

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care
Date:	23 July 2010
Title:	Single tender approval to extend existing DAAT substance misuse contracts.
Reference:	1606
Report From:	Director of Adult Services

Contact name: Mick Moorhouse

Tel: 01962 847158

Email: michael.moorhouse@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to seek single tender approval to extend the existing Drug and Alcohol Action Team (DAAT) commissioned substance misuse treatment contracts. The extension will bring them into line with the proposed procurement process and planned commencement of the new substance misuse treatment model - the Hampshire Operational Model for Effective Recovery (HOMER) on 1 April 2011. In light of Government proposals in the White Paper *'Equity and excellence: Liberating the NHS'*, the paper also seeks to amend the previously approved contract term for the new HOMER contract for community substance misuse services from a 3 year+1 year+1 year contract term, to a 2 year+1 year+1 year contract term.

1.2. This paper seeks to:

- make reference to previous Executive Member decisions relating to the background and context to the re-commissioning of the Hampshire treatment system
- set out the reason for single tender approval for the extension of existing contracts
- outline the project timetable for the procurement process

2. Contextual information

2.1 Effective substance misuse services play a significant part in supporting the corporate priorities:

- Hampshire safer and more secure for all – by promoting treatment services and encouraging users (including known offenders) to take up

treatment options there is a known correlation between numbers entering treatment and a reduction in crime rates.

- Maximising wellbeing – treatment and harm minimisation services have a significant impact on the health and wellbeing of individuals, their families, carers and communities.
- 2.2. A countywide strategic review of substance misuse services was launched during July 2008 in order to deliver the best possible configuration of drug and alcohol services in the county to meet needs and targets within the available budget. This followed the announcement of significant reductions in the centrally funded adult Pooled Treatment Budget administered by the National Treatment Agency.
 - 2.3. Further background and contextual detail is available in the following Executive Member decision reports: (1) Approval of the next stage of the Substance Misuse Strategic Review - The Development Plan (following consultation) 26 June 2009 and (2) Substance Misuse Strategic Review Implementation - Tendering and Procurement 11 December 2009. See Integral Appendix A.
 - 2.4. Single Tender Approval was originally given (Executive Member Decision 929 - 11 December 2009) to extend certain contracts to 30 November 2010. Other contracts due to extend beyond 30 November 2010, were given notice to terminate on the same date. However, following consideration by Hampshire County Council and discussions with Hampshire PCT relating to the procurement process and nature of the contracting arrangements, a further extension is now required.
 - 2.5. A revised tender timetable has meant that services currently commissioned by the DAAT and extended to 30 November 2010 now require an additional extension, to 31 March 2011.
 - 2.6. The contract extension is requested on the basis of a single tender and the case for this approach is in line with the following criteria:

It meets single tender criteria as an *interim arrangement* following the strategic review of services and whilst existing services are in transition.
 - 2.7. Project timetable for the procurement process

Fig.1 : Key Milestones

	Milestone	Estimated Target Date	Status (Completed ✓)
1	Develop project plan	23 04 2010	✓
2	Drafting of Invitation to Tender (ITT), advert and evaluation model development	23.07.10	
3	Legal Approval of ITT and advert	23.07.10	
4	Adverts issued, seeking expression of interest	28.07 2010	

5	Provider briefing day	12.08.2010	
6	Tender Return	16 09 2010	
7	Evaluation results summary (following evaluation of tenders and panels)	15 10 2010	
8	Contract Award	22 11 2010	
9	Service Commencement	01 04 2011	

2.8. Contracts Requiring Extension

Fig. 2 : Contracts Requiring Extension in line with the procurement of the integrated system

Provider	Service	Current Expiry Date	Extension Sought *See note below	Previous Contract Extensions	New Expiry Date *See note below
CRi	Open Access Shop Front & Aftercare Services (Winchester & Andover)	30.11.10	4 months	1	31.03.11
	Test Valley Alcohol Service	30.11.10	4 months	1	31.03.11
Society of St James	Open Access Shop Front & Aftercare Services (New Forest & Eastleigh)	30.11.10	4 months	0	31.03.11
Phoenix Futures	Open Access Shop Front & Aftercare Services (Fareham, Gosport & East Hants)	30.11.10	4 months	1	31.03.11
	Open Access Shop Front & Aftercare Services (North / North East – Basingstoke & Aldershot)	30.11.10	4 months	0	31.03.11
	Structured Day Care Programme	30.11.10	4 months	0	31.03.11
Cranstoun	Drug Intervention Programme	30.11.10	4 months	3	31.03.11
	Nexus Harm Reduction and Outreach Service	30.11.10	4 months	0	31.03.11
Hampshire Partnership NHS Foundation Trust	Structured Community-Based Interventions	30.11.10	4 months	2	31.03.11
Surrey & Borders NHS Foundation	Structured Community-Based Interventions	30.11.10	4 months	2	31.03.11

