

Report of: Strategy & Commissioning

Report to: Director of Environment & Housing

Date: 23 February 2015

Subject: Approval to establish Interim Contract Arrangements for the provision of Drug Intervention Programme (DIP)/ Integrated Offender Management (IOM) Services pending the outcome of a Commissioning Review

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: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of Main Issues

1. The Council currently commissions a number of services that provide specialist support to reduce reoffending and the risks of reoffending linked to substance misuse. This includes services that are contracted through DISC and CRI to work with people who are subject to the Leeds Drugs Intervention Programme (DIP) and/or Integrated Offender Management (IOM) arrangements. Contracts for these services are due to expire in September 2015, with no further provision to extend.
2. A review of DIP/IOM arrangements is underway which will look at current gaps and future needs to reflect the changing patterns of offending and substance misuse in the City. The review will also take account of significant changes to offender management nationally through the Government's Transforming Rehabilitation programme. Recommendations from the review will be made in July 2015 and will lead to the remodelling and/or re-procurement of services. New services are expected to be in place from October 2016.
3. Interim contracts will therefore be needed with DISC and CRI to enable continuity of service while the local review and re-commissioning of DIP/IOM is fully completed. A new contract will also be required with Casmaco Ltd who provide the client information management system (Mi-Case) which is used by the Council, commissioned providers and the Police to support the day to day running and performance monitoring of the DIP programme.

Recommendations

4. The Director of Environment & Housing is recommended to approve the application of Contracts Procedure Rule 22.1 in order to terminate existing contracts with CRI, DISC and Casmaco Ltd so that appropriate interim arrangements can be established pending the completion of the DIP/IOM review.
5. The Director of Environment & Housing is recommended to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 to establish the following new contracts:
 - 5.1 **CRI:** 12 month contract for the DIP/IOM service commencing 1 April 2015 to 31 March 2016 with an option to extend for a further two six month periods. Contract value not exceeding £728,678 per annum.
 - 5.2 **DISC:** 12 month contract for the DIP/IOM service commencing 1 April 2015 to 31 March 2016 with an option to extend for a further two six month periods. Contract value not exceeding £466,629 per annum.
 - 5.3 **Casmaco Ltd:** 12 month contract for provision of the Mi-Case information management system commencing 1 April 2015 to 31 March 2016 with an option to extend for a further two six month periods. Contract value not exceeding £10,800 per annum.
6. Proposals for the re-commissioning of these services will be the subject of further reports. During the review and interim contract period, new ways of working will continue to be developed involving providers and key partners – an example of this being the Conditional Cautioning pilot that will enable more effective engagement and signposting to DIP/IOM interventions for specific types of offences, including low level domestic violence.

1 Purpose of this Report

The purpose of this report is to seek approval to establish new interim contracts for the delivery of DIP/IOM, in order to ensure continuity of service pending the outcome of the commissioning review.

2 Background Information

- 2.1 The Drugs Intervention Programme (DIP) was launched in 2003 with the aim of breaking the link between substance misuse of Class A drugs and repeat offending behaviour, in particular burglary. The programme provides a key route for adult offenders to access drug treatment and other interventions including housing and employment support.
- 2.2 The Council currently contracts with DISC and CRI to deliver DIP/IOM services at city centre premises in Mabgate Mills. Workers are co-located with teams from West Yorkshire Police and Probation as part of a wider integrated offender management approach in Leeds. These arrangements are for adults and operate separately from youth offending services.

- 2.3 People identified as being at high risk of re-offending are intensively managed to ensure that they maintain involvement with Probation services and comply with any supervision orders, including the requirement to undertake drug treatment and testing. Where appropriate, they are supported to access housing and to live independently in the community to reduce the risk of re-offending or returning to drug misuse.
- 2.4 The DIP/IOM arrangements are delivered through a combination of funding from the Office of the Police and Crime Commissioner (OPCC) and the Council - Environment & Housing and Public Health. The total annual budget of around £1.891m includes partnership contributions to the Police and Probation services as well as funding for premises and information management systems. PCC funding of £613k per annum is currently confirmed to March 2016.

