

Report of: Head of Commissioning, Adults and Health

Report to: Director of Resources and Housing

Date: 13 March 2018

Subject: Request approval to waive Contracts Procedure Rules 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into new contracts for the delivery of the Integrated Offender Management Support Service with Drug with Developing Initiatives for Support in the Community (DISC) and Change Grow Live (CGL) for a period of 12 months, with an option to extend of up to a further 12 months.

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 two services that deliver support to offenders working with the West Yorkshire Community Rehabilitation Company (WYCRC), the National Probation Service (NPS) and West Yorkshire Police, through an IOM Hub at Mabgate Mills, near the city centre. These services are delivered by third sector providers (CGL and DISC) and are contract managed within Adults and Health on behalf of the wider partnership.
2. A comprehensive review of Drug Intervention Programme/Integrated Offender Management services (DIP/IOM) is nearly complete, the findings of which will be used to inform the development of a more flexible and coordinated IOM model aimed at reducing offending and reoffending in the City. The timescales for completing the review and re-commissioning of services have been delayed to take account of changing requirements and roles for key strategic partners, in particular Police and probation services, uncertainty around future funding availability, and understanding how other services will relate to the IOM Hub in the future.
3. As the current contract period is coming to an end on 31 March 2018, further new arrangements will be required with existing providers to ensure continuity of service pending the outcome of any review and subsequent procurement. Therefore, new contracts

for one year, from 1 April 2018 to 31 March 2019, with an option to extend up to a further 12 months to allow for full procurement and mobilisation of a new service.

4. A 10% reduction in funding to both services was made in 2016/17 and a further 11% reduction was made in 2017/18. This was due to reductions to Public Health Grant made by Central Government and also some of the activity was in scope within the new Housing Related Support Gateway. The maximum combined contract value for these services in 2018/19 will remain at £941,065.

Recommendations

It is recommended that the Director of Resources and Housing approves the request to:

- Waive Contracts Procedure Rules 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract with Change Grow Live (CGL) for delivery of the Integrated Offender Management (IOM) Support Service, as the contract period is coming to an end. The new arrangement is required to ensure continuity of service pending the outcome of the review and subsequent procurement and mobilization of a new service. The contract will be for one year, from 1 April 2018 to 31 March 2019, with an option to extend up to a further 12 months, if required. The maximum value of the contract for 2017/18 will not exceed £590,850.
- Waive Contracts Procedure Rules 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract with Developing Initiatives for Support in the Community (DISC) for delivery of the Integrated Offender Management (IOM) Support Service as the main contract period is coming to an end. The new arrangement is required to ensure continuity of service pending the outcome of the review. The contract will be for one year, from 1 April 2018 to 31 March 2019, with an option to extend up to a further 12 months, if required. The maximum value of the contract for 2018/19 will not exceed £350,215.

To note that:

- The Delegated Decision Notification relating to this report will be signed by the Director of Resources and Housing.
- the future approvals relating to forthcoming commissioning decisions, for example the approval of detailed specifications for procurement and subsequent contract awards/extensions will be sought through the Director of Communities and Environment. This follows a change in Director responsibilities within the Council in 2017.

1. Purpose of this Report

- 1.1 The purpose of this report is to seek approval from the Director of Resources and Housing to put in place new contracts for a period of 12 months, with an option to extend for a further 12 months, if required, commencing 1 April 2018 with DISC and CGL. This will enable continuity of support as part of the city-wide partnership arrangements for IOM and will help to mitigate the risk of threat and harm from reoffending pending the outcome of a commissioning review and re-procurement process.

