in terms of working together to achieve maximum value from the funding and ensuring that the resource is aligned with corporate priorities. The social value answer in the submission was of particularly high quality and due to the nature of this type of service and service user will contribute significantly to the co-operative agenda.

9 Human Resources Comments

9.1 People Services have been consulted on these proposals. There is no impact on staff employed by the council. The council should ensure through normal arrangements, the smooth transition of any new arrangements (Emma Gilmartin)
10 **Risk Assessments**

10.1 It is not possible to predict demand for these services, particularly with the new all age early help model and new ways of delivering public services.

10.2 There remains an element of risk because of the significant reduction in funding for drug and alcohol treatment, despite the quality bid received. It remains to be seen if the successful provider can deliver within the reduced funding envelope. This situation will be kept under close review via contract monitoring and if it is felt that there are additional resource requirements this will be escalated via the appropriate channels.

10.3 As the service is to be delivered by a third party it is important that they have appropriate insurance in place for the period the contract is provided.

(Mark Stenson)

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 The procurement has been carried out in line with the EU Regulations and Oldham’s Contract Procedure Rules. The Open procedure was used and the contract was advertised on The Chest.

13.2 Social Value – the lead provider is a local (GM) third sector organisation and as part of their submission have committed to creating employment for 40 residents each year, 12 apprenticeships, employing 10 ex-offenders. Committed to paying all staff the living wage, attract additional funding into the borough. Provide facilities and building access to local organisations. Create 80 volunteering opportunities. Reduce the amount of waste generated by 2% and reduce energy consumption. This is not the full offer but some of the highlights.

Richard Kubilius (Procurement Manager)

14 **Environmental and Health & Safety Implications**

14.1 Health and Safety documentary evidence was submitted by ADS (Addiction Dependency Solutions) in compliance with that requested via the Invitation to Tender process.

There are no prosecutions or enforcement notices recorded on the HSE enforcement website in respect of ADS for the period concerned.
(Laura Smith)

15  **Equality, community cohesion and crime implications**

15.1 There are risks highlighted as part of the Equality Impact Assessment and the tender submission goes some way to alleviating the risks in the EIA. The model of delivery is inclusive and the greatest risk is the funding not being able to meet demand, which is highlighted under 10.2

16  **Equality Impact Assessment Completed?**

16.1 Yes

17  **Key Decision**

17.1 Yes

18  **Key Decision Reference**

18.1 ASCPH – 10-14

19  **Background Papers**

19.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act:

File Ref: 9N7G – P5VQ1W
Name of File: Drug and Alcohol Treatment Services
Records held in The Chest [www.thechest.nwce.gov.uk](http://www.thechest.nwce.gov.uk)
Officer Name: Richard Kubilius
Contact No: 770 1408

Equality Impact Assessment
File Path S:\OMBC_Shared\Public Health\EIA Drug and Alcohol Treatment
Officer Name: Janet Sewart
Contact No: 770 6671