

Report of the Interim Chief Officer, Commissioning

Report to Director of Adult Social Services

Date: 4th March 2016

Subject: Request to waive Contract Procedure Rules (CPRs) 9.1 and 9.2, using the authority set out in CPR 1.3, to enter into a contract with St Anne's Community Services for a period of 12 months from the 1st April 2016 for the provision of a 17 bedded residential rehabilitation service for alcohol users, at a cost of £314,313.20

Are specific electoral wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, name(s) of ward(s):		
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input 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?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number:		
Appendix number:		

Summary of main issues

1. Leeds City Council (LCC) Adult Social Care (ASC) has a contract in place with St Anne's Community Services to deliver a residential rehabilitation service for 17 alcohol users at St Mark's House in Leeds. This contract expires on 31st March 2016 with no further extension periods available to invoke. The per annum value of this contract is £330,856.00.
2. The service also delivers alcohol detoxification on the same site, which is funded through a separate contract with Public Health which expires on 31st March 2017.
3. Approval is being sought to put in place a further short term interim contract for the rehab service for 12 months in order to allow sufficient time to undertake a procurement exercise, starting with a market sounding exercise. This would be undertaken jointly with colleagues in Public Health and would include both the detoxification and rehabilitation elements of the service.
4. The cost of the proposed 12 month interim contract is £314,313.20 per annum, and this amount will be funded by Public Health. This represents a 5% reduction on the current ASC contract value for this service.

Recommendations

5. The Director of Adult Social Services is recommended to approve the waiver of Contract Procedure Rules (CPRs) 9.1 (requirement of competition) and 9.2 (invitation

of a minimum of four written tenders) using the authority set out in CPR 1.3, in relation to high value procurements and award a 12 month contract without seeking competition to St Anne's Community Services for the Residential Rehabilitation Service.

6. The contract will commence on the 1st April 2016 and expire on the 31st March 2017. The Commissioning Manager (Leeds ASC) will liaise with the Programmes, Projects and Procurement Unit (PPPU) to oversee the implementation of the new contract before the existing arrangement expires on 31st March 2016.

1 Purpose of this report

- 1.1 To seek approval from the Director of Adult Social Services to use the authority set out in CPR 1.3 in order to waive CPRs 9.1 and 9.2 to enter into an interim contract with St Anne's Community Services for a period of 12 months from the 1st April 2016. The cost of the 12 month contract will be £314,313.20. The contract is required in order to ensure continuity of service whilst a competitive tender exercise is undertaken.

2 Background information

- 2.1 The St Anne's service provides residential rehabilitation support for periods of 13 weeks for people who are alcohol dependent for whom community based treatment has not been successful. The majority of people accessing rehab support will first undertake a medical detox from alcohol onsite, usually for a period of seven to 10 days.
- 2.2 The rehabilitation programme offered by St Anne's is based on a therapeutic model, as opposed to a 12 step addiction approach. The therapeutic programme focuses on the individual's own ability to recover, using a social model of dependency.
- 2.3 The service works very closely with the newly commissioned 'Forward Leeds' service, which provides community based drug and alcohol support and treatment across Leeds. St Anne's receive rehab referrals from Forward Leeds (as well as directly from service users and their GPs), and then liaise with Forward Leeds to arrange ongoing aftercare support for service users who are leaving alcohol free at the end of their placement.
- 2.4 In 2015, St Anne's were successful in their bid to Public Health England for capital funding to convert the annex at St Mark's House to create four 'step down' units. In July 2015 approval was obtained from the Director of Adult Social Services to vary the ASC contract in order to increase the value by £14,600 per annum. This was to reflect the increase in staffing required to support service users in these additional four units. This amount has been funded by Public Health, see Appendix 2.
- 2.5 The step down units provide an independent living environment for service users who are nearing the end of their rehabilitation programme, with support focusing on the development of independent living skills. The creation of these additional units has had a positive impact on the service's waiting list, with service users in Quarter 2 (2015/16) waiting on average 16 days from referral to admission. This is a significant reduction on the 47 days average experienced by service users during 2014/15.

3 Main issues

- 3.1 The service forms an integral part of the drug and alcohol treatment system in Leeds. The community element of the treatment system was reviewed and re-commissioned jointly by Leeds ASC, Public Health and Children's Services during 2014/15. This waiver of CPRs is being requested in order to ensure continuity of service delivery whilst a competitive tender exercise is undertaken in conjunction with Public Health for both the rehabilitation and detoxification elements of the service.
- 3.2 Demand for residential treatment for alcohol users in Leeds remains high, with the detox and rehab elements of the service receiving 211 referrals in the first two quarters of 2015/16.
- 3.3 The service has performed well against targets over the life of the current contract. In particular, the number of people successfully completing rehab has been high. In Quarter 2 (2015/16), 70% of service users successfully completed rehabilitation and this increased to 75% in Quarter 3 (2015/16). The service maintained a 90% and 92% occupancy rate during these two quarters respectively.

4 Corporate considerations

4.1 Consultation and engagement

4.1.1 The provider regularly consults with service users on the quality of the service, and this is then reported to commissioners as part of the contract management process. This will continue for the duration of the proposed 12 month interim contract. Care and support at the service is of a high quality, and was found to be compliant when inspected by the Care Quality Commission (CQC). The service is due another inspection by CQC in March 2016 and commissioners will request a copy of the findings.