2. Background Information

- 2.1 The DIP/IOM services are comprised of two contracts with CGL and DISC which provide dedicated offender management resources and structured, intensive community orders for identified offenders subject to Prolific and Priority Offender (PPO) and DIP interventions or other priority offenders requiring intensive management. DISC and CGL staff are co-located with teams from West Yorkshire Police and WYCRC as part of a wider Integrated Offender Management approach. These arrangements are for adults only and currently operate quite separately from the Youth Offending Service.
- 2.2 The DIP/IOM arrangements are delivered through a combination of funding from the Office of the Police and Crime Commissioner (OPCC) and the Council (Public Health and Resources and Housing). The total 2018/19 annual budget of £1,094,765 includes partnership contributions to WY Police and WYCRC as well as funding for premises and a case management system. As a direct result of the Public Health Grant reductions announced by the Government, and also a reduction in the contribution from Resources and Housing, reductions have been made of 21.27% across both services since 2015/16.
- 2.3 A review of DIP/IOM support services is near completion and has identified a number of key findings as a basis for developing a new model of working in the City. This will require an increased focus on early engagement and intervention, supporting people to address their offending behaviour and help them to reintegrate into their local communities. The review has taken longer than anticipated due to budget uncertainty and the impact of potential reductions on commissioned services and external partner delivery. Also significant uncertainties have been caused by the Government's Transforming Rehabilitation agenda, the full impact of which is still not fully understood in relation to future partner roles and has added to the complexity and length of time needed to complete the review. A further complication has been due to the need to fully understand the role of the new Liaison and Diversion service, funded by NHS England, which has been delivered from the custody suite at Elland Road Police Station, from 1 April 2017.

3.0 Main Issues

- 3.1 Tackling drug related offending remains a priority for the City. Over the last ten years, however, there have been significant changes in patterns of offending and substance misuse which means that the focus of the IOM service needs to change to reflect the priorities of the Reducing Offending Strategy for the city.
- 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:

- The key priorities of the Reducing Offending Strategy (2016), which are as follows:

Prevent and Deter: early stage identification and targeted interventions with individuals, families and associates in the community, to reduce risk of and/or escalation of anti-social behaviour and crime

Catch and Control: proactive working with a cohort of persistent and prolific offenders who continue in their offending behaviour, establishing effective pathways (considering underlying needs) for those who pose the most risk and harm

Rehabilitate and Resettle: supporting offenders in addressing the issues that will promote their effective reintegration into the community and reduce the risk of reoffending through effective pathways/behaviour programmes

- 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, which commenced 1 July 2015
- other reviews and/or inter-dependencies (eg, housing related support for offenders) and opportunities that may present for more effective alignment of services
- the new Liaison and Diversion Service, funded by Public Health England, which commenced from Elland Road Custody Suite from 1 April 2017

3.4 A Project Team was formed to undertake the review, with representatives from key partners including: Public Health, Safer Leeds, Projects Programmes and Procurement Unit (PPPU), Youth Offending Service, West Yorkshire Police, NPS and HMP Leeds. Progress and recommendations are reported via the Reducing Offending Board through to the Safer Leeds Executive. Key links will also be made to the Health and Wellbeing Board, the Domestic Violence and Abuse Programme Board and any other relevant strategic bodies, as and when appropriate.

3.5 Previous key decision reports have been submitted in 2015 and 2017 setting out requirements for interim contracts, pending a competitive procurement exercise. The timescales for completion of the review and re-commissioning process have again recently been reviewed in light of the ongoing uncertainties regarding partner requirements, future roles and funding, which have hampered the review team to progress to a competitive tender exercise, although it is felt now that partners should be in a position to determine commissioning options by spring 2018.

3.6 New contract arrangements are needed whilst the review and re-commissioning of IOM support services is completed. New arrangements with DISC and CGL are therefore required to ensure continuity and improvement of IOM delivery going forward.

3.7 A high level review and procurement timetable is provided below;

Milestone	Date
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Development of model / options appraisal	February – June 18
Pre-procurement planning	August – Sept 2018
Procurement of new IOM service – tender to contract award	October – March 2019
Contract Mobilisation	April – Sept 2019
Contract Start	1 October 2019

3.8 It should be noted that although the timetable for the new service could be feasible within 18 months, it may be prudent to allow an additional 6 months' timeframe on the new contract to allow for slippage/flexibility.

