

For Publication

For General

<b>REPORT TO:</b>	<b>CABINET 12 July 2021</b>
<b>SUBJECT:</b>	<b>Integrated Drug &amp; Alcohol Treatment Service</b>
<b>LEAD OFFICER:</b>	<b>Rachel Soni, Director of C&amp; P Rachel Flowers – Director of Public Health</b>
<b>CABINET MEMBER:</b>	<b>Councillor Campbell – Families, Health and Social Care Councillor Young – Resources and Financial Governance</b>
<b>WARDS:</b>	<b>All</b>

### **COUNCIL PRIORITY/POLICY CONTEXT/ AMBITIOUS FOR CROYDON**

The recommendation in this report to award an integrated drug and alcohol treatment service for adults and young people addresses the Council's key priorities of:

- **We will live within our means, balance the books and provide value for money for our residents.** The contract value equates to an identified budget that has not been overspent from the external Public Health Grant for this service.
- **We will focus on tackling ingrained inequality and poverty in the borough.** This service will have a trauma informed and whole family approach and will work across health and social care to ensure residents seeking help for addictions are able to access opportunities for education, training and employment, with a volunteer programme and employment pathway with their service.
- **We will focus on providing the best quality core service we can afford. First and foremost, providing social care services that keep our most vulnerable residents safe and healthy.** This service provides health and social care to some of the most vulnerable residents who are using drugs and alcohol in a dependent and harmful way. The award is a result of a procurement exercise that evaluated the organisation against a range of questions with the aim of ensuring the contract is awarded to a provider who evidenced a track record of achieving positive outcomes through their work with their service users.

### **FINANCIAL IMPACT**

The recommendation will have no financial impact on the main Council general fund. The budget for this service has been identified from the external Public Health Grant. The identified budget from the Public Health Grant over five years is £13,300,000.

The Public Health grant to the Council is intended to support achievement against the priorities set out in the Public Health Outcomes Framework, including reducing the impact and prevalence of substance misuse.

The value of the core contract submitted by the winning bidder is within the financial envelope identified from the Public Health Grant of £13,300,000.

In addition to the Public Health budget for this contract, there are external, time-limited grants from the Mayor's Office for Policing and Crime (MOPAC) and the Ministry of Housing, Communities and Local Government (MHCLG).

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The MOPAC funding of £55,000 will be available up until 31 March 2022 for the provider to meet salary costs of staff who are delivering this project.

The MHCLG funding of £277,000 will be available up until 31 March 2023 for the provider to meet salary costs of staff who are delivering the rough sleeper project. Therefore, this gives a total budget available of £13,632,000.

Ongoing monitoring of the different pots of money will be a standing item to ensure we are assured that these grants are invested in these specific areas.

The service model has been designed to generate efficiencies through economies of scale and to enable a shift of resources to preventative services over the contract lifetime.

Savings have also been identified by including other service elements which were previously contracted and managed in-house. Savings will be utilised to support additional initiatives in line with the terms of the conditions of the Public Health grant. We have reduced the number of small individual contracts and merged them into this core contract enabling the Authority to liaise with one Lead Provider. Investing in effective services will reduce demand for substance misuse services, particularly high-cost crisis provision, by supporting improved levels of sustained recovery.

Annual reviews have been built into the specification and contract management to ensure value for money.

### **FORWARD PLAN KEY DECISION REFERENCE NO.: 2121CAB**

This is a Key Decision as defined in the Council's Constitution. The decision may be implemented from 1300 hours on the expiry of 5 working days after it is made, unless the decision is referred to the Scrutiny & Overview Committee by the requisite number of Councillors.

The Leader of the Council has delegated to the *Cabinet* the power to make the decisions set out in the recommendation below:

#### **1. RECOMMENDATION**

- 1.1 The *Cabinet* is recommended by the Contracts and Commissioning Board to approve the *award* in accordance with Regulation 28.4(c) of the Council's Contracts and Tenders Regulations for the *Integrated Drug and Alcohol Treatment Service for Adults and Young People* to the **Supplier** (identified in Part B of this report) for a contract term of 5 years for a maximum contract value stated in the part B report.
- 1.2 The *Cabinet* is asked to note that the contract award includes the provision for delivery of services (additional to core services) which are funded by the time-limited grants from the Mayor's Office for Policing and Crime (MOPAC) and the Ministry of Housing, Communities and Local Government (MHCLG) referred to in the Financial Impact section of this report.

