

**Report of the Deputy Director, Integrated Commissioning, Adults and Health**

**Report to the Director of Adults and Health**

**Date: 15 May 2019**

**Subject: Request to utilise the negotiated procedure without prior publication of a notice under Regulation 32 of the Public Contracts Regulations 2015 to engage with St Anne’s Community Services to establish a new contract for a period of 5 years with an option to extend up to a further 2 years for Residential Alcohol Detoxification and Rehabilitation Services in Leeds**

Are specific electoral wards affected?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, name(s) of ward(s):	
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?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number: 1. to this report has been marked as exempt under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case the report author considers that it is in the public interest to maintain the exemption	

**Summary of main issues**

1. Leeds City Council currently contracts with St Anne’s Community Services for the delivery of residential alcohol detoxification and rehabilitation provision in Leeds through two separate contracts.
2. The services have been subject to interim arrangements since 2017/18 to enable the ongoing review work to be completed and the future commissioning intentions to be determined. Current contracts are both for six months from 1 April to 30 September 2019 with an option to extend by up to 6 months to ensure service continuity until the long term commissioning arrangements are finalised.

3. These services play a significant role in the treatment of alcohol substance misuse with circa 220+ people being admitted for a one week residential detox placement and circa 75+ people being admitted for a thirteen week residential rehab placement each year. Referrals are from the Forward Leeds community drug and alcohol service. In 2018 Leeds achieved a green RAG rating for the first time regarding alcohol treatment completion data as reported by Public Health England (PHOF 2.15 indicator). The effectiveness of the residential alcohol detoxification and rehabilitation services has played an important role in this achievement.
4. A market sounding exercise (MSE) has been undertaken to gauge market interest and capacity in delivering a combined 5 year contract for these services with a maximum value of £730k per annum. The conclusion of the MSE is that St Anne's is the only provider that can deliver the service in accordance with the Council's requirements and within the maximum available budget. The Director of Adults and Health is therefore being recommended to grant authority to procure the 'Residential Alcohol Detoxification and Rehabilitation Service' utilising the negotiated procedure without publication of a notice with St Anne's Community Services for the provision of these services as set out in the recommendations below.

## **Recommendations**

1. The Director of Adults and Health is recommended to:
  - (i) grant authority to procure the 'Residential Alcohol Detoxification and Rehabilitation Service' utilising the negotiated procedure without publication of a notice under regulation 32 (2) (b) (ii) of the Public Sector Contracts Regulations 2015 where services can only be provided by St Anne's Community Services for the provision of the service commencing on 1 October 2019 subject to the completion of procurement and governance processes by this date due to absence of competition due to technical reasons.
  - (ii) approve a contract length period of 5 years, with the option to extend up to a further 2 years with a maximum budget of £730,000 per annum.
  - (iii) grant approval to waive CPR 15.2 to change the tender evaluation quality threshold for the 'Residential Alcohol Detoxification and Rehabilitation Service' procurement exercise to be based on 100% quality.
  - (iv) note that the Director of Adults and Health will use their delegated authority to take commissioning decisions which will be a direct consequence of this key decision, for example approval of the detailed specification for procurement and subsequent contract award. These will at most be a significant operational decision. This is subject to the decisions being in line with the key principles and features as described in the report.

## **1. Purpose of this report**

- 1.1 The purpose of this report is to set out the rationale to grant authority to procure an integrated 'Residential Alcohol Detoxification and Rehabilitation Service' utilising the negotiated procedure without publication of a notice under regulation 32 (2) (b) (ii) of the Public Contracts Regulations 2015 with St Anne's Community Services for the provision of the service commencing on 1 October 2019 subject to the completion of procurement and governance processes by this date.

