

MUNICIPAL YEAR 2016/2017 REPORT NO. 160

MEETING TITLE AND DATE:

Cabinet 14 December 2016

REPORT OF:

Director of Health, Housing and Adult Social Care, Ray James, &
Director of Public Health, Tessa Lindfield.

Contact officer and telephone number:

Andrew Thomson,
Head of Drug & Alcohol Services.
0208 379 5622

E mail: andrew.thomson@enfield.gov.uk

Agenda – Part 1

Item: 13

Subject: Award of the Substance Misuse Recovery Service contract.

Wards: ALL

Key Decision No: KD 4302

Cabinet Member consulted: Cllr. Krystle Fonyonga (Cabinet Member for Community Safety and Public Health)

1. EXECUTIVE SUMMARY

- 1.1 A tender process has been completed for the provision of the Substance Misuse Recovery Service. This contract expires in 2017 and the tender importantly supports the Council with mitigating for unnecessary financial risks.
- 1.2 Tenderers have been required to sustain numbers in treatment and increase quality over current performance levels to afford year on year gains for the Council. The tender is part of a wider financial strategy, which includes potential property solutions, to support planned reductions to the drug and alcohol budget by £585,000 per annum.
- 1.3 Following approval from the Procurement and Commissioning Review Board (PCB) on the 22nd June 2016, a full tender process was implemented which adhered to Corporate Procurement Procedures and EU Procurement Regulations. The new contract includes an initial contracting period of three (3) years with options to extend on a consecutive basis of three (3) years and two (2) years, therefore, rolling up to a further five (5) years, subject to satisfactory performance.
- 1.4 A highly successful market engagement event, attended by 28 organisations, was held following the PCB's decision. Four (4) organisations submitted tender bids and service users have been active members of the tender panels.
- 1.5 The Invitation to Tender process has now been completed and, in order to finalise the procurement, agreement is now being sought from Cabinet to proceed with obtaining Approval for the award of the new contract which includes the successful relocation of the family therapy services.

2. RECOMMENDATIONS

- 2.1 That Cabinet notes the tender process has adhered to Corporate Procurement Procedures, EU Procurement Regulations, and the new contract will afford the Council with on-going annual savings of £225,448 and performance improvements.
- 2.2 To agree the award of the new contract to the preferred bidder, as outlined in Part 2 of this Report, for an initial period of three (3) years, with options to extend on a consecutive basis of three (3) years and two (2) years, therefore, rolling up to a further five (5) years, subject to satisfactory performance.
- 2.3 That Cabinet agree to support a relocation of the family therapy service, which is a key element of this contract, to achieve £311,000 of on-going annual savings that are part of the overall planned reductions to the drug and alcohol budget of £585,000, subject to an acceptable property solution being realised.

3. BACKGROUND

- 3.1 Enfield Council is committed to fulfilling the requirements of the *National Drugs Strategy (2010)*, *The Government Alcohol Strategy (2012)*, *Hidden Harm – Responding to the needs of children of problem drug users (2003)* and the *Public Health Outcome Framework: Improving Outcomes and Supporting Transparency (2013)*. Substance misuse impacts on a wide range of areas including health, crime, social care and employment. Research undertaken by Public Health England identified that for every £1 spent on substance misuse services it saves £2.50 to the public sector (2013).
- 3.2 The Council is responsible for commissioning Public Health services for residents who need health care due to substance misuse as part of its Public Health England (PHE) Grant Conditions (*Annex C, Clauses 13 – 17 apply*). These services specialise in delivering drug and alcohol treatment, crime reduction psychosocial interventions for drug and alcohol offenders, and targeted services for young people affected by substance misuse. Together these services minimise the impact that substance misuse has on individuals and the community and, ultimately, they make a positive contribution to addressing health inequalities, including the crime reduction priorities of the Safer Stronger Communities Board. The existing contract for the adult treatment service will now expire in 2017. The Council has to undertake mitigating actions to support managing the financial risks associated with the reductions made by government to the Public Health Grant in coming years.
- 3.3 The Council has merged the original substance misuse crime reduction and adult substance misuse services into one new Substance Misuse Recovery Service contract to ensure that treatment is delivered in a more seamless and