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### 2. EXECUTIVE SUMMARY

- 2.1 The purpose of this report is to seek Cabinet approval to award a contract for a drug and alcohol engagement, treatment and recovery service following completion of an open tender process under a light touch regime procurement exercise.
- 2.2 The proposal supports the key policy objective of: **Croydon Health and Wellbeing Strategy** - Develop a whole person approach to care for people with co-occurring mental health and substance misuse.
- 2.3 The new service will provide recovery-focused care pathways for both adults and young people. This will include proactive engagement, holistic person-centred treatment packages, and recovery and relapse prevention support. Additionally, there are preventative elements through targeted early intervention as well as support and training for the wider workforce.
- 2.4 The recommendation will have no financial impact on the main Council general fund. The budget for this service has been identified from the external Public Health Grant and is shown in the budget strategy section.
- 2.5 The content of this report has been endorsed by the Contracts and Commissioning Board.

CCB ref. number	CCB Approval Date
CCB1672/21-22	30/06/2021

### 3. Background and Need

- 3.1 The impact of drug and alcohol misuse is widespread and affects health, crime, domestic violence, sickness absence and lost productivity. Investment in engagement, treatment and recovery services reduces the demand for other public services. Poor outcomes for service users can result in additional Council spend in the medium and longer term. Crisis re-presentations are high cost and there is further cost to the public purse where treatment is not completed and recovery is not sustained. This includes additional spend against services for looked after children, housing, adult social care, and community safety. As such, a quality service represents a greater efficiency for the Council.
- 3.2 The 2020 Croydon Drug & Alcohol Needs Assessment showed a high level of unmet need in the borough for people needing treatment for opiates, crack and alcohol. Delivery of the current model through the use of one central hub has concentrated high numbers of people in one place and created a perception of the service being overwhelmed. A future delivery model will include satellite or alternative hubs in the community, to align with other front line work in the localities being implemented across the borough.

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- The national cost of a drug/alcohol user is estimated at £44k per individual.
- Alcohol treatment reflects a return on investment of £3 for every £1 invested, which increases to £26 over 10 years.
- Drug treatment reflects a return on investment of £4 for every £1 invested, which increases to £21 over 10 years.

### 3.3 The service model

3.3.1 For Croydon, recovery is not only the successful completion of treatment, but also the increased personal resilience and improved life outcomes for the service user. The new engagement, treatment and recovery service will achieve this by:

- Using innovative, evidence based approaches to support service users;
- Promoting positive examples of people in recovery;
- Providing a clear and visible recovery;
- Responding effectively, efficiently and flexibly to changing needs and trends;
- Supporting successful sustained recovery, enabling the shift of resources to emerging priorities including prevention;
- Providing a family focused holistic service.

3.3.2 The provider will be required to deliver a flexible service model with increased levels of outreach and working away from the service hub. There is also a shift to deliver support through digital solutions which has proved successful throughout the Covid pandemic as an additional care pathway.

### 3.4 The Procurement Process

3.4.1 The procurement was undertaken in line with the strategy agreed by CCB and Cabinet on 22<sup>nd</sup> March 2021 (CCB1661/20-21). The process was an open light touch regime tender, with evaluation weighting of 60% quality and 40% cost. The specification was needs based and outcome focused meaning that tenderers were required to identify the service solution that best met identified outcomes, within specific parameters. The Council's affordability threshold of £13,300,000 over the initial five year term was disclosed to bidders at Invitation to Tender (ITT) stage, reducing the risk that tendered bids would be in excess of the budget allocation.

The value of the additional external, time-limited grants from MOPAC and MHCLG (£332,000) was also included within the procurement documentation as this funding had already been awarded to the Authority in order to deliver specific initiatives to support people who abuse substances, therefore we required a new provider to continue the work of these initiatives. No tender submission received was priced above the affordability level.

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3.4.2 The procurement process undertaken is outlined below:

Date	Activity/Outcome
Dec 2021	Advance information notice published and expressions of interest opened on the London Tenders Portal
13 Apr 2021	Tender opportunity advertised via the Council's website and the London Tenders Portal
19 Apr 2021	Market Engagement Exercise
28 Apr 2021	Deadline for clarification questions via the London Tenders Portal
13 May 2021	Deadline for completed ITT submissions
17-28 May 2021	Evaluation of ITT submissions
14 Jun 2021	Evaluation panel moderated scores and agreed recommendation for contract award

3.4.3 Six ITT submissions were received and evaluated against method statements and price using the criteria as set out in the ITT. Tender responses were evaluated for compliance and cost by the Buying and Procurement team.