## **2 Background information**

- 2.1 Residential alcohol detoxification and rehabilitation are key elements in the treatment of alcohol substance misuse, in particular for those who have consumed high levels of alcohol on a daily basis and are co-presenting with mental and / or physical health problems.
- 2.2 Residential alcohol detoxification and rehabilitation provision in Leeds is currently delivered by St Anne's Alcohol Service which is part of St Anne's Community Services (St Anne's) through two separate contracts. These arrangements have been in place for a number of years. Existing contracts are each of a six month duration from 1 April to 30 September 2019 with an option to extend by up to 6 months and are interim measures to ensure service continuity is maintained until the long term commissioning arrangements for this provision are finalised.
- 2.3 The services are currently delivered from premises owned by St Anne's in LS2. The detox element of the service comprises five bed spaces and the rehab element comprises 17 bed spaces. Four of the rehab beds are in a step down unit providing semi-independent living accommodation which was opened in January 2015 following receipt of a Public Health England capital grant to extend provision.
- 2.4 The usual length of stay is one week in detox and thirteen weeks in the rehab programme. Referrals are usually through the Forward Leeds community drug and alcohol service with service users undertaking one or both elements depending on their individual care plan needs.
- 2.5 These services have been subject to ongoing review and discussion with key issues for the long term re-commissioning being the cost of delivery, the reduction of Public Health funding and availability of the existing premises for future use.
- 2.6 An in-depth review of provision, which commenced in 2016, was positive with the service being well-received by service users and delivering excellent outcomes but facing significant cost pressures following a 5% reduction in the contract values for both services in 2016/17 as a result of the public health funding cuts. The review findings and an options appraisal were presented to the Public Health Programme Board and Adults Social Care Commissioning Board in 2016 regarding future provision of these services.
- 2.7 Work to further explore funding and delivery models was undertaken in 2017 which resulted in the Adults and Health Directorate Leadership Team (DLT) supporting the preferred option put forward which was to continue commissioning the existing service model. This recognised that tackling alcohol misuse is a key priority in Leeds in order to reduce hospital admissions, improve life expectancy and reduce health inequalities. Demand for the service remains high, it is more cost effective than out of area residential placements and the current service performs well, making a substantial contribution to the achievement of national measured outcomes.

- 2.8 Adults and Health DLT also recommended that the services should be competitively tendered with an increased budget envelope to ensure the full cost of the service is funded. Also that the service should continue to be delivered from the existing premises, subject to St Anne's confirming availability of the premises in the event they were not delivering the service themselves.
- 2.9 As a result of the subsequent review work and discussions with St Anne's it became clear that if the service was retendered, any new provider wishing to deliver the service would be required to supply their own premises. It was thought this would prove prohibitive as the available budget makes no allowance for set up or rental costs and there were no other known providers with existing premises in Leeds. This required the project team working on the review to re-evaluate the options around future re-tendering of the services as St Anne's appeared to be the only eligible provider unless there was an organisation willing to invest in new premises of its own accord, for example a private sector provider looking to expand into the area.
- 2.10 Following procurement advice, for the avoidance of doubt and to minimise the risk of challenge a Market Sounding Exercise (MSE) commenced in December 2018 to determine market interest in delivering the service in accordance with the service specification and budget.
- 2.11 Following completion of the MSE, a recommendation is now being made to award a long term contract to St Anne's using a negotiated procedure for delivery of these services as set out in this report.

### **3 Main issues**

#### **3.1 Market Sounding Exercise – Key Findings**

- 3.1.1 The MSE was published on 17 December 2018 with submissions due by noon on 30 January 2019. The outcome of the MSE, following evaluation of the four responses received, supports the Council's understanding of the market that:
- there are suitably qualified and experienced organisations capable of delivering the service but no organisation except the incumbent provider currently has suitable and available premises in Leeds from which to deliver this.
  - there are other organisations willing to identify and provide new premises in order to deliver the service in Leeds but there is no evidence they can deliver the service as described in the specification without exceeding the maximum price of £730k per annum.
  - In conclusion, St Anne's is the only provider that can deliver the service in accordance with the specification and within the maximum available budget of £730k per annum.
- 3.1.2 The three other organisations that expressed an interest have been advised of the outcome. No adverse responses were received within the timescales for replying.
- 3.1.3 Further details of the MSE findings can be found in Confidential Appendix 1 which contains commercially sensitive information and is therefore not for publication.

#### **3.2 Procurement Options**

- 3.2.1 In conjunction with Procurement and Commercial Services (PACS) a procurement options appraisal has been undertaken regarding the approach for re-commissioning the services. On the basis of the MSE and the Council's understanding of the market, only St Anne's Community Services are considered

able to meet our requirements in terms of being a suitably qualified and experienced provider able to provide premises and deliver the services required within the maximum budget envelope of £730,000 per annum.

3.2.2 There is considered no benefit in undertaking a competitive tender. This would only serve to extend the re-procurement process causing further uncertainty for existing services and require significant commissioning and procurement resource with no certainty that any provider other than St Anne's would meet our requirements.

3.2.3 The award of a contract to St Anne's utilising the negotiated procedure without publication of a notice under the Public Contracts Regulations 2015 (Regulation 32 (2) (b) (ii)) is therefore recommended.

