

London Borough of Enfield

Operational Decision Of Director of Health and Adult Social Care

Subject: Award of Contract for the Young People's Substance Misuse Service

Cabinet Member: Councillor Cazimoglu

Executive Director: Tony Theodoulou

Key Decision: KD 5566

Purpose of Report

1. To provide detail of the outcome of the tender process for the procurement of a Young People's Substance Misuse Service.

Proposals

2. That approval be granted for:
 - a. the award of contract for Young People's Substance Misuse Services to the Successful Bidder A and for the contract value as detailed in the Confidential Appendix.
 - b. the Council to enter into the contract for Young People's Substance Misuse Services with the Successful Bidder detailed in the Confidential Appendix for a term of five years with a break clause subject to the Council giving six months' written notice.

Reason for Proposal(s)

3. The existing contract for the Young People's Substance Misuse Service expires in March 2023.
4. A tender process has been completed using London Tenders Portal for the provision of the Young People's Substance Misuse Services which adhered to Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
5. The new contract will afford the Council with on-going year on year performance and value for money benefits.
6. The proposal to recommission the Young People's Substance Misuse Service was approved by the Strategic Service Development Board in August 2021.
7. In September 2022, the Cabinet Member for Health and Adult Social Care approved the proposal to recommission the Young People's Substance Misuse Service using a competitive open tender process to identify a suitable provider and delegated authority to the Director of Health and Adult Social Care, in consultation with the Director of Public Health and the Director of

Law and Governance, to award the contract to the successful applicant. (KD 5417 – Recommissioning of the young people's substance misuse support)

Relevance to the Council Plan

Good homes in well-connected neighbourhoods

8. Substance misuse services for children and young people are delivered through a hub and spoke model to ensure easy access for patients. The services current hub is based in Edmonton and satellites and outreach appointments are delivered borough wide.
9. Service delivery is undertaken in a range of locations, these are primarily in community sites such as libraries, youth centres, schools and colleges.

Safe, healthy and confident communities

10. Substance misuse services deliver health interventions including preventative messages, targeted information, advice and guidance and specialist treatment. Delivering support ranging from prevention to treatment ensures the health needs of children, young people and families in Enfield are met at the earliest opportunity.
11. Substance misuse can negatively impact on a range of outcomes. Public Health England have identified the correlation between substance misuse and several long term and short-term health needs.
12. In addition to the impact on the individual there is also an impact on the wider family including harm to the wellbeing of children and young people.
13. There is a strong correlation between substance misuse and offending behaviour, national research has shown that the delivery of drug and alcohol interventions directly reduces offending behaviour.
14. The service delivers support as part of a multi-agency approach ensuring young people have access to support for their wider health, social and emotional needs.

An economy that works for everyone

15. Improving the health of children, young people and their families in Enfield will prevent a range of longer-term negative health outcomes in areas such as mental health, offending behaviour and adult substance misuse.
16. Improving health outcomes will increase the number of people who are able to work and reduce sickness rates. The Wanless report was clear that a healthy population is a productive population.

Background

17. In December 2021 Government released the National Drug Strategy: From Harm to Hope (HM Government 2021) as a 10-year drugs plan aimed at cutting crime and saving lives. The strategy focusses on four key areas to achieve this aim:
 - Breaking supply chains
 - Delivering a world-class treatment and recovery system
 - Achieving a generational shift in the demand for drugs
 - Partnerships and accountability.
18. There is a clear ambition in the strategy for an increase in young people receiving specialist substance misuse treatment interventions to prevent longer term use into adulthood.
19. A review of drug and alcohol interventions undertaken by Public Health England concluded that substance misuse treatment interventions for young people are estimated to save between £5 and £8 for every £1 invested. Therefore, investing in substance interventions for young people offers Enfield a significant return on investment.
20. Substance misuse treatment is an intrinsic element of Enfield's partnership approach to supporting vulnerable young people and families. This service works in partnership with criminal justice services, children's services, youth services and schools to promote healthy behaviours and ensure there is easily accessible support available to young people who use substances problematically.
21. National strategies recognise the importance for local areas to have effective substance misuse services delivering specialist support to residents who misuse drugs and alcohol. Delivering this specialist support allows local areas to minimise the impact of substance misuse on the individual, the community and wider services such as health and criminal justice services.
22. The Public Health Grant Conditions require Enfield Council to 'have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services' and specialist drug and alcohol misuse services for children and young people is listed as a function in the conditions.
23. Evidence shows there is a complex relationship between drugs, crime, health outcomes and deprivation.