3.9 New arrangements will also include working more flexibly and to work with new cohorts of offenders and play a key role in achieving the key outcomes of the Reducing Offending Strategy. Providers are also work closely with the new Housing Related Support Gateway which started in April 2017, to ensure a more streamlined service is available to house and support offenders, particularly those coming out of prison.

4. Corporate Considerations

4.1 Consultation and Engagement

4.1.2 As part of the DIP/IOM review, extensive consultation has been undertaken with a wide range of partners and stakeholders involving staff and service users in completing questionnaires and attending various consultation events. Feedback from the consultation will help to inform service design and future commissioning of a new IOM model for the City. The incumbent providers have also been consulted about the proposal to enter into new contracts.

4.1.3 An IOM Project Team has been established as part of the review process and includes representation from WY Police, NPS, Youth Offending Service, Safer Leeds and Adults and Health Commissioning. Advice and support is also provided through PPPU. The Project Team reports through to the Reducing Offending Board, and ultimately to the Safer Leeds Executive. Key findings from the review have also already helped to inform the development of a Reducing Offending Strategy and Action Plan for the City. Regular updates are also provided at Safer Leeds Executive, membership of which includes the Executive Member for Communities.

4.1.4 PPPU provide advice and support in relation to the IOM review and re-commissioning process and have been consulted regarding putting in place the proposed new contracts with CGL and DISC. The Reducing Offending Board have also agreed to put in place new contracts as the most appropriate course of action. Formal contract documentation will be updated and published by the PPPU should this report be approved.

4.1.5 It should be noted that the Director of Communities and Environment and Chair of Safer Leeds will use their delegated authority to take all further decisions with regard to Integrated Offender Management in the city.

4.2 Equality and Diversity/Cohesion and Integration

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening tool has been completed and is included as background information to this report. This indicates that a full assessment is not required as putting in place new contracts will not involve any significant changes which would impact negatively on service users, staff or other stakeholders.
- 4.2.2 A full Equality, Diversity, Cohesion and Integration assessment will be completed based on the options and procurement proposals for any new service.

4.3 Council Policies and City Priorities

- 4.3.1 IOM directly supports the Council's renewed ambition for Leeds to be a compassionate and caring city by helping to reduce reoffending and the negative impacts of this across the City. It also supports the 'Vision for Leeds 2011-2030' and the delivery of wider outcomes relating to community safety, health and well-being, social inclusion and employment and training.
- 4.3.2 The DIP/IOM services contribute directly to a number of strategies and plans including the Safer and Stronger Communities strand of the Best Council Plan (2015-2020) by helping reduce crime levels and the impact of crime through work with individuals to address their substance misuse and/or offending behaviour.
- 4.3.3 The services will also make a contribution to the Health and Wellbeing Strategy (2016-2021) in terms of helping to ensure that 'people will live in healthy, safe and sustainable communities'.
- 4.3.4 Integrated Offender Management will also play a key role within the Reducing Offending Strategy and Action Plan (2016) to enable offenders to 'change their behaviours and ensure that they are resettled in their communities'. The key focus within the Action Plan will be to enhance and develop direct and indirect interventions targeted at a cohort of persistent and prolific offenders, their families and communities.
- 4.3.5 These services also contribute to priorities within the Leeds Drug and Alcohol Strategy 2016-2018 by delivering health promotion and helping to increase the number of successful completions from drug and alcohol treatment programmes to support recovery, particularly offenders.