Evaluation Section	Criteria	Weight
<b>Qualitative Evaluation (60%)</b>	<b>Method Statements</b>	<b>60%</b>
	Social Value	10%
	Premier Supplier Programme (PSP)	2%
	Implementation	2%
	Service Delivery	8%
	Harm reduction; Access; Engagement; Early Intervention and Prevention	5%
	Specialist Community Treatment	5%
	Recovery; Reintegration; Relapse Prevention	5%
	Partnership Working	5%
	Young People's Service Specific Question	2%
	Workforce	4%
	Governance Standards	2%

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	Safeguarding Children and Vulnerable Adults	2%
	Service Improvement	2%
	Demand Management and Service Flexibility	2%
	Access and Location	2%
	Information Management and Performance	2%
<b>Commercial (40%)</b>	<b>Price</b>	<b>40%</b>

3.4.4 The qualitative evaluation was completed by an evaluation panel comprising:

- Public Health Consultant
- Senior Commissioning Officer
- Head of Service Early Help;
- a GP
- Adult Social Services Social Worker for substance misuse
- 2 ex-Service Users/Peer Mentors
- Young Person (YP) Service User;

The tender evaluation was completed by each individual member of the evaluation team and then moderated collectively.

3.4.5 The response to each method statement question and the YP scenario were evaluated using a 0-5 scale. In order for the tender submission to be considered compliant. Tenderers were required to achieve a minimum score of three (satisfactory) for each method statement and for the YP scenario.

3.4.6 The table below is shown in Part B with the identified suppliers named.

<b>Six Tenders Evaluated</b>			
<b>Company</b>	<b>Quality Score</b>	<b>Price Score</b>	<b>Total Score</b>
<b>Supplier 1</b>	<b>49.20%</b>	<b>36.49%</b>	<b>85.69%</b>
<b>Supplier 2</b>	<b>38.80%</b>	<b>36.36%</b>	<b>75.16%</b>
<b>Supplier 3</b>	<b>41.00%</b>	<b>37.19%</b>	<b>78.19%</b>
<b>Supplier 4</b>	<b>42.60%</b>	<b>40.00%</b>	<b>82.60%</b>
<b>Supplier 5</b>	<b>39.60%</b>	<b>36.35%</b>	<b>75.95%</b>
<b>Supplier 6</b>	<b>42.60%</b>	<b>36.76%</b>	<b>79.36%</b>

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- 3.4.7 As a result of the scores achieved in the above table, Supplier 1 was evaluated as submitting the Most Economically Advantageous Tender (MEAT). Part B of this report names this provider and recommends that the contract is awarded to them.
- 3.4.8 The tender made reference to an option to extend the contract by up to two years, however any such extension will be subject to agreed pricing and further governance approval.

## **4. CONSULTATION**

- 4.1 A Substance Misuse Study was carried out July-September 2020. A range of stakeholders including residents, professionals, young people, carers, and service users were consulted. Online surveys, interviews and group meetings took place throughout July - September 2020.
- 4.2 Recommendations noted for the adult service were:
- A flexible service model with increased levels of outreach and working away from the service hub with enhanced pathways with partner organisations
  - Training for frontline non-substance misuse practitioners
  - Alcohol Identification and Brief Advice in primary care, in accordance with NICE guidance
  - Improved support for people with both a substance misuse and a mental health problem
- 4.3 Recommendations for the young people's service were:
- Social marketing initiatives and work reaching out into the community
  - Improved links with young people's mental health services
  - Expand remit to include those up to 25 years of age

## **5 PRE-DECISION SCRUTINY**

- 5.1 This report did not go to a Scrutiny meeting.

## **6 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

- 6.1 The budget for this service is funded from the external ring-fenced Public Health Grant. Treatment and Care for residents who abuse substances is a condition of that grant. The Authority is responsible for ensuring these services are available for those in need in order to improve health and well-being and therefore falls under the essential spend criteria of "expenditure required to deliver the councils statutory services at a minimum possible level" and "urgent expenditure to safeguard vulnerable residents".

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- 6.2 The Public Health grant to the Council is intended to support achievement against the priorities set out in the Public Health Outcomes Framework, including reducing the impact and prevalence of substance misuse.
- 6.3 The identified financial envelope from the Public Health Grant over five years is £13,300,000. The additional external, time-limited grants from MOPAC and MHCLG is £332,000. This makes the total contract value £13,632,000
- 6.4 The contract value of £13,632,000 equates to the identified budget that has not been overspent from the external Public Health Grant for this service. The additional external, time-limited grants from MOPAC and MHCLG are also paid into the Public Health budget for Substance Misuse.
- 6.5 This supports the Croydon Renewal Plan priority to live within our means, balance the books and provide value for money for our residents.