3.2.4 Regulation 32 (2) (b) (ii) of the Public Contracts Regulations (2015) states:-

32 - (1) In the specific cases and circumstances laid down in this regulation, contracting authorities may award public contracts by a negotiated procedure without prior publication.

General grounds

(2) The negotiated procedure without prior publication may be used for public works contracts, public supply contracts and public service contracts in any of the following cases:—

(a)...;

(b) where the works, supplies or services can be supplied only by a particular economic operator for any of the following reasons:—

(i) ...,

(ii) competition is absent for technical reasons,

(iii)....,

3.2.5 It is considered the above ground applies in this case as there is strong evidence that no reasonable alternative to St Anne's providing the services exists:

3.2.5.1 St Anne's has been delivering alcohol detoxification and rehabilitation services in Leeds for over 10 years and has gained a reputation for providing a high quality of care with successful outcomes and is highly valued by service users and other stakeholders in Leeds. This was borne out by our review of service provision in 2016 and continues to be the case as evidenced through our current knowledge of the organisation and citywide context in which it operates.

3.2.5.2 St Anne's is a well-established and integral component of existing alcohol treatment pathways in the city. Besides providing residential alcohol detoxification and rehabilitation they are also a delivery partner within the separately commissioned Forward Leeds community drug and alcohol service which works with circa 2,500 people requiring treatment for alcohol misuse each year. This supports effective partnership working as demonstrated by the seamless referral process that is in place between St Anne's residential alcohol services and the city-wide Forward Leeds community drug and alcohol service from which referrals for residential alcohol detoxification and rehabilitation are made.

3.2.5.3 This referral pathway and the corresponding discharge process back into the Forward Leeds service on completion of treatment with St Anne's enables a seamless transition to be made between the different elements of provision

involved in a client's treatment journey, thereby minimising disruption and supporting successful outcomes on completion of treatment.

- 3.2.5.4 St Anne's is the only service of its kind in Leeds offering residential alcohol detoxification and rehabilitation services from its own premises in an accessible location near to the city centre and with good access to public transport links. The premises include a suitable mix of accommodation and facilities including outdoor space and four "step down" beds located in an annex which support semi-independent living in the final stages of the rehabilitation programme.
- 3.2.5.5 Other than St Anne's there are no other known providers who currently have suitable and available premises in Leeds from which an alternative service could be procured on a like for like basis. There are providers from outside Leeds who would be willing to secure premises in Leeds from which to deliver the service but we are not aware of any who would be able to achieve this within the limits of the budget available for re-commissioning these services.
- 3.2.5.6 Switching provider and premises part-way through a residential placement would be particularly unsettling for service users giving rise to an increase in the numbers who drop out during treatment or who are unable to sustain abstinence following completion. In addition to substance misuse, many of the service users accessing existing residential provision also have other complex physical and mental health needs and would be particularly susceptible to the impact of change.
- 3.2.6 The existing 6 month contracts end on 30 September 2019 and the intention is that the new combined contract for the re-procured service will commence on 1 October 2019 subject to the completion of procurement and governance processes by this date or as soon as possible thereafter. Any commencement date after 1 October 2019 would require a separate decision to be tabled requesting approval to utilise all or part of the six month extension on each of the existing contracts. The last possible date for commencement of the re-procured service would be 1 April 2020.

### **3.3 Contract Terms and Specification**

- 3.3.1 The proposed contract will be for a 5 year term with the option to extend for a further period of up to 2 years. This will give the provider contract security for a reasonable period of time which supports ongoing service development and performance including staff retention.
- 3.3.2 Although the detoxification and rehabilitation services are currently delivered through two separate contracts they are effectively operated as an integrated service which provides added value and efficiencies. The intention is therefore to combine both contracts into one as this will provide greater flexibility and control over service delivery and management of budget and also streamline contract management within the Council. There will be no material changes to the specification regarding the respective delivery models for detoxification and rehabilitation. Where appropriate, changes will be made to ensure the specification is updated to reflect any changes in legislative requirements or best practice and outcomes will be reviewed to ensure they remain SMART.
- 3.3.3 The contract price shall be £730k p.a. which is the maximum budget available for delivering the detox and rehab services and reflects the combined value of the existing contracts for these services. It is not anticipated there will be any scope to achieve efficiencies within this budget envelope whilst maintaining outcomes and it is therefore recommended that a 100% quality threshold is implemented.