4.4 Resources and Value for Money

- 4.4.1 Funding provision for the delivery of DIP/IOM is available through the West Yorkshire Police and Crime Commissioner as well as Resources and Housing and Public Health commissioning budgets. However, due to the reduction in Public Health Grant, the budget for 2016/17 was reduced, requiring a 10% saving from each of the services provided by DISC and CGL resulting in individual budget allocations of £419,972 and £655,812 respectively. The budget was reduced by a further 11% for 2017/18, resulting in individual budget allocations of £350,215 and £590,850 for DISC and CGL respectively. The funding for 2018/19 will remain at this level.
- 4.4.2 The new contracts will enable continuity of key worker support to the target cohort of offenders pending the re-modelling of IOM partnership arrangements as part of a wider reducing offending strategy for the City. The findings from the review have already highlighted a number of 'gaps' and potential areas for improvement which, once addressed, will ensure added value and flexibility within service delivery.

4.4.3 The existing DIP/IOM services are contract managed by staff within Adults and Health Commissioning Team. Performance monitoring processes are also being updated for 2018/19 to ensure value for money and quality of delivery for the duration of the new contract arrangements.

4.5 Legal Implications, Access to Information, and Call In

4.5.1 These are Key Decision's and are subject to Call In as the cost of each service is more than £250k per annum. A notice was published on the list of Forthcoming Key Decisions on 20 February 2018. There are no grounds for treating the contents of this report as confidential under the Council's Access to Information Rules.

4.5.2 Awarding the new contracts direct to CGL and DISC 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 could be of interest to contractors on other EU member states and, if it could, the opportunity 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.

4.5.3 The Director of Resources and Housing has considered this and, due to the nature of the services being delivered, the relatively low contract values and the requirement to be physically located in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.

4.5.4 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.

4.5.5 Although there is no over-riding legal obstacle to preventing the waiver of CPR 9.1 and 9.2 by putting in place new contracts, the contents of this report should be noted. In making the final decision, the Director of Resources and Housing should be satisfied that the course of action chosen represents best value for money and the effective use of resources.

4.6 Risk Management

4.6.1 Risks associated with the review and re-commissioning of DIP/IOM services have been identified, reviewed and managed through a Risk Register which is discussed at regular meetings of the IOM Project Team and Reducing Offending Board. Membership includes relevant representation from key partners. The identification and mitigation of new and increasing risks is an ongoing process.

4.6.2 Putting in place new contracts with CGL and DISC will allow continuity of provision whilst the outcomes of the review are implemented. This will help to mitigate the threat and risk of reoffending within the City. The services will continue to be performance managed by officers in Adults and Health Commissioning.

4.6.3 Without putting in place new contracts, the existing arrangements with CGL and DISC will cease at the end of March 2018, causing significant reputational risk to the Council, its

partners and providers. The most prolific offenders in the City would be left without appropriate support to manage their offending behaviour and the resulting impact on cost and consequences for the City could be substantial.

5. Conclusions

5.1.1 A review of DIP/IOM services is near completion, the purpose of which is to determine future commissioning needs relating to the delivery of IOM as part of a remodelled partnership arrangement within the City. The review has involved extensive consultation with a wide range of stakeholders including Police and Probation (WYCRC and NPS), Prisons, Youth Offending Service, other Council Directorates and commissioned services, existing DIP/IOM providers, staff and service users.

5.1.2 It is imperative that new contracts are put in place with CGL and DISC for 12 months (ending March 2019), or longer (up to one additional year) as this will enable the review and re-commissioning process to be progressed within achievable timescales.

6. Recommendations

It is recommended that the Director of Environment and Housing approves the request to:

- Waive Contracts Procedure Rules 9.1 and 9.2 using the authority set out in CPR 1.3, to enter into a new contract with Change Grow Live (CGL) for delivery of the Integrated Offender Management (IOM) Support Service, as the main contract period is coming to an end. The new arrangement is required to ensure continuity of service pending the outcome of the review. The contract will be for one year, from 1 April 2018 to 31 March 2019, with an option to extend up to a further 12 months, if required. The maximum value of the contract for 2018/19 will not exceed £590,850.
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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.