

DECISION-MAKER:	CABINET		
SUBJECT:	AWARD OF SUBSTANCE MISUSE TENDER		
DATE OF DECISION:	17 JUNE 2014		
REPORT OF:	CABINET MEMBER FOR HEALTH AND ADULT SOCIAL CARE		
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STATEMENT OF CONFIDENTIALITY

Appendix 1 of this report is not for publication by virtue of Paragraphs 3 and 7A of the Council's Access to Information Procedure Rules. It is not in the public interest to release this information as it would prejudice the Council's ability to contract with third parties and obtain best value when entering into competitive tenders with the market..

BRIEF SUMMARY

This report seeks approval from Cabinet for the award of a contract to provide Substance Misuse advice and assistance support following a tender process. Tenders have been evaluated according to the most economically advantageous criteria, taking into consideration the criteria of quality and price.

RECOMMENDATIONS:

Having complied with paragraph 15 of the Council's Access to Information Procedure Rules.

- (i) To approve the award of the three contracts which make up the substance misuse tender to the providers and on the key terms and conditions set out in Confidential Appendix 1.

The service model consists of three distinct services, which have been procured in accordance with the council's Contract Procedure Rules and the European Procurement Regulations. This has been a two-stage procedure, which requires a pre-qualification of suitable candidates, who are then short-listed and invited to submit tenders, based on the specifications and terms and conditions provided by the council.

The three elements are:

- a) Early Support and Planning service (Young People aged 11 – 24 years)
- b) Assessment, Review, Monitoring and Recovery co-ordination service
- c) Delivery of Drug and Alcohol Treatment Recovery service

- (ii) To delegate authority to the People Director, following consultation with the Head of Finance and IT and the Head of Legal & Democratic Services to do anything necessary to give effect to the recommendation above including, but not limited to progressing to contractual and financial close and entering into any associated or ancillary documents necessary to give effect to the contracts.

REASONS FOR REPORT RECOMMENDATIONS

1. This report is submitted for consideration as a General Exception under paragraph 15 of the Access to Information Procedure Rules in Part 4 of the City Council's Constitution, notice having been given to the Chair of the relevant Scrutiny Panel and the Public.
2. The substance misuse tender commenced in 2012 as part of a joint commissioning exercise between Southampton PCT and Southampton City Council under the s75 arrangements and has continued as a joint exercise between the City Council and Southampton Clinical Commissioning Group. The tender was advertised in 2013 and the ITT stage completed in March 2014. It is now urgent that a decision is made to award the tender and this matter cannot therefore be deferred for inclusion on the next forward plan as current services have been given notice of termination and although willing to extend existing services if required, they have flagged up considerable risks including:
 - The difficulties of maintaining committed staff teams,
 - Two providers have leases of buildings which have now expired or are due to expire
 - Reduced staff numbers will lead to a reduction in treatment options
 - All of the above will lead to reduced performance of treatment services in Southampton in relation to other Local Authority areas nationally
 - It will also represent a risk to service users as the effectiveness of treatment may be compromised.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

3. Other options were considered prior to the development of the current model, for example, continuing to contract with the current provider. However, these were rejected as they did not comply with the procurement rules. The advantages and disadvantages of each option was fully considered by the s75 Partnership and the current service model decided upon. The full option appraisal is contained within the Strategic Review document which will be available in members rooms.
4. **Joint commissioning with other Local Authorities:** The possibility of tendering jointly for substance misuse services with other local authority and CCG areas (Hampshire, Portsmouth and IOW) was considered at an early stage of the procurement process. Unfortunately, as the four local authorities were at different stages of the procurement cycle at that time, it was not felt to be a viable option.