effective manner to reducing the harm associated with drug misuse. This contract supports providing treatment to those people who are less likely to cease using drugs altogether, and who primarily need access to health services to reduce the harm associated with their dependency in order that they may have a longer life expectancy. However, it equally provides highly effective treatment for those drug and alcohol users who are motivated to change and need access to high quality treatment services to enable them to achieve either abstinence, or safer alcohol use within the government's recommended sensible drinking limits. It is important to note that dependency is no indifferent to many health conditions where treatment is rightly delivered to enable an individual to have improved health and well-being and a longer life expectancy and, in this respect, treatment is not just confined to procedures aimed at curing disease, rather it encompasses much broader health intervention strategies.

- 3.4 The contract is for an initial period of three (3) years, with options to extend on a consecutive basis of three (3) years and two (2) years. Any extension will be subject to satisfactory year on year performance being achieved.
- 3.5 Service users have been involved throughout the procurement process both with their representation on the Drug and Alcohol Action Team Board and, more importantly, by being members of the tender panel where they have provided considerable direction to the commissioning staff.
- 3.6 The annual contract price is capped at a maximum fixed price level. There is no annual increase for inflation or other such health payments and the price is less than the 2016/2017 contractual commitments.
- 3.7 Full details of the preferred bidders, contract prices, and improved performances are contained within the accompanying Part 2 Report.

3.8 The Tender Process

- 3.9 Following approval from the Strategic Procurement Board on the 22nd June 2016 a competitive tender process for the Substance Misuse Recovery Service was commenced.
- 3.10 A project board was established to work to the agreed project plan. This group received support from the Commissioning and Procurement Hub and consulted with Finance and Legal Services over the management of the tender process. An open tender procedure was chosen as it was anticipated that the final number of bidders from the market place would not be above five. The process was carried out in accordance with the Council's Contract Procedure Rules and EU Procurement Regulations.
- 3.11 The market engagement event was attended by 48 people from 28 organisations. This event offered interested bidders an opportunity to gain an early understanding of the Service being commissioned. It equally supported

the Council to receive feedback from the market place before the Council produced the final tender framework.

- 3.12 The Council advertised the opportunity on the 19th August 2016 through the London Tenders Portal and the Enfield Council website. Initially 17 organisations expressed an interest, with 4 of those submitting Invitation to Tender (ITT) applications on the 17th October 2016.
- 3.13 The tender included a score of up to 60% for quality and 40% for commercial pricing for each bidder's application. The evaluation of ITT responses was designed to assess bidders' ability to offer a quality Service across the full breadth of specified requirements and ensure that the Council received best value for money from the market place.
- 3.14 The commercial evaluation of the ITT responses was produced to assess bidder's ability to improve on baseline performance data, drawing on the 12 month rolling period April 2015 to March 2016, for successful treatment completions (i.e. number of people they could get drug free). A score was also given for price where bidders were awarded a percentage amount for every £10,000 they bid in below the maximum capped price available of £2,010,000 and a total of 14% of the commercial scoring was attributed towards price under this model. A further 16% was also allocated towards a unit cost for the numbers of patients successfully completing over and above the baseline performance levels. A final 10% of the commercial modelling scoring was allocated to each bidder on the basis of their Price, Staff, Performance, and Business Planning submissions. These three elements constituted the 40% total available under the commercial modelling scoring criteria.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There were no alternative options to tendering externally as Enfield Council was unable to directly provide such a specialist treatment service in-house, without incurring serious risks from delivering health services to highly complex service users whose behaviour is often strongly correlated with social and criminal detriments such as domestic violence.
- 4.2 There was no option to enter into a negotiated procurement procedure and extend the existing contracts as this would leave Enfield Council vulnerable to a challenge as the opportunity to extend was not detailed during the last tender process and one of the contracts did not contain such provision.
- 4.3 The option to increase the planned reductions to the substance misuse budget above the £585,000 was not possible as the contract value for this provision would not have attracted interest from suppliers within the market place, especially given the number of service users needing treatment. For instance, Barnet's contract value is £2,916,206; Harrow's is £2,282,362 and Hackney's is £4,460,033.