Trust					
Solent Healthcare (formerly - Portsmouth City teaching PCT)	Structured Community Based Interventions	30.11.10	4 months	2	31.03.11
	CARE Psychosocial Intervention Programme	30.11.10	4 months	0	31.03.11

*Note: “Extension Sought” shows minimum extension required and assumes that new treatment system will commence on 1 April 2011.

3. Finance

3.1. There are two key points relating to financial impact and implications:

- The extensions to the contracts will be met within the resources available from the Pooled Treatment Budget, Drug Intervention Programme Main Grant and the transitional funding set aside for the re-commissioning exercise. It is not yet known whether there will be any in-year cuts in the Pooled Treatment Budget by the National Treatment Agency.
- Re-tendering / re-commissioning exercise will deliver the required efficiencies to ensure an ongoing balanced budget position as set out in the report to Executive Member on 11 December 2009.

4. Performance

4.1 The contracted services will continue to contribute to the achievement of National Indicator (NI) 40 and NHS Vital Signs (VSB)14, which both relate to the number of problematic drug users recorded as being in effective treatment.

5. Legal

5.1. Advice and guidance has been sought from Hampshire’s Legal Department and will continue to be sought during the tender and procurement process.

5.2. A tender process will be conducted and the award recommendations will be submitted to legal services for approval, in preparation for contract award.

5.3. It is intended that the new treatment system will be jointly commissioned using locally aligned budgets, rather than by any local pooling arrangement, with the intention that both Hampshire County Council and Hampshire PCT are signatories to the contract(s) awarded to the successful provider(s).

5.4. The proposal is that the contract(s) will be entered into on basis of joint and several liability with Hampshire PCT. Risks associated with any claim a provider might make against Hampshire County Council on the basis of Hampshire County Council being jointly and severally liable are to be mitigated by governance documentation between Hampshire County Council and Hampshire PCT. In addition, in light of government plans to

abolish Primary Care Trusts within the term of the original proposed contract term, the term has been reduced from a 3 year+1 year+1 year to a 2 year+1year+1year contract term.

6. Impact Assessment

- 6.1 In compiling this report account has been taken of the requirements of the Corporate Equalities Plan and Race Scheme. The Hampshire DAAT diversity statement states that it is committed to securing genuine equality of opportunity, recognising the many differences between people and avoiding or overcoming discrimination, whether required by law or not, in all aspects of its activity by positively valuing different perspectives and skills.
- 6.2 The Hampshire DAAT ensures through its contracting and contract review processes that all service providers demonstrate equality of access to, and quality of treatment across, all groups of potential service users and that all services shall respond positively to the needs of diverse drug users, including cultural, religious, language, gender, sexuality, disability, age and communication need.

7. Human Resources

- 7.1. There are five full time equivalent Social Care staff, employed by Adult Services and supported by funding from the Hampshire DAAT Pooled Treatment Budget. These staff, together with a further seven social work posts funded by Adult Services form part of the current multidisciplinary community substance misuse teams providing structured treatment services in Hampshire.
- 7.2 A parallel process is being undertaken to draw these posts into a separate social work team within Adult Services that will support the work of the HOMER provision. Without this action staff would automatically transfer to the new service providers under Transfer of Undertaking Regulations.
- 7.3 Any reduction in the number of staff within the team will be managed through natural wastage and not redundancies.

8. Risk Summary

- 8.1 Tendering timescales may slip due to the complexity of the contract and evaluation criteria

Resolution: If the procurement process were to slip for any reason a further extension may need to be requested. Any further extension request would again be brought to the Executive Member for Social Care.

- 8.2 If as a result of the risk identified in para 8.1 materialising, the current contracts need to be extended further beyond 31 March 2011 there will be a cost of circa £80,000 per month, which represents the difference between the current contracts and the new HOMER contract.