### **3.4 Service Performance**

- 3.4.1 Key findings from the review in 2016 highlighted that service users and other stakeholders value St Anne's Alcohol Service, speaking highly of the provision and the skills, knowledge and positive caring nature of the staff. Through ongoing contract management of the service and our partnership links across the city there is nothing to suggest this position has changed.
- 3.4.2 The service performs well and consistently achieves or exceeds most of its outcome targets. In 2018 Leeds achieved a green RAG rating for the first time regarding alcohol treatment completion data reported by Public Health England (PHOF 2.15 indicator). St Anne's contribution to this cannot be understated.
- 3.4.3 St Anne's Alcohol Service is CQC registered and due for re-inspection during 2019. When inspected in 2016 there was evidence of much good and outstanding practice but the CQC report also flagged up some breaches and areas for improvement around the identification and management of risk and being able to demonstrate good governance. Since then the service has worked with the CQC to implement the recommended improvements and is confident of a positive outcome when next inspected. The CQC have only recently begun to apply formal ratings to drug and alcohol services and this will be the first time that St Anne's Alcohol service will be formally rated.
- 3.4.4 Following the recommissioning, the service will continue to be performance and contract managed by officers in Adults and Health Commissioning.

### **3.5 Demand**

- 3.5.1 Demand for the service remains high with referrals of circa 300+ per year, for detox, rehab or a combination of both. Referrals are predominantly for service users with complex needs including vulnerable clients and those with significant physical or mental health needs where, in accordance with NICE guidance, a residential detox is deemed to be the safest option. It is also suitable for those who have been unsuccessful at achieving abstinence through a community-based detox or rehabilitation programme.
- 3.5.2 Data from the Forward Leeds community drug and alcohol service shows that the number of clients receiving treatment for alcohol dependency who are, or have been, drinking at harmful levels remains high. The numbers entering alcohol treatment in Leeds are now rising (following a decline during 2017/18 in line with the national trend) and at any one time there are over 300 clients in treatment with Forward Leeds who are consuming 30 or more units of alcohol a day.
- 3.5.3 St Anne's has well established links with the different teams within Forward Leeds from which referrals are made. This helps ensure that referrals are of an appropriate level and quality which supports the effective management of capacity, waiting times, client expectations and the achievement of positive outcomes.

### **3.6 Premises**

- 3.6.1 The current premises provide individual bedrooms with shared bathrooms and communal facilities including dining area, drink and snack making facilities, lounges, games room and an enclosed garden area. There is also a kitchen and a secure medication room for the storage and administration of medication and clinical equipment. The building is well located in terms of connections for public transport and enables service users to move seamlessly from the detoxification service in to rehabilitation.

- 3.6.2 The facilities are in a building which has been updated and adapted over the years. Part of the building was refurbished following Public Health England capital investment in the facilities which enabled the number of bed spaces to be increased from 4 to 5 for detoxification and 13 to 17 for rehabilitation. This included the creation of four rehab beds in a modern, semi-independent living space.
- 3.6.3 Although the building includes some disabled features including ramped access, a wet room, ground floor facilities for detoxification clients and handrails, there are still challenges in meeting the needs of some clients with higher support needs, especially those with mobility issues requiring use of a wheelchair. Officers will work with St Anne's to identify ways in which facilities may be improved.

## **4 Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The initial review of provision in 2016 involved consultation with existing and former service users, staff and management at St Anne's, and other stakeholders including the Forward Leeds community drug and alcohol service. Positive reviews were received showing the service was highly regarded.
- 4.1.2 Since then there has been ongoing dialogue with St Anne's including meetings involving the Deputy Director, Integrated Commissioning and Head of Commissioning from the Adults and Health directorate with St Anne's Chief Executive, Director of Operations, and Finance Director. A key focus of the discussions has been the cost of delivery and the availability of premises if the service was re-tendered.
- 4.1.3 The Chief Officer Resources and Strategy, Adults and Health was consulted on 2 October 2018 regarding budget for future provision of the service prior to consultation with providers through a market sounding exercise which commenced in December 2018.
- 4.1.4 The Executive Member for Health, Wellbeing and Adults has been regularly briefed on the review findings and interim contract arrangements for these services with the most recent briefing, regarding the recommendations contained in this report scheduled for 8 May 2019.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The majority of service users who will access the service have multiple complex needs and are from priority client groups including parents (some with children at risk or in care), those who are homeless / at risk of being homeless, affected by domestic violence or have mental and or physical health needs.
- 4.2.2 An Equality, Diversity, Cohesion and Integration Screening Tool has been completed and is attached to this report at Appendix 2.