4.1.2 The contract being proposed is for a short period to allow a procurement exercise to be undertaken, commencing with a market sounding exercise. Commissioners will ensure that service users and people in recovery are fully involved in this process, and in particular have an opportunity to comment on the development of the new service model and specification.

4.1.3 The community element of the Leeds drug and alcohol treatment system was fully reviewed and re-commissioned in 2014/15. During this process views were sought from service users and people in recovery, including their thoughts on residential treatment. These views will be incorporated into the development of the new service specification when the service is tendered during 2016/17.

4.1.4 As of 23rd February 2016 the Executive Board Member for Health, Wellbeing and Adults has been briefed on the proposals contained in this report.

4.2 Equality and diversity / cohesion and integration

4.2.1 An Equality Impact Assessment Screening Tool has been completed and is attached to this report.

4.2.2 The impact assessment indicates that the proposal to enter into a further 12 month contract with St Anne's for the rehab service does not adversely affect any groups. A full equality impact assessment will be undertaken as part of the planned procurement process.

4.3 Council policies and Best Council Plan

- 4.3.1 Residential rehab provision in the city directly contributes to the priorities set out in the Leeds Drug and Alcohol Strategy and Action Plan for 2013 – 2016, in particular by increasing the number of people who recover from alcohol misuse.
- 4.3.2 The vision contained within the Best Council Plan for Leeds to be the best city for health and wellbeing is supported through the delivery of residential rehabilitation for alcohol users. This includes supporting more people to make healthy lifestyle choices and to live safely, and by giving people choice and control over their health and social care services.
- 4.3.3 The service reflects the priorities of the National Alcohol Strategy published in 2012 which includes bringing about a change in attitudes so that it is not acceptable to drink in ways that could cause harm to oneself or others. The service also contributes towards the priority to reduce the number of alcohol-related deaths.
- 4.3.4 The service contributes to the Children and Young People City Priority Plan 2011 to 2015 as substance misuse is often a key factor in children becoming looked after / taken into care.

4.4 Resources and value for money

- 4.4.1 The contract being proposed in this report will be funded by Public Health at a cost of £314,313.20 for the 12 month period. This amount represents a 5% saving on the current contract value of £330,856.00.
- 4.4.2 The reduction in contract value will not result in any change to the number of commissioned rehab bed spaces within the service. St Anne's have indicated that they will make the required 5% saving from central overheads.

4.5 Legal implications, Access to Information and Call In

- 4.5.1 This is a Key Decision which is subject to call-in as the proposed per annum contract value exceeds £250k. A notice was published on the List of Forthcoming Key Decisions on 29th January 2016.
- 4.5.2 This report does not contain any exempt or confidential information under the Access to Information Rules.
- 4.5.3 Awarding a new contract directly to the existing provider in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value should be subject to a degree of European wide advertising. It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.
- 4.5.4 The Director of Adult Social Services has considered this and, due to the nature of the service being delivered and the requirement to be physically located in Leeds, is of

the view that the scope and nature of the service is such that it would not be of interest to providers in other EU member states. Also, this type of contract will fall within the Social and Other Specific Services within the Public Contracts Regulations 2015 and the value of this contract is below the threshold for such contracts. However, note again the comments in 4.5.3 above.

- 4.5.5 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.5.6 Although there is no overriding legal obstacle preventing the waiver of CPRs 9.1 and 9.2 using the authority set out in CPR 1.3, the above comments should be noted. In making their final decision, the Director of Adult Social Services should be satisfied that the course of action chosen represents Best Value for the Council.
- 4.5.7 This short term contract is being requested to allow sufficient time to undertake a procurement exercise, which mitigates the risk of challenge from other providers to some extent.

4.6 Risk management

- 4.6.1 If this waiver to CPRs is not approved, there is a risk that the existing service will either cease or continue on an implied basis. If the service were to terminate, this would significantly impact the drug and alcohol treatment system in Leeds, by reducing the number of people with an alcohol issue who can access residential rehabilitation. Allowing the service to terminate would also impact upon the budget for out of area residential rehabilitation, which is already under pressure.
- 4.6.2 The proposed contract will continue to be performance managed by officers in ASC Commissioning. This includes regular reviewing of performance information and quarterly contract management meetings with the provider, at which any service delivery issues are discussed. To date, the service has been delivered in accordance with the service requirements and performance criteria outlined in the specification.

5 Conclusions

- 5.1 The proposed new contract of 12 months will ensure that there is continuity of service delivery whilst a procurement exercise takes place. It will also ensure that there is sufficient time to co-produce the service specification and service model with service users and people in recovery in Leeds.
- 5.2 The Director of Adult Social Services should note that:
- The Council's PPPU will be requested to issue the new contract
 - The Adult Commissioning Manager is the officer responsible for implementation.

6 Recommendations

- 6.1 The Director of Adult Social Services is recommended to approve the waiver of Contract Procedure Rules (CPRs) 9.1 (requirement of competition) and 9.2 (invitation of a minimum of four written tenders) using the authority set out in CPR 1.3, in relation to high value procurements and award a 12 month contract without seeking competition to St Anne's Community Services for the Residential Rehabilitation Service.
- 6.2 The contract will commence on the 1st April 2016 and expire on the 31st March 2017. The Commissioning Manager (Leeds ASC) will liaise with the Programmes, Projects and Procurement Unit (PPPU) to oversee the implementation of the new contract before the existing arrangement expires on 31st March 2016

7 Background documents¹

- 7.1 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.