- 4.4 The option to decommission this provision would inevitably lead to avoidable early mortalities, as well as an increase in preventable communicable diseases within the community, through the lack of clinical expertise of non-specialist services within the Borough. Local Authorities in such circumstances could be held to account for such risks if the Conditions outlined in Annex C of the Public Health Grant were not complied with through making such provisions available.

5. REASONS FOR RECOMMENDATIONS

- 5.1 Bidders have submitted responses to the ITT as part of an open, transparent, fair and competitive procurement process in accordance with the Council's Contract Procedure Rules and EU Procurement Regulations. All responses have been robustly evaluated for quality and commercial pricing.
- 5.2 Bidders have submitted applications to confirm that they have adequate experience in delivering a similar substance misuse service of an equivalent sized contract to afford the Council the assurance required. They have also demonstrated that they have a clear understanding of the substance misuse needs of Enfield and have submitted proposals that will support the Borough in achieving the vision of '*making Enfield a Safer, Healthier and More Prosperous Community by Reducing Harmful Drinking and Illicit Drug Use*'.
- 5.3 It is important that the Council sustains substance misuse provision to comply with its obligations under the Public Health Grant Agreement. Annex C of the Agreement outlines the '*Categories for Reporting Local Authority Public Health Spend*' and those that apply to substance misuse are specified in Clauses 13 – 17 as follows:-
- 5.3.1 Treatment for drug misuse in adults;
 - 5.3.2 Treatment for alcohol misuse in adults;
 - 5.3.3 Preventing and reducing harm from drug misuse in adults;
 - 5.3.4 Preventing and reducing harm from alcohol misuse in adults;
 - 5.3.5 Specialist drugs and alcohol misuse services for children and young people.
- 5.4 The tender process complied with Corporate Procurement Regulations and EU Procurement Regulations and it is now necessary to award the contract as follows:
- 5.4.1 Local Authority Public Health Services Contract for the Provision of the Enfield Substance Misuse Recovery Service.
- 5.5 This Report seeks approval from Cabinet to follow due process and award the new contract as stated in Section 5.4 above.

- 5.6 It is recommended that Cabinet endorses the award of the contract to the preferred bidder for an initial period of three (3) years, with options to extend on a consecutive basis of three (3) years and two (2) years, therefore, rolling up to a further five (5) years, subject to satisfactory performance.
- 5.7 It is recommended that Cabinet support the successful relocation of the family therapy service, which is a key element of this contract, to achieve £311,000 of on-going annual savings that are part of the overall planned reductions to the drug and alcohol budget of £585,000, subject to an acceptable property solution being realised.

6. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

6.1 Financial Implications

- 6.1.2 Please refer to the accompanying Part 2 Report.

6.2 Legal Implications

- 6.2.1 The Localism Act 2011 provides the Council power to do anything that individuals generally may do provided it is not prohibited by legislation and subject to Public Law principles. The Health and Social Care Act 2012 inserted a new Section 2B in the National Health Service Act 2006, which requires a Local Authority to 'take such steps as it considers appropriate for improving the health of people in its area'. This may include 'making available the services of any person or any facilities' (Section 2B(3.g) of the 2012 Act). The Recommendations within this Report are within these powers.
- 6.2.2 The procurement of this Service has been in compliance with the Councils Constitution, in particular Contract Procedure Rules and the Public Contracts Regulations 2006 (and amendments thereof), there is negligible risk, if any, were the decision be made to award the new contract to the preferred bidder as set out in the accompanying Part 2 Report.
- 6.2.3 The contract for this Service must be in a form approved by the Assistant Director of Legal Services and deemed suitable for managing Public Health Services of this nature and extent.

6.3 Property Implications

- 6.3.1 There are no property implications as the two properties involved with the tender are either Council properties or are rented by the Council from NHS Community Health Partnerships. The properties used by this Service are:

6.3.1.1 12 Centre Way, Claverings Industrial Estate (Council owned);

6.3.1.2 Second Floor, Forest Road Primary Care Centre (CHP rented).

6.3.2 The tender is part of a wider financial strategy to support planned reductions to the drug and alcohol budget by £585,000 per annum. This includes relocating the family therapy services, which remain a key element of the contract, to more cost effective and appropriate accommodation. The family therapy services have historically been provided at Forest Road Primary Care Centre. NHS Community Health Partnerships assumed management responsibility for the Centre in 2013 and increased the rent to £383,359 per annum. The wider financial strategy includes achieving £311,000 of savings towards the £585,000 of planned reductions to the drug and alcohol budget through relocating the family therapy service, subject to an acceptable property solution being realised.

6.4 Procurement Implications

6.4.1 In accordance with the Public Contract Regulations 2015 the resulting contract which will be awarded pursuant to this tender process is deemed to be subject to the light touch procurement regime for social and other specific services in accordance with Section 7 of the Public Contracts Regulations 2015. The Authority has developed a procurement process which it deems appropriate to this opportunity and ensures compliance with the regulations ensuring the process is transparent, fair and treats all Providers equally.

6.4.2 The opportunity was advertised widely, using all appropriate communication mechanisms, including the London Tenders Portal and the OJEU. Providers were also invited to attend a market engagement event. Due to the specialist and complex nature of the services only 4 (four) tender submissions were received. The project team are satisfied that the four submissions received offer choice and present value for money to the Authority.

7. KEY RISKS

7.1 A robust Risk Matrix was developed for the tender process and was regularly reviewed to ensure risk was mitigated for to best effect.

7.2 At this stage in the process the key risk is a possible loss in performance. This was been managed by requiring bidders to submit detailed implementation plans in their ITT applications and through requiring bidders to submit applications for performance improvements

over the baseline data. Council Officers closely monitor performance for substance misuse provision on a monthly basis and the Drug and Alcohol Action Team (DAAT) performance reports are subject to bi-monthly scrutiny by the DAAT Board and at quarterly intervals by the Safer Stronger Communities Board.

- 7.3 Risks to the Public Health England Grant or Mayors Office for Police and Crime funding can be mitigated for to most extent as the contract includes a 6 month termination clause should the Council be notified that either of these funding streams was to cease. It equally includes a 'Change Schedule' where the Authority can impose contractual alterations with reasonable and fair notice, such as 14 days, to the contract price or any other element of the contract.

8. IMPACT ON COUNCIL PRIORITIES

8.1 Fairness for All

- 8.1.1 The tender process has been conducted in accordance with both the Council's Contract Procedure Rules and EU Procurement Regulations. Therefore, the tender process has adhered to the principles of transparency and fairness to encourage healthy competition within this specialist sector and bidders have accordingly been appropriately supported throughout the process.

8.2 Growth and Sustainability

- 8.2.1 The increase in performance required of each successful bidder will ensure that more people in the community are supported to access substance misuse treatment to improve health and crime reduction opportunities in more appropriate and cost effective community settings. In Enfield there are an estimated 12,454 people who drink alcohol at harmful levels and 3,648 drinkers who have a physical dependency to alcohol. There are also 1,594 people who are dependent of crack or heroin in the Borough. It is, therefore, important that the Council continues to commission Service provision of this nature to maximise the health gains to substance misusers and provide effective communicable disease management strategies. It is also a requirement of the Public Health England Grant Conditions as outlined herein in Section 5.3 of this Part 1 Report.