### **6.6 Revenue and Capital consequences of report recommendations**

Please see Part B report for financial figures.

### **6.7 The effect of the decision**

The award of this contract will commit the Council to the expenditure through the Public Health Grant as detailed in the associated Part B report (subject to standard contractual break clauses).

The Authority is only committed to pay the provider in relation to the specific initiatives as outlined in the terms and conditions of the grants received from MOPAC and MHCLG. If these initiatives are no longer funded externally by from MOPAC and MHCLG, then these initiatives will cease and will not be the responsibility of the Authority to provider or for the supplier to deliver. This is also written into the terms and conditions of the contract for the Integrated Drug & Alcohol Engagement, Treatment & Recovery Service.

### **6.8 Risks**

If this award does not take place, we will be out of contract with the incumbent provider and there could be no alternative service available to work with people who misuse substances. This would result in a large number of individuals being left without support for their treatment needs or access to opiate substitute prescribing. In turn; this is likely to lead to increased crime to fund drugs on the black market and deterioration of health and well-being.

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Risk	Mitigation
Risk of procurement challenge from non-successful bidders	<p>Robust procurement process undertaken supported by category manager and procurement officer.</p> <p>Detailed feedback will be provided in the unsuccessful tender letter.</p> <p>10 day standstill period in line with Public Contracts Regulation 2015 will be adopted.</p>
Risk that available budget reduces over contract lifetime	<p>Funding has been allocated for the contract based on the available Public Health Grant funding.</p> <p>The service model has been designed to generate efficiencies through economies of scale and enable a shift of resources to preventative services over the contract lifetime. Bidders were asked to model their service in line with this approach.</p> <p>Break clauses, annual contract reviews and contract variation provision have been included within the contract.</p>
Risk that the project does not deliver and/or achieve priority outcomes for substance misuse	<p>The specification is outcome focused and the model provides the flexibility to respond swiftly to changing needs and demands.</p> <p>Bidders committed to specific performance levels against key outcomes as part of the tendering process. Delivery against this will be monitored as part of the contract management process.</p> <p>Clear quality standards were stipulated and form part of the contract as well as informing contract monitoring.</p> <p>There are robust contractual mechanisms for varying the terms of the contract, to agree remedial action to address performance issues, and for terminating the contract.</p> <p>Contract extension beyond the initial term, will be dependent on both budget availability and the performance of the provider.</p>

## 6.9 Options

Option 4 was recommended and approved from the Procurement Strategy report and deemed the most appropriate.

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1	Do nothing	This would mean the current contract would end leaving the Authority with no service and not meeting the conditions of the Public Health grant
2	Extend the current contract	All extensions of the current contract have been implemented and no further extensions are available.
3	Bring the service in-house	The relevant expertise to deliver this service are not available within the Council.
4	Undertake a procurement for the service	This would meet the Authority Tender and Contract Regulations and ensure the Authority is meeting its conditions of the Public Health grant

Having undertaken a successful procurement exercise, we wish to award a contract. Alternative options would only be considered if the procurement exercise was not successful.

### 6.10 Future savings/efficiencies

The service has been designed with a responsive and flexible model to provide a scalable service, which can reflect changing profiles of need and changes to the Council's funding position. Annual contract reviews will allow further efficiency reviews to ensure optimum benefits are delivered against changing needs and priorities. The aim of the contract is to ensure we are improving access by getting people into treatment and care sooner and smarter. This will help to be able to support more people but at no greater cost to the Authority.

Approved by: Mirella Peters, Finance Manager

## 7. LEGAL CONSIDERATIONS

- 7.1 The Interim Head of Commercial and Property Law comments on behalf of the Interim Director of Law & Governance that the Cabinet has authority pursuant to the Tenders and Contracts Regulations to approve the award of contracts exceeding £5million in value.
- 7.2 Procurement of contracts of the type and value described in this report must comply with the provisions relevant to the light touch procedures described in the Public Contracts Regulations 2015.
- 7.3 Other relevant legal considerations are set out in the report.

Approved by Nigel Channer, Interim Head of Commercial and Property Law on behalf of the Interim Director of Law and Governance & Deputy Monitoring Officer

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### **8. HUMAN RESOURCES IMPACT**

- 8.1 There are no direct matters arising from this report for Croydon Council employees or staff.
- 8.2 Any new provider will however be required to take on the staff from the incumbent provider as applicable in adherence to TUPE legislation.