### **4.3 Council policies and best council plan**

- 4.3.1 By supporting people to lead alcohol free lives these services are delivering the vision contained within the Best Council Plan for Leeds to be the best city for health and wellbeing where more people are supported to make healthy lifestyle choices and to live safely, with choice and control over their health and social care services.



4.3.2 The residential alcohol rehabilitation and residential detoxification services directly deliver on the priorities set out in the Leeds Drug and Alcohol Strategy and Action Plan for 2016 – 2018 (including the recently updated strategy due for publication in 2019) making a significant contribution to the outcome “More people to recover from their drug and alcohol misuse and the harms it can cause” and the associated key indicators:

- Number of successful completions from drug and alcohol treatment
- Re-presentations to drug and alcohol treatment services
- Alcohol related hospital admission rates, both specific and attributed

#### 4.4 Resources and value for money

4.4.1 The budget to recommission the service with a five year contract with a maximum annual value of £730k has been agreed by the Head of Finance, Adults and Health. This follows consultation with the Chief Officer Resources and Strategy, Adults and Health on 2 October 2018.

4.4.2 The weekly unit costs, based on the proposed contract value represent value for money when compared with the cost that would be incurred if service users had to go to other providers outside Leeds for treatment. For rehabilitation, the comparative savings are even greater as the placement length for the proposed service is 13 weeks compared to out of area placements which are typically of 20 or more week’s duration.

	St Anne’s	Other (out of area)	Variance
<b>Detox</b>	£1,429	£1,500 to £1,750	£71 to £421
<b>Rehab</b>	£406	£470 to £650	£64 to £244

#### 4.5 Legal implications, access to information, and call-in

4.5.1 This is a key decision as the maximum cost of the service is more than £250k per annum. A notice was published on the List of Forthcoming Key Decisions on the 20 March 2019 and the report will be subject to call in.

4.5.2 Advice has been sought from PACS throughout the duration of the review including the evaluation of the market sounding exercise and the procurement options available and will continue to be sought through to contract award.

4.5.3 Regarding use of the negotiated procedure without the publication of a notice, it must be noted that there is the potential risk of challenge that there are no real technical reasons justifying the use of the negotiated procedure without publication of a notice under regulation 32 (2) (b) (ii) in accordance with the Public Contracts Regulations 2015, and that the Council is simply seeking to circumvent the application of the procurement rules. The reasons set out in Section 3.2.5 of this report are what the Council would rely on to justify this decision.

4.5.4 In addition, this risk can be further mitigated by the publication of a Voluntary Transparency Notice (VTN) in the Official Journal of the European Union (OJEU) in accordance with the Public Contracts Regulations 2015, immediately after the

decision to enter into negotiation has been taken and waiting 10 days to see if any challenges are made. If no challenges are made the chances of a claim for ineffectiveness being brought are significantly reduced, and would only be successful if the Council had used the negotiated procedure without publication of a notice incorrectly. Further, publishing such a notice will also start time running for any other potential claim for breach of the Public Contracts Regulations 2015, which must be brought within 30 days of the date that an aggrieved party knew or ought to have known that a breach had occurred.

- 4.5.5 It should be noted that voluntary transparency notices themselves can be challenged. The recent case of Italian Interior Ministry v Fastweb SpA (Case C-19/13) highlights the limited protection that the voluntary transparency notice route can offer to contracting authorities wishing to make direct awards without following an OJEU process. A grey area remains around whether the protection of a voluntary transparency notice will be available where the contracting authority genuinely, but mistakenly, considers it was entitled to award the contract without notice. It shows that the safe harbour will only be 'safe' to the extent that the justification for the direct award is in itself sound and ready to stand up to the increased scrutiny that the publication of the voluntary transparency notice may well invite.
- 4.5.6 Any subsequent decisions arising from this report, for example the decision to award the contract, will be treated as a consequence of this key decision and will therefore be a significant operational decision which will not be subject to call in.
- 4.5.7 Appendix number 1. to this report, which relates to a market sounding exercise has been marked as exempt from publication under Access to Information Procedure Rules 10.4 (3) on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) which, if disclosed to the public, would, or would be likely to prejudice the commercial interests of that person or of the Council. The information is exempt if and for so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. In this case it is considered in the public interest to maintain the exemption.