3 Main Issues

- 3.1 Tackling drug related offending remains a priority for the City but, over the last ten years, there have been significant changes in patterns of offending and substance misuse which make it difficult for the current DIP/IOM arrangements to respond effectively – for example around those involved in alcohol related crime, nuisance/anti-social behaviour, street begging and domestic violence (victims as well as perpetrators).
- 3.2 In September 2014, a paper was submitted to Safer Leeds Executive setting out the background and strategic approach for a review of DIP/IOM. It was agreed that the review process should look at broadening the focus of DIP/IOM to reflect local priorities (around Domestic Violence for example) and increases in offending linked to substances other than Class A drugs, such as alcohol, cannabis and new psychoactive substances (or ‘legal highs’).
- 3.3 Key drivers and considerations for the review also include:
- changes being introduced by the Offender Rehabilitation Act 2014 and the Government’s Transforming Rehabilitation programme, the impacts of which are still not fully understood
 - recommendations coming out of the West Yorkshire DIP Commissioning Review compiled for the OPCC (March 2014), and uncertainties relating to funding beyond March 2016
 - the commissioning of a new integrated drug and alcohol treatment and recovery service for Leeds commencing 1 July 2015
 - other reviews/ inter-dependencies (eg housing related support for offenders) and opportunities that may present for closer alignment of services
- 3.4 A project team has been formed to undertake the review, with representatives from key partners including: Public Health, Community Safety, Youth Offending, West Yorkshire Police, Probation Services and HMP Leeds. Progress and recommendations will be reported via the Drug and Alcohol Project Board through to the Safer Leeds Executive. Key links will also be made to the Domestic Violence and Reducing Reoffending Boards, as and when appropriate.

3.5 The proposed timescales and key milestones for the review are as follows:

Review work including desk top analysis/ research and consultation with key stakeholders	Jan – end Apr 2015
Interim contracts in place pending completion of review	Apr 2015
Feedback event and further consultation on key findings	May 2015
Options/ approvals to proceed via Project Board/ Safer Leeds Executive	End May 2015
Pre procurement planning and development of tender documentation	June – end Sept 2015
Procurement of services – tender to contract award	Oct 2015 – end June 2016
Contract mobilisation (3 or 6 months)	July – Sept 2016 (or Dec 2016)
Contract start (assuming 3 month mobilisation)	Oct 2016

3.6 Contracts for DIP/IOM expire on 30 September 2015 with no further provisions to extend. This will not allow sufficient time for the review and re-commissioning of services to be completed, particularly given the implications for commissioning within the context of Transforming Rehabilitation and uncertainties regarding future funding for DIP/IOM through the OPCC.

3.7 Interim arrangements with DISC and CRI are therefore required to ensure continuity of provision. A new 12 month contract will also be required with Casmaco Ltd who provide the hosting, maintenance and licensing for the client information management system (Mi-Case) which is used by the Council, commissioned providers and the Police to support the DIP programme.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.1 Consultation and engagement will be undertaken as part of the review and re-commissioning process. This will involve a wide range of stakeholders including existing providers, service users, and key strategic partners. The consultation findings will be used to shape and inform DIP/IOM services going forward.

4.1.2 A Project Team and Project Board have been formed to oversee the review with representatives from key agencies involved in the delivery of DIP/IOM (Police, Probation, Prisons) as well as relevant parts of the Council (Public Health, Community Safety). Executive Members whose portfolio includes services within scope of the review have been kept fully briefed.

4.1.3 Providers have been notified of the Council's intention to establish interim contracts to ensure continuity of service for the period of the review, subject to approval of this report.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 An Equality Impact Assessment screening tool has been completed and included as background information to the report. This decision is to maintain existing services therefore the impact is likely to be minimal. A detailed Equality Impact Assessment (EIA) will be undertaken as part of the review to help identify where there are gaps in services and/or issues for particular equality groups. Any changes to existing provision will be fully considered and managed in consultation with providers, service users and wider stakeholders.

4.3 Council Policies and City Priorities

4.3.1 The review provides an opportunity to refocus and improve the current DIP/IOM partnership arrangements to ensure an integrated and responsive service which contributes more effectively towards city priorities. The overall aim is to reduce reoffending and the negative impacts of this across the City.

