


Cabinet 5 February 2014	 TOWER HAMLETS
Report of: Corporate Director - Education, Social Care and Wellbeing	Classification: Report Unrestricted (with Exempt Appendix)
Contract Award - Young People's Substance Misuse Service	

Lead Member	Councillor Oliur Rahman
Wards affected	All wards
Community Plan Theme	A healthy and supportive community A safe and cohesive community
Key Decision?	Yes

Executive Summary

The Council with its new statutory responsibilities relating to public health has a duty to improve the health of the population. Young people's substance misuse treatment services have historically been the responsibility of public health however in Tower Hamlets the Council has been the lead commissioner of services and as such holds the contract with the existing provider. Funding for substance misuse services has been subsumed into the public health grant and following the 3rd July 2013 Cabinet meeting approval was given to tender the service piloting a Child Rights approach in the design and delivery of services.

The existing contract for this service was approved by Cabinet in February 2009 for a two year period with provision to extend for three years covering the period 2009/2010 – 2013/2014. As the current contract had exhausted all extensions under the present authority it was tendered through a competitive process with the aim that the new service will commence on 1st April 2014.

Approval is sought to proceed to award of contract. It is recommended that the contract be awarded to the bidder that submitted the most economically advantageous tender which was Lifeline. The tender exercise was undertaken in a manner that is fully consistent with the Council's Financial Regulations and Procurement Rules, and with the Council's Procurement Policy Imperatives as reported to Cabinet in January 2013.

Recommendations:

1. Approve the award of contract to the recommended bidder, Lifeline, for the Young People's Substance Misuse Service;
2. Authorise the Corporate Director of Education, Social Care and Wellbeing, in consultation with the Head of Legal Services, to agree the final terms and conditions of the contract;
3. Authorise the Head of Legal Services to execute all necessary contract documents to implement this decision;

1. REASONS FOR THE DECISIONS

- 1.1 Following the completion of competitive processes undertaken in line with the Council's Financial Regulations and Procurement Rules, the service provider has been identified as having submitted the most economically advantageous tender in respect of the tender advertised, and it is proposed therefore that the contract be awarded to Lifeline to deliver the Young People's Substance Misuse Service.
- 1.2 The pre-tender process included approval to proceed which was granted by the Strategic Competition Board through the Tollgate process and Cabinet.
- 1.3 A market warming event was held at the pre tender stage to which local and national providers were invited. The purpose of the event was to brief providers on service expectations.
- 1.4 The tender opportunity was advertised on the Council's tender portal and local providers were notified via email by both the Council and Volunteer Centre Tower Hamlets.
- 1.5 Seven PQQs were received and following evaluation six organisations were invited to tender. Six tenders were submitted which were evaluated by Council officers and young people against the PQQ criteria which included: localism and community benefits, experience, clinical governance, skills and specialist knowledge and safeguarding.
- 1.6 The tenders were evaluated against the criteria set out in the method statement, namely: partnership working, skills, knowledge and experience, service model, management and operation of the service. Bidders were asked to respond to a total of 26 questions in all. Following the evaluation three organisations were invited to attend an interview to present their approach to Child Rights to a panel consisting of council officers and a young person. The interviews were evaluated and the scores were included in the overall tender evaluation scores.

- 1.6 The contract value is £225,801 per annum (total for the life of the contract will be £677,403). The contract period will be for two years with provision to extend for a further year subject to satisfactory performance and available resources.

2. ALTERNATIVE OPTIONS

- 2.1 The nature of the service is such that providers are required to have in place sound clinical governance arrangements and best practice organisations would be registered with an appropriate authority such as the Care Quality Commission (CQC). There is no in-house expertise in this area and there is also no provision within the current arrangements to extend the existing contract therefore the only available option was to conduct an open tender exercise.

3. DETAILS OF REPORT

- 3.1 The Health and Social Care Act 2012 places a duty on local authority's to improve the health of their populations. Councils are expected to discharge this function, in part, through the provision of a range of public health related services. Young people's substance misuse treatment services falls under this umbrella.
- 3.2 The expectation is that Joint Strategic Needs Assessments (JSNAs) will form the basis of the planning and delivery of services locally. The re-commissioning of the borough's young people's substance misuse service was informed by a local analysis of need which will feed in to the JSNA.
 - 3.2.1 The Council has entered a partnership with UNICEF to participate in a national pilot through which the Council has adopted a Child Rights approach to the commissioning of services. The analysis therefore explored the extent to which the Council meets the rights and needs of children and young people in relation to the provision of young people's substance misuse services.
 - 3.2.2 The findings of the needs analysis concluded that it is evident that substance misuse is an issue which impacts on many children and young people locally, particularly those who are affected by a number of additional risk factors and vulnerabilities. From a child rights perspective, there are a number of principles and articles of the Convention on the Rights of the Child which provide a clear drive for the creation and maintenance of high quality substance misuse services for children and young people, including those which encapsulate the child's right to good healthcare, education, cultural identity, and survival, and protection from harm.