DETAIL (Including consultation carried out)

5. A full service review of drug treatment services was jointly commissioned by Southampton City Council and Southampton PCT in 2011/12 to inform future commissioning intentions. This highlighted a number of performance issues in relation to the services currently being commissioned which were impacting on our performance against national targets and on outcomes for service users. This review concluded at the same time as an alcohol pilot which was undertaken to identify where investment in alcohol treatment should be targeted.
6. Southampton City Council and Hampshire County Council areas were part of a national Systems Change Pilot in 2009-11, and pioneered the use of Self Directed Support and Personalisation in their substance misuse services. Alcohol services in Southampton were part of the national programme piloting the use of Personal Health Budgets (PHB) These approaches have been incorporated into the new specification and the new treatment pathway will therefore be commissioned in order to achieve more personalised outcomes for service users.
7. The new specification was developed through consultation with current service providers, service users and strategic partners, as well as researching the success of developments in other local authority areas, where similar re-tendering exercises were taking place. The new integrated substance misuse treatment system will integrate, as far as is currently possible, drug and alcohol treatment into a single treatment pathway and will comprise 3 elements:
 - a. Early support, assessment and planning service (ESAP) for young people aged between 11-24 years.
 - b. Assessment, Review, Monitoring and Recovery planning service (ARM) for adults aged 24 years and over.
 - c. Delivery of Drug and Alcohol Treatment and Recovery Service (DDATRS).
8. Following initial/full assessment, these services will provide assistance with recovery and support planning, case management and regular review of how the service user is progressing and whether the interventions provided are delivering the required outcomes.
9. Once the initial or full recovery/support plan has been prepared, the services will refer the service user on to treatment delivery, where the service user will be able to access a wide range of personalised services and treatment opportunities.
10. An option appraisal was undertaken to decide the procurement route for drug and alcohol services and was considered by the section 75 Partnership Board. The decision to tender was taken in order to :
 - a. Meet the council's procurement rules.
 - b. To achieve best quality at the best price.
 - c. To achieve the scale of change required in style and culture of services.

The full option appraisal is included within the Strategic Review which will be made available in members rooms (see appendices).

11. The decision to amalgamate the drug and alcohol services and to combine all age ranges was made in order to maximize economies of scale and best value and because of the considerable overlap in service user base and provider expertise.
12. Tenders have been assessed and providers identified in accordance with the “most economically advantageous” criteria, which take into consideration both quality and price. The quality/price split has been agreed as 60% Quality/40% Price, through discussions with adult and children’s commissioners and with colleagues in Public Health. This has been agreed due to the need to improve the quality of services locally and because poor quality services have a cost in relation to representations following relapse. It is recognised that obtaining the best value for money is a key consideration.

13. **Outcomes - Adults:**

The appointed providers will work in partnership with Southampton City Council and the Commissioners to contribute towards the delivery of the following objectives and outcomes which are consistent with local strategies, including the Health and Wellbeing Strategy and the national Drug Strategy 2010 and Alcohol Strategy 2012.

- To enable people to achieve abstinence
- To provide services that are personalised and meet the unique need of the individual
- To improve the outcomes for children of service users by reducing the impact of drug and alcohol related harm on family life
- To reduce the harms associated with substance misuse to the community (including social exclusion, stigma, those related to offending, anti-social behaviour, drug and alcohol related illnesses and accidents, unemployment, domestic violence, family breakdown and reduced ambition for children).
- To ensure that principles of harm minimisation underpin the delivery of all interventions in, including contributing to a reduction in drug and alcohol related deaths and the transmission of blood borne viruses.
- To reduce the burden of drug and alcohol misuse on the wider public sector economy by promoting effective treatment and harm reduction responses in a range of settings including primary and community health care.
- To improve the mental and physical health and wellbeing of service users and their friends and family.
- To safeguard adults, children and young people by developing effective practices and integrated approaches to safeguarding, in accordance with related national guidance, Southampton Safeguarding Children’s Board (SSCB) and the Southampton Safeguarding Adults Board guidelines.
- To support people back into employment and stable accommodation as part of their recovery.