Approved by: Gillian Bevan on behalf of the Director of Human Resources

### **9. EQUALITIES IMPACT**

- 9.1 Through this re-procurement, the Council focused on strengthening prevention activities, and priority groups were identified according to their vulnerabilities and needs, including children and young people, those who are homeless, pregnant women.
- 9.2 An EQUIA was undertaken to ascertain the potential impact on groups that share protected characteristics.
- 9.3 Unifying provision of substance misuse support for young people via a single contract will have an anticipated positive impact on the outcomes for young people, as working relationships and pathways are strengthened and monitored uniformly. It also allows for a transition from young persons focused provision to adult service provision if required with the same continuity for the client.
- 9.4 The treatment provider will need to work with partners to understand current trends in relation to young people accessing services and establish pathways to put in place, mitigating actions that will improve on these current trends.
- 9.5 The successful provider will need to demonstrate how they have ensured accessibility for service users living with a disability—in terms of accessibility to premises and consultation rooms, provision of accessible visual and audio materials (including Easy Read), and the digital offer for all clients.
- 9.6 There is concern locally about increasing numbers of women misusing alcohol, despite the majority of service users being male. The successful provider will be encouraged to consider the value of gender specific group work programmes and the flexibility to offer same sex keyworkers in order to facilitate improved therapeutic relationships. This also includes ensuring accessibility to service provision for women with childcare responsibilities, including consideration of digital support.
- 9.7 The service provider will be expected to act sensitively with all clients, respecting and responding to their beliefs, choices and preferences.
- 9.8 Within the tender specification documents, there is a requirement for services to identify and provide specific support to LGBTQ clients. This will help to

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provide appropriate services and support for LGBTQ individuals for their substance misuse.

9.9 The key messages of the qualitative report were:

- That substance misuse services need to be reaching out and targeting harder to engage clients, particularly those who are having a significant impact on other public services and on the wider community. This will require a flexible service model with increased levels of outreach and working away from the service hub.
- The young people's substance misuse service needs to be more assertive and focused on engaging young people in the community. The service's work in schools needs to be balanced with work reaching out into the community.

9.10 The outcome following the completion of the EIA is:

No major change - the Equality Impact Analysis demonstrates that the policy is robust and that the evidence shows no potential for discrimination and that all opportunities to advance equality have been taken.

9.11 The EQUIA is attached as a background paper for the report.

Approved by: Yvonne Okiyo, Equalities Manager

## **10. ENVIRONMENTAL IMPACT**

10.1 The supplier will require an environmental and sustainability policy in place to ensure their commitment to the use of recyclable products and promotion of forms of travel that support a reduction in carbon emissions, where possible.

10.2 As part of the needle exchange service within this procurement, there is a requirement to use a registered, hazardous waste collection service to dispose of used needles.

## **11. CRIME AND DISORDER REDUCTION IMPACT**

11.1 The National Modern Crime Prevention Strategy identifies drug and alcohol use as 2 out of 6 drivers for crime. Getting users into treatment is key, as engaging in treatment and care, in turn reduces the levels of offending.

11.2 This procurement will build on the partnerships with the criminal justice system to support offenders to access treatment with support to reduce offending behaviour.

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### 12. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION

- 12.1 The reason for the recommendation to award the drug and alcohol service to the identified supplier is to ensure that support for residents who are struggling with drug and alcohol use are able to access specialist treatment.

### 13. OPTIONS CONSIDERED AND REJECTED

- 13.1 Having considered the options in section 6.4 and the procurement processes in section 3.19, we have rejected the alternative options due to them not meeting the Authorities duty or Tender and Contracting Regulations.

### 14. DATA PROTECTION IMPLICATIONS

#### 14.1 WILL THE SUBJECT OF THE REPORT INVOLVE THE PROCESSING OF 'PERSONAL DATA'?

**YES**

The service will be joint data controllers with the Council. A data protection impact assessment was completed as part of the tender documents for the contract terms and conditions. A data sharing agreement is required to be entered into which Legal Services will be instructed to prepare.

#### 14.2 HAS A DATA PROTECTION IMPACT ASSESSMENT (DPIA) BEEN COMPLETED?

**YES**

"The Director of Public Health comments that this is acceptable"

Approved by: Rachel Flowers, Director of Public Health

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#### CONTACT OFFICER:

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#### BACKGROUND PAPERS:

Equality Analysis