## **4.6 Risk management**

- 4.6.1 Awarding a 5 year contract to St Anne's Community Services will ensure ongoing access to residential alcohol detoxification and rehabilitation provision within Leeds for people requiring treatment for alcohol misuse, many of whom are, or have been, drinking at hazardous levels and have complex needs. It will provide certainty not only for the provider in terms of organisational planning and service development but also for the Forward Leeds community drug and alcohol service regarding the treatment options available for their service users.
- 4.6.2 Without access to these services there would be an associated reduction in the number of people successfully completing alcohol treatment which in turn would be reflected in the national performance indicators monitored by Public Health England. This includes a potential increase in unplanned hospital admissions (including A&E) and in the worst case scenario, an increase in alcohol-related deaths in service. Priority client groups for this service include parents (some with children at risk or in care), those who live in areas of deprivation, are homeless/ at

risk of being homeless, affected by domestic violence or have mental and or physical health needs. The Council's ability to deliver its strategic priorities as set out in the Leeds Drug and Alcohol Strategy and Action plan and to reduce health inequalities would be impacted.

- 4.6.3 Allowing the services to terminate would impact upon the demand for out of area residential detoxification and rehabilitation, which is already under pressure. Although the numbers of people accessing out of area residential provision could potentially increase if resources were diverted, the overall numbers of people accessing residential provision would be less as out of area unit costs are higher and for rehab the programmes are significantly longer. There would also be an associated increase in waiting times.
- 4.6.4 The proposed contract will be performance managed by officers in Adults and Health Commissioning. This will include regular reviewing of performance information and quarterly contract management meetings with the provider, at which any service delivery issues will be discussed. Officers will continue to work with St Anne's to monitor the cost and quality of service provision and provide support and guidance in managing associated risks.
- 4.6.5 The budget envelope of £730k available for recommissioning is the same as the current annual cost of delivering these services. Continuing to deliver the service within the annual contract value for the full contract term will prove challenging. An area of particular concern is the retention and recruitment of suitably qualified nursing staff as existing staff are remunerated below NHS levels and the budget does not allow for any increases to match recent or any future NHS salary increases taking place elsewhere in the sector. The situation is further exacerbated by a national shortage of qualified nurses. In September 2018, NHS Improvement reported there were 41,722 unfilled nursing vacancies in the NHS with numbers rising year on year. The majority of these vacancies are being filled by bank and agency staff which puts further pressure on the supply and cost of these staff in the event St Anne's need to cover any vacancies or sickness.
- 4.6.6 In the event that cost pressures (including the cost/supply of nursing staff) impact on St Anne's ability to deliver the service in accordance with the specification the range of options available at the time will be identified for consideration. This may include a reduction in capacity / bed spaces which in turn would impact on the number of admissions and successful completions.
- 4.6.7 The procurement challenge risk is being managed in accordance with section 4.5 of this report.

## **5 Conclusions**

- 5.1 Residential alcohol detoxification and rehabilitation plays a key role in the successful treatment of alcohol dependency which is a priority in the Leeds Drug and Alcohol Strategy and Action Plan and supports the aims of the Best Council Plan for Leeds to be the best city for health and wellbeing.
- 5.2 Following a review of service provision and available procurement options, including the undertaking of a market sounding exercise, it is considered that only St Anne's

Community Services can meet our requirements and approval to enter into a negotiated procurement process in accordance with Regulation 32 of the Public Contracts Procedures Regulations 2015 is therefore being sought.

## **6 Recommendations**

6.1 The Director of Adults and Health is recommended to:

- (i) grant authority to procure the 'Residential Alcohol Detoxification and Rehabilitation Service' utilising the negotiated procedure without publication of a notice under regulation 32 (2) (b) (ii) of the Public Sector Contracts Regulations 2015 where services can only be provided by St Anne's Community Services for the provision of the service commencing on 1 October 2019 subject to the completion of procurement and governance processes by this date due to absence of competition due to technical reasons.
- (ii) approve a contract length period of 5 years, with the option to extend up to a further 2 years with a maximum budget of £730,000 per annum.
- (iii) grant approval to waive CPR 15.2 to change the tender evaluation quality threshold for the 'Residential Alcohol Detoxification and Rehabilitation Service' procurement exercise to be based on 100% quality.
- (iv) note that the Director of Adults and Health will use their delegated authority to take commissioning decisions which will be a direct consequence of this key decision, for example approval of the detailed specification for procurement and subsequent contract award. These will at most be a significant operational decision. This is subject to the decisions being in line with the key principles and features as described in the report.

## **7 Background documents<sup>1</sup>**

7.1 None

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<sup>1</sup> 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.