Main Considerations for the Council

24. The decision taken by the Cabinet Member for Health and Adult Social Care in September 2022 under KD 5417 was for a 'contract to allow for annual break clauses and to be issued for an initial term of three years, with an option to extend for a further two years subject to availability of funding and satisfactory performance'.
25. This report seeks approval to award a five year contract with a break clause that allows the contract to be terminated at any time with six months notice. This affords the Council greater flexibility to continue the contract if

performance is satisfactory and funding remains available or terminate the contract should this be required allowing adequate time for TUPE. While this differs from the initial contract period agreed in September 2022 it achieves the same outcome of a five year maximum term with the option to terminate if required.

26. A tender process has been completed using London Tenders Portal for the provision of the Young People's Substance Misuse Services which adhered to Councils Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015) and the new contracts will afford the Council with on-going year on year performance and value for money benefits.
27. The Council advertised the opportunity on 24 October 2022 through the London Tenders Portal, Contracts Finder and Find a Tender (Publication number: 2022/S 000-029990). Initially 19 organisations expressed an interest.
28. The Award Criteria detailed that the contract would be awarded to the bidder who:
 - a) meets the minimum selection standard; and
 - b) passes all Pass/Fail Criteria; and
 - c) scores a minimum of 2 points per question for questions 2-10 of the Quality Criteria; and
 - d) achieves the highest Quality Criteria score (minimum threshold of 70%)
29. The scoring scale used to evaluate tenders is provided below.

Score	Description
4	Response is of a high standard with no reservations at all and demonstrates that the bidder fully understands the requirement; provides evidence that the Provider can make a significant improvement to the way the service is delivered. (They have supplied clear, detailed information and the evidence is unequivocal)
3	Good response to that aspect of our requirement that demonstrates a good understanding of the requirement; the evidence is clear and convincing with minor reservation(s).
2	Acceptable response that demonstrates a reasonable understanding of the requirement in most areas with some reservation/s; all basic requirements are met; response provides evidence given of skill / knowledge sought that is fairly clear and convincing.
1	Less than acceptable response; lacks convincing evidence of skills / experience sought; lack of real understanding of requirement or evidence of ability to deliver.
0	Non-compliant – failed to address the question / no response provided; limited or poor evidence of skill / knowledge sought.

30. The evaluation criteria used for the tender is as follows.

PART A: Pass Fail Criteria	Score
I confirm I will not exceed the annual Charges of £390,000 for the delivery of the Services as detailed in the Specification.	Pass/Fail
I confirm that, <i>at a minimum</i> , I will retain baseline performance levels for KPI 2: 'Numbers of young people in treatment (under 18)' and KPI 3: 'Numbers of young adults in treatment (18-24 year olds)' throughout year 1 of the Contract.	Pass/Fail
I confirm that I will at a minimum deliver 5,000 contacts per year for KPI 1: 'Number of preventative and early interventions to young people (under the age of 18) and/or young adults (age 18 to 24-year-old)'.	Pass/Fail
PART B: Quality Criteria	Weight
Performance of the Service	30%
Treatment for Young People and Young Adults	23%
Support for Parents	9%
Preventative & Early Interventions	9%
Social Value	10%
Service User and Lived Experience Involvement	3%
Clinical Governance & Quality Assurance	4%
Partnership Working	4%
Staffing	4%
Technology	4%
Total	100%

31. For Question 1: Performance of the Services, bidders were required to submit their proposed performance against three of the Key Performance Indicators (KPI's) within a specified range. The Successful Bidder's performance submission will form their performance targets for these KPI's in the contract (see KPI table in paragraph 34). The specified range was determined using knowledge of performance and local need, the range allowed bidders to determine what they could deliver against each cohort within the funding available. The KPI's and ranges provided to bidders in the evaluation criteria are listed below.