- 3.3 The specified service model is based on national best practice which is consistent with the key principles associated with the rights of the child. In particular, it is widely recognised that those who use drugs or alcohol problematically are likely to be vulnerable and experiencing a range of problems, of which substance misuse is one. This means that the commissioning and delivery of specialist drug and alcohol interventions for young people should take place within the wider children and young people's agenda – so that all their needs are met, rather than addressing their alcohol and/or drug use in isolation.
- 3.4 The recommended bidder has evidenced that they are best placed to deliver a safe, comprehensive, integrated service in partnership with related providers that will respond to the wider needs of young people in Tower Hamlets and which promotes the three key principles of Children's Rights adopted by the Council.
- 3.5 The service will be funded through the ring-fenced public health grant.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The £0.225m annual cost for this service will be funded from the Public Health Grant. The 2013/14 allocation set aside for substance misuse is £0.221m, so the balance of £4k will need to be allocated from Public Health Grant contingency.

5. LEGAL COMMENTS

- 5.1. The services to be purchased (supporting young who engage in substance misuse) may relate to the following Council functions –
- The Council is subject to a general obligation under the National Health Service Act 2006 to take such steps as it consider appropriate for improving the health of the people of Tower Hamlets.
 - The Council is one of the responsible authorities for Tower Hamlets, within the meaning of section 5 of the Crime and Disorder Act 1998. Together with other responsible authorities the Council is required to formulate and implement strategies for: the reduction of crime and disorder; combating the misuse of drugs, alcohol and other substances; and the reduction of re-offending. The proposed services may help deliver the Tower Hamlets Substance Misuse Strategy.
- 5.2. The Council may exercise its functions by purchasing services from bodies external to the Council, provided that it complies with its best value duty under section 3 of the Local Government Act 1999. Pursuant to that section, the Council must "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness".

- 5.3. The services to be purchased (supporting young who engage in substance misuse) are Part B services within the meaning of the Public Contracts Regulations 2006. This means that some of the requirements of the Regulations do not apply to this procurement, such as advertising in the Official Journal of the European Union. However, the Council is still required to comply with other requirements of the Regulations, such as the requirements to:
- (a) treat contractors, suppliers and services providers equally and in a non-discriminatory way; and
 - (b) act in a transparent way.
- 5.4. The Council was required to carry out a reasonable level of advertising. There is also a requirement for a standstill period prior to award.
- 5.5. The competitive exercises described in the report are designed to comply with the Council's best value duty (as described above). It follows that the winner or winners of the relative tenders are those that have shown the best value based on a mix of quality and price. The Council may only award a contract to those bidders that showed the best value through the tendering process.
- 5.6. When considering the discharge of its public health functions and the award of any contract, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Where there are significant changes to the services from those that were provided previously that could materially impact on service users and others then the Council must undertake consultation with the relevant stakeholders. There is information in the report relevant to these considerations.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The service is available to all young people who require support and the provider will be expected to ensure that the most vulnerable young people who are at a greater risk of engaging in substance misusing behaviour receive targeted and specialist support where required. The provider has demonstrated how they will take account of the key equalities strands in the delivery of services and this will be monitored on a quarterly basis by Council officers.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 7.1 The service provider has demonstrated that it has policies in place for environmental protection, energy conservation and recycling and will be expected to adhere to best practice in this area.

8. RISK MANAGEMENT IMPLICATIONS

- 8.1 The provision of a young people's substance misuse service will assist with ensuring that the Council meets its statutory obligations in relation to improving the health of the population and ensuring children and young people remain safe from harm.

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 It is envisaged that the commissioned service will assist with delivering against the Council's commitment to reduce crime and anti-social behaviour as a result of the associated links with drug and alcohol misuse.

10. EFFICIENCY STATEMENT

- 10.1 There has been a significant reduction in funding for young people's substance misuse services in recent years however the service provider will be expected to deliver an enhanced service within the existing funding envelope and there is an expectation that as a result there will be an increase in the number of young people accessing services.

Linked Reports, Appendices and Background Documents

Linked Report

- Young Person's Substance Misuse Tender Award – Exempt Report – Item 19.1 on the agenda.

Appendices

- NONE.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

Officer contact details for documents: