

A joint report of the Directors of Public Health, Children's Services, Environment and Housing, and Adult Social Services

Report to Executive Board

Date: 11 February 2015

Subject: Contract Award for Drug and Alcohol Treatment and Recovery Service

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

This report briefs members on the recent contract award by Leeds City Council to a consortium led by DISC to deliver drug and alcohol treatment and recovery services with a total annual contract value of approximately £8.5m due to commence on 1 July 2015.

Over 4,500 adults and approximately 250 young people currently access drug and alcohol treatment services in Leeds. The contract award for the new service marks an important step towards the development of an integrated treatment service and provides significant opportunities to improve the way that drug and alcohol treatment is provided in the city.

The report highlights how the service will contribute towards meeting key strategic priorities for the Council, particularly in relation to health and wellbeing, community safety and safeguarding for adults and children, and the benefits realised as a consequence of the appointment of the DISC consortium.

Recommendations

Executive Board is requested to:

- Note the recent contract award for drug and alcohol treatment and recovery services.
- Note the inclusive way that service users have been involved in the re-procurement of the service.
- Note the contribution that the service will make towards meeting key strategic priorities for the Council, and the benefits that will be realised as a consequence of this contract.

1 Purpose of this report

- 1.1 This report briefs Executive Members on the recent decision to award the contract for drug and alcohol treatment and recovery services.
- 1.2 It highlights the anticipated contribution that the service will make towards meeting key strategic priorities for the Council, and the benefits that will be realised as a consequence of this contract award. .

2 Background information

- 2.1 The commissioning of local drug and alcohol treatment and recovery services became the responsibility of Leeds City Council in April 2013 following the changes outlined in the Health and Social Care Act (2012).
- 2.2 Prior to this, drug services were commissioned by both the Leeds Primary Care Trust (PCT) and Leeds City Council from a pooled treatment budget, and alcohol services were commissioned and funded by the PCT.
- 2.3 The transfer of Public Health functions into Leeds City Council has brought with it the opportunity to improve the integration of drug and alcohol services for both adults and children.

2.4 The National Guidance

The development of the specification for the new service in Leeds has been informed by the National Alcohol Strategy (2012) which sets out a clear ambition to changing attitudes to drinking, reducing the number of people drinking to excess and the potential harm to their health and by guidance from the Advisory Council on the Misuse of Drugs which gives further weight to the now growing evidence that investment in recovery focused treatment services is cost effective and achieves the best outcomes for those in treatment.

2.5 Leeds Drug and Alcohol Strategy (2013-16):

Reflecting the principles as set out in national guidance, the Leeds Drug and Alcohol Strategy and Action Plan brings together objectives from a range of local partners including public health and community safety and was approved by Executive Board in November 2013.

This Leeds strategy retains a focus on breaking the link between addiction and offending behaviour, but it also sets a wider ambition to improve health outcomes.

2.6 Our Ambition in Leeds:

“Leeds to be a city that promotes a responsible attitude to alcohol and where individuals, families and communities affected by the use of drugs and alcohol can reach their potential and lead safer, healthier and happier lives”.

2.7 Strategic Outcomes

To achieve this ambition, the Leeds Drug and Alcohol Strategy and Action Plan will focus on the following key outcomes which have directly informed the re-commissioning of drug and alcohol Treatment and Recovery Services:

- People choose not to misuse drugs and/or alcohol
- More people recover from drug and alcohol misuse
- Fewer people experience crime and disorder related to the misuse of drugs and alcohol
- Fewer children, young people and families are affected by drug and alcohol misuse

3 Main issues

3.1 Service Review

3.2 A commissioning review of drug and alcohol treatment and recovery services was undertaken by the Council and its strategic partners.

3.3 In addition to a financial analysis and work undertaken to map existing service demand, this review involved significant consultation and engagement with service providers, service users, people in recovery, carers and concerned others, strategic partners and other stakeholders.

3.4 The key drivers for the review were as follows:

- Changes to national and local strategies with a greater emphasis on recovery.
- Opportunities relating to the transfer of responsibility for public health into the Council.
- Changes in patterns of drug use, a desire to improve outcomes for those in treatment and the need for service provision to be easier to access and navigate.
- The need for services to reach the 18-24 year old age group. Currently service users in this age group are under-represented.

3.5 Contract Award

3.6 This report to Executive Board follows a previous report in January 2014 which requested approval to undertake the procurement of integrated drug and alcohol treatment and recovery services. Following that report a contract notice was advertised in the Official Journal of the EU and a three-stage tender process was undertaken using the negotiated procedure.

3.7 Having received best and final offers from three bidders, a detailed evaluation of those bids was completed and we are now able to confirm that a consortium led by DISC was the successful bidder. Following a delegated decision made by the Director of Public Health to award the contract and the expiry of the stand-still period, DISC entered into the drug and alcohol treatment and recovery contract with the Council in December 2014.

3.8 DISC is a charity based in Durham which has been delivering services in the north of England for over 30 years aimed at helping people and their communities deal

with unemployment, poverty, crime, addiction, homelessness and family breakdown. The organisation is one of the council's current service providers for drug treatment, and offender management services.

3.9 Following a mobilisation period, service provision under the contract will start on 1 July 2015. Contract management will be carried out by Public Health using Council best practice. In addition to DISC, the consortium is made up of the following organisations to deliver the service:

- DISC
- BARCA
- Leeds and York Partnership NHS Foundation Trust (LYPFT)
- St Anne's Community Services
- St Martin's Health Care Services

3.10 The duration of the contact will be initially for five years from service commencement, with the option for up to three one year extensions.

3.11 The total value of the initial five year contract is £42.5m, with an annual value of £8.5m. This provides savings of £848,722 during the first full year of the contract. This will be apportioned to directorates pro rata to net budgets. This has been taken into account in the 15/16 Budget proposals for the Council.

3.12 Strengths of Winning Bid

Tender submissions were assessed on the basis of 70% quality / 30% price evaluation criteria. With a total of 1000 points available, this division meant that 700 points were assigned to quality and 300 points for price.

3.13 The bid submitted by the consortium led by DISC received the highest overall score and included the following key strengths:

- A viable and fully integrated service delivery model
- An excellent and well considered approach to ensuring the service is accessible
- A strong and well embedded recovery ethos/ approach
- An effective approach to joint working and stakeholder engagement

3.14 Key Elements of Service

The key service areas included within the new contract are as follows:

- Adult community drug treatment and recovery services;
- Adult community alcohol treatment and recovery services;
- Housing related support services for people with drug and/or alcohol problems;
- Harm reduction services including needle exchange;
- Children's drug and alcohol services;

3.15 Priority Groups:

The service will target a number of priority groups, including the following

- Children at risk of early stages of substance misuse and criminal activity;
- Young people under the age of 25;
- Pregnant women and their partners;
- People with parental responsibility;
- Parents and carers with children under the age of two;
- People with co-existing mental health and substance misuse problems (dual diagnosis);
- Offenders or those convicted of a criminal offence – in particular those being managed through Integrated Offender Management and Youth Justice arrangements;
- People who are homeless or at risk of homelessness;
- People in situations where there are safeguarding concerns - such as domestic violence, involvement in child protection proceedings or who have one or more children that are Looked After, or where an adult is unable to protect themselves due to their care or support needs;

4 Corporate Considerations

4.1 Consultation and Engagement

4.2 Consultation and engagement has been a key part of the re-commissioning of drug and alcohol services and has been programmed in as part of a project plan. Of particular note is the level of involvement by service users in the procurement process itself.

4.3 As part of the engagement process service users have been described as “experts by experience” to acknowledge the contribution that they make as part of a co-production process. In this context they were consulted on the quality of existing service, the findings from the service review and the drafts specification for the new service.

4.4 This involvement culminated in the participation of service users in the evaluation of tenders where they had a direct impact on the decision about which bidder was successful in being awarded a multi-million pound contract. The quality of involvement of service users as part of the procurement process has been recognised as good practice by Public Health England and plans are now being developed to apply this approach to future procurement exercises.

4.5 Interviews with forty current and former service users and all current providers and a range of stakeholders were undertaken as part of the service review process. This provided a detailed understanding of how services, pathways and referral systems currently operate. In addition, providers’ and partners’ views were sought on what works well within the current system, any gaps or areas of duplication and also any areas which could improve.

4.6 A series of briefings have been undertaken with Elected Members as part of the review of drug and alcohol treatment and recovery services. In particular, Executive Members whose portfolio includes services within the scope of the review have had the opportunity to comment on the findings of the review and the draft service design.

4.7 Officers from Public Health, Children's Services, Environment and Housing, Adult Social Care and Public Private Partnership and Procurement Unit, together with the Project Board have been involved in and consulted in respect of this procurement.

4.8 **Equality and Diversity / Cohesion and Integration**

4.9 An Equality Impact Assessment was carried out on 22nd November 2013 and presented to Executive Board on 22 January 2014. Should Members wish to view this document it is available upon request.

4.10 Appropriate policies and procedures with regards to equality and diversity have been reviewed as part of the tender process and are in place with the incoming provider.

4.11 **Council Policies and City Priorities**

4.12 Leeds has a vision 'to be the best city in the UK by 2030'. As part of this vision to create a thriving liveable city, Leeds aspires to be a healthy and caring city for people of all ages where:

- People live longer and have healthier lives. People are supported by high quality services to live full, active and independent lives. Inequalities in health are reduced, i.e. people will not have poorer health because of where they live, what group they belong to or how much money they have.

4.13 This contract seeks to implement significant elements of the Leeds Drug and Alcohol Strategy and Action Plan 2013, which sets out the following ambition:

"Leeds is a city that promotes a responsible attitude to alcohol and where individuals, families and communities affected by the use of drugs and alcohol can reach their potential and lead safer, healthier and happier lives".

4.14 In addition to the Leeds Drug and Alcohol Strategy the re-commissioning of these services will contribute towards the delivery of outcomes from the following strategies and plans:

- Best Council Plan

Priority: Supporting healthy lifestyles

Objective: Supporting communities and tackling poverty

- Leeds Joint Health and Wellbeing Strategy (2013-2015)

Outcome: People will live longer and healthier lifestyles

Success Measure: Increase in successful completions of drug and alcohol treatment designed to support recovery.

- Safer Leeds Strategy 2013-2014

Outcome: Reduce re-offending; reduce crime related to drugs and alcohol

The service will also seek to ensure that where substance misuse is a contributing factor in incidents of domestic violence, that victims and perpetrators are able to access treatment services.

- Children and Young People's Plan 2011-15 (2013 Refresh)

Outcome: Children and young people choose healthy lifestyles

The service will also aim to improve access to treatment for parents and carers with the aim of reducing the number of children taken into care.

- Adult Social Care Better Lives Programme

Priority: Better lives through housing, care and support

4.15 This decision supports a number of Council values, policies and the Council vision including spending money wisely and facilitating successful communities. It also accords with the Council's priority to maintain strong relationships with partners to deliver the best outcomes for local people.

4.16 **Resources and Value for Money**

4.17 The total value for the contract is £42.5 million over a period of five years with an annual value of £8.5 million.

4.18 The total value of the initial 5 year contract is **£42,496,208**. This provides savings of **£848,722** during the first full year of the contract. This will be apportioned to directorates pro rata to net budgets. This has been taken into account in the 15/16 Budget proposals for the Council.

4.19 **Legal Implications, Access to Information and Call In**

4.20 The procurement of the drug and alcohol treatment and recovery services was conducted in accordance with the Council's contract procedure rules and procurement law. This report is subject to Call In

4.21 **Risk Management**

4.22 Risks associated with the procurement of the drug and alcohol treatment services have been identified, reviewed and managed through fortnightly Project Team meetings and through monthly Project Board meetings.

4.23 The identification of new and increasing risks has taken place on an on-going basis and will continue to through the mobilisation and management of the new contract.

4.24 As part of the review, an assessment of how the re-commissioning of services may impact on existing providers has been undertaken. This includes risks to the viability of these third sector organisation as a whole, risks associated with other services and to the use of assets by individual providers.

5 Conclusions

- 5.1 The review and subsequent procurement processes have provided an opportunity to ensure that our treatment and recovery services are able to deliver and respond effectively to the strategic priorities agreed within the Leeds Drug and Alcohol Strategy and provide positive outcomes for service users, their families and carers.
- 5.2 The contract award for drug and alcohol treatment and recovery services marks an important step towards the development of an integrated treatment service for Leeds and provides significant opportunities to improve the way that drug and alcohol treatment is provided in the city.
- 5.3 Commissioned drug and alcohol treatment and recovery services play an important part in achieving key community safety and health and wellbeing outcomes for the city.
- 5.4 Drug and alcohol treatment and recovery services form an important part of how we deliver our commitment to safeguarding in Leeds and will contribute to the Council's objectives towards reducing the number of looked after children.
- 5.5 The involvement of service users as part of the procurement process has been recognised as good practice by Public Health England and plans are now being developed to apply this approach to future procurement exercises.
- 5.6 The review and subsequent procurement of drug and alcohol services has been undertaken by a cross directorate project team lead by Public Health with contributions from colleagues in Adult Social Care, Children Services, Environment and Housing and Strategy and Resources.

6 Recommendations

- 6.1 Executive Board is requested to:
- Note the recent contract award for drug and alcohol treatment and recovery services.
 - Note the inclusive way that service users have been involved in the re-procurement of the service.
 - Note the contribution that the service will make towards meeting key strategic priorities for the Council and the benefits that will be realised as a consequence of this contract.

7 Background Documents

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.