8.3 Strong Communities

- 8.3.1 There is a substantial amount of evidence to demonstrate the effectiveness that drug and alcohol treatment has on reducing crime in the community. The Home Office recently completed four (4) years of analysis that showed the important role that drug treatment has upon reducing key crimes and crime reduction remains a priority for the Safer Stronger Communities Board.

- 8.3.2 The new Substance Misuse Recovery Service contract is, therefore, also concerned with supporting drug and alcohol related offenders with changing their substance misuse and offending behaviour. The delivery of this Service requires a partnership approach between the Metropolitan Police, the London Probation Trust and the successful bidder. It is worth noting that just over 60% of all acquisitive crime is committed because of drug misuse and that PHE have found that a typical heroin user spends £1,400 per month on drugs. Furthermore, the majority of heroin users are not in employment. It is highly imperative that the Council continues to provide treatment to drug offenders to ensure Enfield remains a safe and stronger community.
- 8.3.3 Alcohol is now the third biggest risk factor for deaths and ill health; deaths from alcohol related liver disease have more than doubled over the past three decades. Almost 50% of all violent assaults are caused through alcohol misuse and 17% of road traffic fatalities involve alcohol.
- 8.3.4 Substance misuse equally has an essential role to play in safeguarding vulnerable children who are often at risk due to parental substance misuse. 58% of all referrals made to the Council's Children's Services Safeguarding Team are because of parental substance misuse. PHE found that parental drug use is a risk factor in 29% of all serious case reviews.

9. EQUALITIES IMPACT IMPLICATIONS

- 9.1 An Equalities Impact Assessment was undertaken to inform and support the Council's substance misuse commissioning objectives. The findings and recommendations from this Assessment have been utilised accordingly. This will, as stated above, improve the equality of access to the Service in the local area.

10. PERFORMANCE MANAGEMENT IMPLICATIONS

- 10.1 Substance misuse provision is subject to robust monitoring processes for service delivery and service quality. Public Health England (PHE) provides the Chief Executive, Director of Public Health, DAAT Board Chair and Head of Drug and Alcohol Services with quarterly Diagnostic Outcome Monitoring Executive Reports; detailing the milestones against all key performance measures and affording a comparison to other similar Local Authority areas, as well as the National perspective. The Reports are separated into adult and young people's and enable PHE to have the scrutiny role it requires to determine how each Local Authority is complying with the Grant Conditions. The DAAT Officers have in place appropriate and robust contract monitoring arrangements and these will be maintained under the new contract. The principal focus is on the interventions delivered to service users, as well as how

the successful bidder manages performance for the key PHE indicator of Numbers of Successful Drug Completions (PHOF 2.15). It is equally imperative that the Council reduces the Number of Alcohol Related Hospital Admissions (PHOF 2.18) which this contracts supports by ensuring that treatment is sustained in more appropriate and cost effective community settings.

10.2 Regular contract monitoring will be undertaken by the Drug and Alcohol Action Team of the successful bidder on a month on month basis.

10.3 The successful bidder is required to make monthly submissions to the National Drug Treatment Monitoring System database managed by Public Health England. They are required to improve performance over the 2015/2016 baseline levels for Numbers of Successful Treatment Completions, Numbers in Treatment and Blood Borne Virus Intervention measures.

11. HEALTH AND SAFETY IMPLICATIONS

11.1 None applicable.

12. HR IMPLICATIONS

12.1 None applicable.

13. PUBLIC HEALTH IMPLICATIONS

13.1 Drug and alcohol misuse impacts upon the health and wellbeing of individuals, families and communities across Enfield. It drives generational family dysfunction, damages life chances, increases criminality, harms health, spreads communicable diseases and, as a result, increases the need and demand for public sector services.

13.2 Substance misuse is common and the numbers of people affected in Enfield are significant: - more than 1,500 people are dependent on crack or heroin with 18% having children who live with them. There are an expected 3,648 people dependent on alcohol; all of whom need support from specialist Public Health Services. Alcohol misuse has considerably increased and alcohol is now the third biggest risk factor associated with death and illness. Mortality from alcohol related liver disease has more than doubled in the past 3 decades.

13.3 Substance misuse drives widespread need and demand for all public sector services, absorbing scarce resources. It is preventable and treatable. People who are intoxicated respond less well to their children's needs. UK estimates suggest 22% of children live with a parent whose hazardous drinking puts them at risk in relation to issues such as neglect. In Enfield 39% of all children

on a child protection plan have been registered because of parental substance misuse. Furthermore, 78% of young offenders who misuse alcohol were found to have grown up in homes with parental alcohol abuse and domestic abuse.

- 13.4 Substance misuse is both a cause and effect of family dysfunction. The figures quoted above are borne out by the evidence base of children in care who commonly come from families where addiction was the main disruptive issue to their lives, particularly when this co-occurs with domestic violence or with parental mental ill-health. Lower educational attainment is heavily associated with having a parent who misuses drugs or alcohol, as is the chance of the child becoming a heavy drinker or misusing drugs when they reach adulthood.
- 13.5 People dependent on drugs and alcohol are far more likely than their peers to have mental health problems, be economically unproductive and to be homeless. Over 60% of acquisitive crime is found to be driven by drug misuse. Every year it is estimated that the impacts of drug and alcohol misuse cost society a total of £36.4 billion. Alcohol misuse alone costs the criminal justice services £11 billion; the NHS 3.5 billion and causes £7 billion of lost productivity. Enfield's local acute and primary care services have to absorb £6.57 million per year because unplanned alcohol related presentations.
- 13.6 People who drink at levels that are damaging to their health, such as drinking a bottle of wine a day, and who do not have a physical dependency are much more prevalent than people whose drinking causes withdrawal symptoms like delirium tremors (DTs) or seizures. The new Service will increase treatment levels; directly impacting on reducing the number of patients presenting to A&E for alcohol related harm, tackling the increasing burden of disease in our community from conditions relating to alcohol use such as heart disease, stroke, cancer, pancreatitis, mental health and liver disease. Stroke is the most common acquired cause of adult disability and it remains a major pressure on Local Authorities Social Care budgets.
- 13.7 Therapy services, focusing on the whole family unit, will support children affected by parental substance misuse, thereby reducing the number children at risk of being placed into care through access to support and treatment for the whole family unit. This is complimented by services for pregnant women with substance misuse issues to increase early uptake of antenatal care and post-natal care offered to families.
- 13.8 Drug and alcohol use contributes to the spread of disabling and potentially fatal infections in our community through practices such as sharing needles and risky sex. As a consequence, just over 60% of all injecting drug users are Hepatitis C positive. The new Service includes testing, treatment, needle exchange and vaccination programmes to reduce high risk communicable diseases. Needle stick injury remains a significant concern for many parents in the Enfield community and it is imperative that drug misusers have access to controlled disposal programmes, such as needle exchanges, to prevent hazardous waste being dumped in public areas.

- 13.9 Substance misuse carries a significant risk of early death. Compared to the Borough life expectancy of 80.7 for males and 84.1 for females, it is estimated that the average age of death for an alcohol misuser is 55.6 years, for a cocaine user it is 44.5 years, and for that of a heroin user it is even lower at 37.5 years. The new Service includes distribution of naloxone for the prevention of drug related deaths; substitute prescribing (e.g. methadone) aimed at significantly increasing the life expectancy of heroin users in particular; and supervised community or in-patient detoxification to support those service users who want to be drug or alcohol free.
- 13.10 The importance of drug and alcohol treatment services is recognised by their inclusion as a Condition in the Public Health Grant made to Local Authorities by the Department of Health. The Condition requires the Council to *'have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse services'*. The full cost of the Service in Enfield is covered by the Grant and funding from the Mayor's Office for Police and Crime. Without this Service there would be significant detriments and harms to the Enfield community and unnecessary pressures on other Council budgets.

14. Background Papers

- 14.1 None.