14 **Outcomes – Young People:**

For Young People the ESAP service will also contribute to improve outcomes that impact on several local strategic objectives :

- Reduce harm overall, linked to associated risks being negated (sexual behaviour e.g. teenage pregnancy, mental health) and factors addressed (school exclusion/non attendances, worklessness, debt, housing, NEET).
- Reduce number of young people affected by domestic violence or at risk of sexual exploitation
- Improve the emotional well-being of young people and early identification of emotional and mental health needs.
- Improve mental health and well-being of young people
- Reduce health inequalities through early intervention.
- Improve educational opportunity and ensure personal development needs of all, particularly vulnerable, young people are met,
- Increase opportunities for young people and younger adults to make a positive contribution to the community
- Increase opportunities to achieve economic well-being, overcome disadvantage and make an effective transition to adult life.

15. **Community Safety:**

Tackling drug and alcohol related issues is one of the priorities in the Community Safety Strategy and underpins the intention to reduce crime and anti-social behaviour and improve quality of life and the city environment.

RESOURCE IMPLICATIONS

Capital/Revenue

16. The value of the current services provided and therefore annual funding available for this tender in 2014/15 is £3,290,200. The budget available for the three year period of the contract, excluding inflation, is £9,870,600.
17. This funding is comprised from revenue of which a significant proportion is received through the Public Health, (PH) grant as outlined below.
- PH funded services within the Integrated Commissioning Unit: £2,281,000
 - PH funded services within Children’s Substance Misuse Young People & Skills service: £178,000
 - PH funded Alcohol Contracts: £776,600
 - The remaining £54,600 is held within general revenue budgets across Health and Adult Social Care and Children Services Portfolios
18. The new tender will cover the contracted substance misuse services currently commissioned by the Integrated Commissioning Unit and Alcohol contracts except for The Alcohol Specialist Nurse and the Tier 1 & 2 Brief Intervention and Counselling Alcohol contracts. These are not part of this tender and will form separate arrangements.

19. As much of this service will be funded from the PH grant the total available budget in future years will be subject to the level of inflationary uplift awarded within the grant.

Property/Other

20. N/A

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

21. The Council has the power to offer substance misuse services in accordance with s.1 Localism Act 2011 (the General Power of Competence) subject to complying with the Council's Contract and Financial Procedure Rules as set out in the Council's Constitution.

Other Legal Implications:

22. The services provided on behalf of the Council will be required to be delivered in accordance with the Equalities Act 2010, the Human Rights Act 1998 and the Council's duties under s.17 Crime & Disorder Act 1998 (the duty to exercise functions having regard to the need to reduce or eliminate crime & disorder)

POLICY FRAMEWORK IMPLICATIONS

23. Local policy drivers broadly mirror the national drivers e.g. the 2010 Drug Strategy, personalisation, better outcomes, effective prevention, value for money and increasing demand. Local priorities for health and social care have been identified through a process of service user consultation, review of current service provision, trend analysis (of demographics, social, health, economic and environmental issues) and data analysis of spend and budget. Full information on all the issues is available in the Joint Strategic Needs Assessment "Gaining Healthier Lives in a Healthier City", the Health and Wellbeing Strategic Plan 2009-12, the NHS Southampton City Commissioning Strategy, the City Plan and the Southampton Connect Plan 2011-14.
24. The four main local issues driving our Joint Commissioning Strategy are:
(i) Prevention and maximising independence
(ii) Personalisation
(iii) Quality
(iv) Best value
- These issues will underpin all of our commissioning work irrespective of the specialist needs of some individuals.

KEY DECISION? Yes/No

WARDS/COMMUNITIES AFFECTED:

All

SUPPORTING DOCUMENTATION

Appendices

1.	Appendix 1 – Award of Substance Misuse Tender – CONFIDENTIAL
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Documents In Members' Rooms

1.	Service Specifications <ul style="list-style-type: none">• Early Support and Planning Service (ESAP) Young Peoples Service• Assessment, Review and Monitoring Service (ARM)• Delivery of drug and Alcohol Treatment and Recovery Service (DDATRS)
2.	Strategic Review/Option Appraisal October 2012.
3.	Equality Impact Assessment
4.	Southampton City Council Terms and Conditions

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.
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Yes/No

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at: Marlands House, Floor 2 ICU Office.

Title of Background Paper(s)

Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)

1.	EIA Integrated Drug Treatment System Update May 2014.
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