Cohort	Expected performance ranges for 'Numbers engaged'
Young People (under 18) engaged in specialist substance misuse treatment	220 – 280
Young Adults (18-24) engaged in specialist substance misuse treatment	30 – 60
Individuals accessing parental support	80 – 140

32. The details of the procurement process are set out in the confidential annex

33. This report seeks approval to award the new contract to the successful bidder as detailed in the confidential appendix.

Performance Overview

34. The service will have six KPI's which are listed in the table below.

KPI	Measure	Target
KPI 1	Number of preventative and early interventions delivered to young people and young adults. (Year to date)	Minimum of 5000
KPI 2	Number of young people in treatment (under 18 - rolling 12-month)	Provided by bidder in tender submission.
KPI 3	Number of young adults in treatment (18-24 years old- rolling 12-month)	Provided by bidder in tender submission.
KPI 4	Percentage of people exiting treatment in a planned way.	National average
KPI 5	Percentage of people who leave treatment in a planned way that represent to treatment.	National average
KPI 6	Number of people engaged in parental substance misuse support (year to date).	Provided by bidder in tender submission.

Safeguarding Implications

35. This service will support vulnerable residents with complex needs including children who are looked after, exploited, involved in offending behaviour, experiencing low emotional wellbeing or affected by negative parental behaviours.
36. The service will support parents in understanding and minimising the impact that their substance misuse has on their children through the delivery of support and parenting interventions.
37. Nationally around 20% of children in need are affected by drug misuse and 18% by alcohol misuse. Parental drug or alcohol misuse features in a quarter of cases on the child protection register. Drug misuse is involved in 38% of serious case reviews and alcohol in 37%.
38. Substance misuse provision is included in the partnership approach to supporting children, young people and families. There are effective joint working practices in place with key services and satellites locations in sites including Charles Babbage House and the youth justice service. Substance misuse services are also well represented on Boards and meetings including children's social care meetings, the Multi Agency Safeguarding Hub and case panels for offending behaviour and child exploitation.

39. The continuation of this provision will provide the assurance and care required by families and will support the partnership across Enfield in keeping children and families safe.

Public Health Implications

40. The young people's substance misuse service is integral to improving social and health outcomes for children, young people and their families.
41. This preventative service elements deliver health promotion messages to children in the borough and can support them in making positive choices that will have a lifelong impact.
42. The specialist treatment delivered offers care planned interventions to young people with a range of complex needs to help them make positive choices and behavioural changes.
43. Public Health England have produced evidence of the impact of substance misuse treatment in the 'Alcohol and drugs prevention, treatment and recovery: Why invest?' review.
44. This review found that £10.4 million adults drink at levels that increase their risk of health harm, of these 595,000 may need treatment for alcohol dependence and 120,000 are living with children (200,000 children live in these households).
45. Drug and alcohol misuse significantly harm the wellbeing of children and young people and can impact on health & wellbeing, education, risky behaviour and result in inappropriate caring roles.
46. Substance misuse treatment interventions for young people are estimated to save between £5 and £8 for every £1 invested.
47. The young people who engage with the service have a range of complex needs, the delivery of preventative and early intervention services reduces the risk of their needs becoming more complex and entrenched.

Equalities Impact of the Proposal

48. An Equalities Impact Assessment has been completed for this project.
49. The service is primarily aimed at delivering interventions to young people, there is an additional service element aimed at supporting parents to minimise the impact of their substance misuse on their children. Should the contract not be awarded the loss of service would have a significant impact on these two groups.
50. Evidence shows there is a complex relationship between drugs, crime, health outcomes and deprivation, research by Government has shown that the level of deprivation in the local authorities with higher drugs need is twice that of those in those with lower levels of need.

51. Monthly contract management meetings have been taking place since January 2022 to manage the recommissioning and service implementation process. Bidders were required to provide a robust implementation plan for the service to ensure this process is well managed to minimise disruption.

Environmental and Climate Change Considerations

52. The tender process included a question on Social Value with a weighing of 10% which required applicants to detail how they will support the Council's Sustainable and Ethical Procurement Policy as part of their model.

Risks that may arise if the proposed decision and related work is not taken

Loss of specialist service provision

53. Given the specialist nature of the young people's substance misuse service the needs of the young people engaged in treatment cannot be met elsewhere. Young people would have no access to specialist services until they are 18 and eligible to access the adult substance misuse service which is likely to result in an increase in complexity of need and entrenched substance misuse behaviours. There is no mitigating action for this risk.

Loss of preventative and early interventions

54. Increased pressure on other services including mental health services, wider health services, criminal justice services, youth services, social care and education. Enfield Council and key partners could increase capacity in these services or look at introducing priority criteria to meet additional demand.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

Reduction in performance, disengagement of patients and loss of staff

Please see confidential appendix.

Changes to funding – MOPAC and Public Health Grant

55. Local allocations of the Public Health Grant are agreed annually and while there may be some fluctuation it is unlikely to be substantial.
56. To date MOPAC funding has been agreed on an annual or bi-annual basis and is therefore subject to regular review.
57. The contract includes change clause which allows for changes to be made within permitted limits.
58. Should there be a loss in funding Enfield will need to consider alternative funding opportunities or a review of service deliverables.

59. The contract allows for break clauses which can be used to terminate the contract prior to the expiry date with six months' notice, if required.

Financial Implications

60. The Public Health Grant for Enfield in 2022/23 is £18.023m. Overall the substance misuse service has a planned budget spend of £2.5m for 2022/23
61. Department of Health and Social Care has made it a condition of grant funding that a local authority must “have regard to the need to improve the take up of, and outcomes from, its drug and alcohol misuse treatment services, based on an assessment of local need and a plan which has been developed with local health and criminal justice partners”.
62. Additionally, the authority is committed not to divest from substance misuse work as part of the conditions of the supplementary substance misuse grant which for this year is set at £0.454m, The National Drug Strategy: From Harm to Hope (HM Government 2021) commits to invest £533 million over three years to rebuild local authority commissioned substance misuse treatment services in England.
63. Annual funding from the Mayor's Office for Policing and Crime of £0.110m also supports this and other areas of work and though annually agreed currently is reasonably expected to continue. If it were not to continue then it would be necessary to close the gap using the Public Health grant and adjust other spending plans accordingly going forward.
64. The Public Health Grant is ringfenced and is designed to cover expenditure incurred in delivering the Public Health function, which covers mandated (statutory) services and non-mandated (non-statutory) services.
65. The commercial details of this award are set out in the confidential annex.

Legal Implications [Provided by ZS on the draft circulated on 14/12/2022]

66. The Council has a general power of competence under section 1(1) of the *Localism Act 2011* to do anything that individuals may do, provided it is not prohibited by legislation and subject to Public Law principles. Section 111 of the *Local Government Act 1972* permits local authorities to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of their functions. The Health and Social Care Act 2012 inserted a provision in section 2B of the *National Health Service Act 2006*, which requires local authorities to take such steps as it considers appropriate for improving the health of people in its area. The recommendations in this report are within these powers.
67. The Council must comply with its Constitution, Contract Procedure Rules (CPRs) and, as the value of the contract exceeds the Light Touch Regime Threshold, the Council must also comply with the Public Contracts Regulations 2015 (PCR 2015) in the procurement process and the award of the contract.

68. The CPRs require that where a contract is awarded with a value of £1 million or over (as is the case here), the provider must provide 'sufficient security' as defined in CPR Rule 7.3 (such as a performance bond or a parent company guarantee). Evidence of the form of security required, or why no security was required, must be stored and retained on the E-Tendering Portal for audit purposes. If this requirement is waived, then the Executive Director of Resources must approve the financial risk prior to any award, and the relevant Authority Report must set out the reasons and what measures are to be taken to manage the risk. The procurement documents must include a requirement for sufficient security as set out above or a waiver should be obtained in the manner set out above.
69. The Council must comply with its obligations relating to obtaining best value under the Local Government (Best Value Principles) Act (1999). The Council is further required to act in accordance with the Public Sector Equality Duty under section 149 of the Equality Act 2010 and have due regard to this when carrying out its function which includes making new decisions.
70. All legal documents to be entered into in connection with the subject matter of this report must be approved in advance by Legal Services on behalf of the Director of Law and Governance.
71. This decision is a Key Decision and the Key Decision process must be followed.
72. The Council must ensure compliance with any terms attached to the funding received from Public Health England, MOPAC or any third party organisation. Failure to do so may risk recovery or withdrawal of the funding.
73. In terms of any proposed new letting, the Council must comply with the provisions of its Constitution, including but not limited to its Property Procedure Rules, which set out mandatory procedures regarding (amongst other things) the acquisition, management and disposal of property assets. In addition, Section 123(2) of the Local Government Act 1972 requires a Local Authority to secure the best consideration reasonably obtainable when it disposes of land except on a short tenancy, unless it has the benefit of an express or general consent of the Secretary of State. A short tenancy is defined as a lease of not more than 7 years or the assignment of a lease which at the date of the assignment has not more than 7 years unexpired of the term.

Workforce Implications

74. There will be no workforce implications to Enfield Council as this will be managed by the outgoing and incoming supplier.
75. The Senior Public Health Service Development Manager will lead the project on behalf of the Council and will engage relevant partners as appropriate. There are no additional staffing resources required from Enfield Council to undertake the recommissioning of this service.

Property Implications

76. The service will operate from 29 Folkestone Road N18 2ER which is part of Enfield Council's property portfolio. A draft lease was published for the site with the tender documents which is coterminous with the contract.

Other Implications

Procurement and Contract Management Implications

77. Any procurement must be undertaken in accordance with the Council's Contract Procedure Rules (CPR's) and the Public Contracts Regulations (2015).
78. For a contract of this value, it is subject to the relevant provisions of the Public Contracts Regulations 2015 for compliance.
79. The award of the contract, including evidence of authority to award must be updated on the London Tenders Portal. The executed contract must be stored on the portal and promoted to the Council's Contract Register via the portal.
80. All awarded contracts must be promoted to Contracts Finder to comply with the Government's transparency requirements.
81. The CPR's state that contracts over £100,000 must have a nominated contract owner in the LTP, and for contracts over £500,000 there must be evidence of contract management, including, operations, commercial, financial checks (supplier resilience) and regular risk assessment uploaded into the LTP.
82. The contract manager must ensure that the contract is managed efficiently and effectively in line with the Council Contract Management framework (to be launched shortly, which will set out contract management activity to be carried out by the Service department and reporting responsibilities dependent on the tiering of the contract). As this is a strategically important contract with high risk it is likely to be classified as Gold, it is vital that the Young People's Substance Misuse Service adhere to the Contract Management Framework.
83. Given the high risk associated with the service provision, proper and fully documented contract discussions will need to be made – ensuring robust contract management, especially regarding mobilisation and timely commencement of the service. Regular performance reviews of the KPIs and outcomes will be required to ensure that the Council is getting VFM from the contract.
84. In respect of preparing for future procurement activity and re-provision, the Service Area will liaise closely with Procurement Services to ensure this

information is captured and maintained on the Council's procurement pipeline.

85. See confidential annex for further information.

Provided by MG, MJ and SZ based on version of report circulated 15 December 2022.

Options Considered

Option 1: Do not award the contract – Not recommended

86. Enfield Council could take the decision to no longer provide substance misuse support to children, young people and their families.
87. The Young People's Substance Misuse Service delivers specialist support to children, young people and families with complex needs which cannot be met in other provision. Ceasing delivery of this service will result in a gap in service provision and vulnerable families not being able to access the specialist support they required.
88. It is also likely to lead to an increase in demand for other services that support vulnerable families such as mental health services, youth services, children 's social care services and criminal justice services.
89. The new drug strategy requires local areas to increase substance misuse treatment and support.
90. The substantial additional funding allocated to Enfield for the delivery of the new Drug Strategy is conditional on there being no disinvestment of existing funding for substance misuse.
91. National evaluations of substance misuse provision have found that for every £1 spent on substance misuse there is a saving of between £5 and £8. This demonstrates that not offering preventative and early interventions to young people leads to increasing complexities, poor outcomes and the need for more costly interventions later in life.

Conclusions

92. Following review of the available options and the various considerations detailed in this paper it is concluded that the safest and most effective way forward is to award the contract to the successful bidder.

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Appendices

Confidential Appendix

Equality Impact Assessment - Award of Contract YPSMU support

Background Papers

The following documents have been relied on in the preparation of this report:

Portfolio Decision Report Recommissioning of young people's substance misuse support Main Report & Confidential Annex.

[Alcohol and drug prevention, treatment and recovery: why invest?](#)

[From Harm to Hope – a 10 year strategy to cut crime and save lives](#)