4.3.2 The DIP/IOM services contribute directly to a number of strategies and plans including the Safer & Stronger Communities strand of the City Priority Plan 2011-2015, by helping reduce crime levels and the impact of crime through work with individuals to address their substance misuse and offending behaviour.

4.3.3 These services contribute to priorities within the Leeds Drug & Alcohol Strategy 2013-2016 and the Best Council Plan 2013-2017, by delivering health promotion and helping to increase the number of successful completions from drug and alcohol treatment programmes to support recovery.

4.4 Resources and Value for Money

4.4.1 The total annual contract value for all three services is £1,206,107, for which there is existing budget provision. Interim contracts will run for an initial period of 12 months up to end March 2016 when the current funding commitment from the OPCC expires.

4.4.2 In 2013, efficiencies of £250,451 and £167,481 were achieved on the CRI and DISC contracts respectively. As part of the commissioning review, further work will be carried out to ensure that any remodelling/ re-commissioning of services achieves best value and efficient use of resources.

4.4.3 All services are contract managed by the Strategy & Commissioning Team in the Office of the Director of Public Health. Robust contract management processes allow for the on-going monitoring of performance and will help to ensure that value for money is achieved for the duration of the interim arrangements with existing providers.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This is a Key Decision and will be subject to call in as the combined cost of the interim contracts is in excess of £250k. The decision is being taken under the General Exception in accordance with Rule 2.5 of the Executive and Decision Making Procedure Rules as it is impracticable to defer the decision until 7 March

2015, the date on which it will have been on the List of Forthcoming Key Decisions for 28 clear calendar days.

- 4.5.2 This is because the services to which the decision relates require interim contract provisions which could be at risk of challenge under the new Procurement Regulations 2015. Based on emerging guidance it is believed that the regulations do not apply in this instance but to ensure that any risk is mitigated, a delegated decision to enter into new contracts is required prior to 26th February (the date when the new regulations come into force).
- 4.5.3 Advice has been provided through the Public Private Partnerships & Procurement Unit to ensure that this decision is being made in compliance with the appropriate Contracts Procedure Rules. The Procurement Unit will provide ongoing advice and support as part of the review and re-commissioning of DIP/IOM services.
- 4.5.4 This report does not contain any exempt or confidential information.

4.6 Risk Management

- 4.6.1 Risks associated with the new Procurement Rules are highlighted and mitigated above. It is imperative that interim contract arrangements are put in place to allow adequate timescales for the review and re-commissioning of DIP/IOM services. Without these arrangements, services will fall out of contract causing significant risk to the Council, its providers and service users.
- 4.6.2 Uncertainties regarding the future funding of DIP via the OPCC are reflected in the length of contract that is proposed (12 month initially with provisions to extend if appropriate and affordable). The review and remodelling of services will take account of potential funding limitations going forward.
- 4.6.3 Appropriate governance arrangements are in place to manage risks associated with the review. This includes monthly meetings of the Project Board to discuss progress against the timescales and key milestones. The Risk Register will be continually reviewed and updated to reflect any additional issues as they arise, for example in relation to funding.

5 Conclusions

- 5.1 A commissioning review of DIP/IOM services is currently underway. These services are currently held on contracts which are due to expire on 30 September 2015, with no provision to extend. Therefore, in order to ensure continuity of service pending the outcome of the review, interim contract arrangements will need to be put in place with DISC, CRI and Casmaco Ltd.

6 Recommendations

- 6.1 The Director of Environment & Housing is recommended to approve the application of Contracts Procedure Rule 22.1 in order to terminate existing contract arrangements with CRI, DISC and Casmaco Ltd so that appropriate interim arrangements can be established pending the completion of the DIP/IOM review.

- 6.2 The Director of Environment & Housing is recommended to approve the waiver of Contracts Procedure Rules 9.1 and 9.2 to establish the following new contracts:
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- 6.3 Proposals for the re-commissioning of these services will be the subject of further reports. During the review and interim contract period, new ways of working will continue to be developed involving providers and key partners – an example of this being the Conditional Cautioning pilot that will enable more effective engagement and signposting to DIP/IOM interventions for specific types of offences, including low level domestic violence.

7 Background Documents¹

- 7.1 Equality, diversity, cohesion and integration screening document.
- 7.2 Letter from the OPCC confirming continuity of funding until March 2016.

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.