Resolution

The contribution from Hampshire PCT is £2.9m per annum. The PCT have been informed of the required timescales and have agreed to the proposed arrangements.

- 8.3 The risk of the PCT not signing the joint contract and as a result the tender process being invalid

Resolution : Hampshire County Council and Hampshire NHS are developing a memorandum of understanding confirming the partnership arrangements in relation to joint procurement including funding and payments.

- 8.4 The contract is intended to be on joint and several basis with PCT with a potential risk that Hampshire county Council may become responsible for whole amount of the contract sum.

Resolution : Addressed partly by governance arrangements (Memorandum of Understanding) between HCC and PCT in respect of payments and partly by term of contract being varied to 2+ 1+1.

9. Future Direction

- 9.1. The planned start date of the new treatment system remains as 1 April 2011.

10. Recommendations

It is recommended that the Executive Member for Adult Social Care approves:

- 10.1 A single tender for the extension of the existing substance misuse contracts to bring them into line with the proposed procurement process and planned commencement of the new treatment system on 1 April 2011.
- 10.2. That the contract term for the new HOMER contract is varied to 2 years+1year+1year in light of Government proposals in the White Paper *'Equity and excellence:Liberating the NHS'*.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	Yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	No
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Substance Misuse Strategic Review - Formal Consultation	Executive Member Adult Social Care	1 October 2008
Approval of the next stage of the Substance Misuse Strategic Review - The Development Plan (following consultation)	Executive Member Adult Social Care	26 June 2009
Substance Misuse Strategic Review Implementation - Tendering and Procurement	Executive Member Adult Social Care	11 December 2009
Authority to tender for an Integrated Offender Management Service	Executive Member Adult Social Care	28 May 2010
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document

Location

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

A comprehensive Equalities Impact Assessment has been carried out.

The Substance Misuse Strategic Review process and the development of a new treatment system in Hampshire will build upon the current knowledge base, data evidence and activity in place (as described within the assessment), to improve access and engagement with the drug treatment system by groups of individuals who may be marginalised by virtue of a wide range of presenting needs.

The 2009/10 Adult Treatment Plan specifically prioritises BME; substance misusing parents; crack users; problematic drug users (PDU's) aged under 24, however, all groups should expect an improvement in the way their needs are met in a more holistic and integrated way.

It is proposed to undertake a regular review and update the Equalities Impact Assessment on an annual basis. Progress will be evidenced by an improvement in the knowledge base relating to marginalised groups, the available data evidence and documented activities in place.

In compiling this report account has been taken of the requirements of the Corporate Equalities Plan and Race Scheme. The Hampshire DAAT diversity statement states that it is committed to securing genuine equality of opportunity, recognising the many differences between people and avoiding or overcoming discrimination, whether required by law or not, in all aspects of its activity by positively valuing different perspectives and skills.

Hampshire DAAT ensures through its contracting and contract review processes that all service providers demonstrate equality of access to, and quality of treatment across, all groups of potential service users and that all services shall respond positively to the needs of diverse drug users, including cultural, religious, language, gender, sexuality, disability, age and communication need.

2. Impact on Crime and Disorder:

The County Council has a legal obligation under Section 17 of the Crime and Disorder Act 1998 to consider the impact of all decisions it makes on the prevention of crime.

The proposal in this report aims to improve the safety of vulnerable Hampshire residents and reduce the risk of crime occurring.

There are elements of the substance misuse treatment system that interface directly and indirectly with the criminal justice system and impact upon community safety across the county. In carrying out this strategic review we have been mindful of these links and have ensured that we have an overview of both the substance misuse strategic review and the community safety strategic review and have been involved in the development and detail of both reviews.

The strategic commissioning of an integrated drug and alcohol treatment system will contribute directly to the delivery of National Indicators NI15 - 18, 20, 30, 38, 41 & 42.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

The re-commissioned treatment system will have regard to the accessibility of services to the client and will include the physical accessibility, i.e. proximity to public transport and the use of satellite provision to take the service into localities to reduce the burden of travel placed upon service users. An increase in local purchasing due to personalisation may also reduce carbon footprint through reduced travel.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

As the procurement process develops, a requirement to consider the need to adapt to climate change, and be resilient to its longer term impacts will be taken into account in the detailed planning and development of the Invitation to Tender (ITT). Prospective service providers will be required to demonstrate that they have considered climate change in developing their service delivery model.