

## Report of Head of Commissioning

### Report to Director of Communities and Environment

**Date: 26<sup>th</sup> June 2019**

**Subject: To seek authority to procure a 'Leeds IOM Support Service' and waive Contract Procedure Rule 15.2 (tender evaluation) to enable the tenders to be evaluated on the basis of 100% quality.**

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 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? 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 third sector organisations (Change Grow Live (CGL) and Humankind) to deliver the Drug Intervention Programme/Integrated Offender Management (DIP/IOM) support services for offenders. These services are contract managed by the Adults and Health Commissioning Team on behalf of the wider partnership. This wider partnership includes West Yorkshire Community Rehabilitation Company (WYCRC), the National Probation Service (NPS) and West Yorkshire Police (WYP). These key partners work together, via the IOM Hub, which is provided and hosted by the commissioned services.
2. These contracts were extended in March 2018 to enable a comprehensive review of DIP/IOM services prior to procurement of a new service.
3. The review of DIP/IOM services has been undertaken by a project team with representatives from the Council, WYP and NPS. The findings have been used to inform the development of a more flexible and coordinated 'Leeds IOM Support Service' providing intensive case management approach to work with identified offenders with the overall outcome to reduce crime and disorder in the city.
4. The purpose of this report is to seek the authority to procure the new Leeds IOM Support Service through a competitive tender process. The annual contract value will be £720,000 and the funding for the new service is from:
  - £106,765 Resources and Housing

- £357,600 Adults and Health (Public Health)
  - £255,635 Safer Leeds (from grant funding from Office of the Police and Crime Commissioner).
5. The new service will start on 1<sup>st</sup> April 2020 and will be for 3 years with an option to extend for up to 24 months. The contract will be subject to annual reviews based on both service needs and available funding.
  6. This report seeks authority to waive CPR 15.2 tender evaluation because the funding available for these services has already been reduced on a number of occasions (see paragraph 2.4) and the funding from Safer Leeds (from a grant from the Officer of the Police and Crime Commissioner) is not confirmed after 1<sup>st</sup> April 2021. This will enable the tender evaluation to be awarded on a 100% quality basis to ensure the new service can make full use of the budget available to meet demand without compromising on quality in order to maximise the service outcomes.

## **Recommendations**

7. The Director of Communities and Environment is recommended to approve:
  - the procurement of the 'Leeds IOM Support Service' with a budget of £720,000 per annum (£106,765 Resources and Housing, £357,600 Adults and Health (Public Health) and £255,635 Safer Leeds) in accordance with CPR 9.1 and CPR 9.2.
  - the contract will commence from 1<sup>st</sup> April 2020 and be for three (3) years, with the option to extend for up to 24 months.
  - the waiver of CPR 15.2 to enable the tenders to be evaluated on the basis of 100% quality.

To note that:

- The Director of Communities and Environment will use their delegated authority to take commissioning decisions which flow from this decision. Decisions will be taken in line with the key principles and featured as described in this report.

## **1 Purpose of this report**

- 1.1 The purpose of this report is to seek authority to procure a new Leeds IOM support service to work with offenders to ensure that they can access the support services they need and to enhance behaviour change to prevent reoffending.
- 1.2 This report also seeks authority to waive Contract Procedure Rule (CPR) 15.2 (Tender Evaluation) to allow the tender evaluation panel to make their decision on a 100% quality basis with no weight for price.

## **2 Background information**

- 2.1 The current Drug Intervention Programme (DIP) and Integrated Offender Management (IOM) Support Services comprises two separate contracts with Change Grow Live (CGL) and Humankind. These contracts provide dedicated offender management resources and structured, intensive community orders for offenders subject to Prolific and Priority Offender (PPO) and DIP interventions or other priority offenders requiring intensive management. CGL and Humankind staff are co-located with teams from West Yorkshire Police (WYP) and West Yorkshire Community Rehabilitation Company (WYCRC) within a central IOM Hub, as part of a wider IOM approach. These arrangements are for adults only and currently operate quite separately from the Youth Justice Service.
- 2.2 These existing contracts were extended in March 2019 by the Director of Resources and Housing to enable a comprehensive review of arrangements prior to procurement of a new service.
- 2.3 The current DIP/IOM arrangements are delivered through a combination of funding from several Council Directorates (Adults and Health (Public Health), Resources & Housing and Safer Leeds (from grant funding from Office of the Police and Crime Commissioner)). The current annual contract value for the existing IOM support services is £911,065 per annum.
- 2.4 The existing IOM support services have already been subject to funding cuts, due to the reductions in the Central Government Public Health grant and some of the activity being in scope of the new housing related support services. A 10% reduction in the contract value of both services was made in 2016/17, a further 11% reduction was made in 2017/18, and a further £30,000 reduction to the CGL service for 2019/20.
- 2.5 There is a high reoffending rate and one of the largest category B prisons in the UK in Leeds. Therefore, it is important to provide intensive support services to maximise outcomes for the offender population within Leeds, especially for those at risk of reoffending and working in partnership with all agencies involved with this population.
- 3.1 A service review has been undertaken to develop a new service model for an offender support service. This has been led by Adults & Health Commissioning, with a project team including colleagues within the Council (Safer Leeds, Public Health, Procurement and Commercial Services) and also from WYP, National Probation Service (NPS) and HMP Leeds.
- 3.2 The work involved a review of existing approaches, service mapping and stakeholder and service user consultation. The review findings identified that the model should have an increased focus on early engagement, intervention and intensive case management, supporting offenders to address their offending behaviour and help them to develop confidence and skills to reintegrate into their local communities.

- 3.3 With input from the Public Health Programme Board and the Reducing Reoffending Board, the project team undertook an options appraisal to identify the preferred approach to deliver a new Leeds IOM support service, the outcome being that a single service should be procured via an open competitive tender process. A single contract will also avoid potential service duplication and be resource efficient in terms of contract management.
- 3.4 Throughout the service review period, the project team has undertaken extensive consultation with the partners who provide funding for the wider IOM approach in Leeds, to develop and secure a viable and robust funding envelope for the new Leeds IOM support service from 1<sup>st</sup> April 2020, which offers value for money compared to existing arrangements. An annual review mechanism will be included within the service specification to accommodate any future funding changes.
- 3.5 The new service will also need to be flexible to accommodate the implementation of the Government's Transforming Rehabilitation agenda and the recent Government announcement that the community rehabilitation companies will be renationalised by December 2020. It will also need to work alongside the NHS England funded Liaison and Diversion service, which has been delivered from the custody suite at Elland Road Police Station since 1 April 2017.
- 3.6 The outcome of the new Leeds IOM support service is to reduce crime and disorder by engaging with individual offenders identified by the Leeds IOM arrangements to make positive lifestyle choices and desist from offending.
- 3.7 The Service will achieve these outcomes by providing an intensive case management approach to ensure clear pathways for individual offenders into the services that they need, whilst providing support and activities to encourage behaviour change, development of self-care capability in terms of drug and alcohol, and increased resilience in terms of taking responsibility for their health, wellbeing and behaviour. This intensive approach to addressing the complex nature, and multiple needs of the clients who offend will ensure a smooth transition between custody and the community. The Service will work in partnership with specialist and Ministry of Justice partners to help offenders change their behaviour, access support for drug and alcohol misuse and address housing, employment, training and education needs.
- 3.8 This report seeks authority to waive CPR 15.2 (tender evaluation) because the funding available for these services has already been reduced on a number of occasions (see paragraph 2.4) and the funding from Safer Leeds is not confirmed after 1<sup>st</sup> April 2022. This will enable the tender evaluation to be awarded on a 100% quality basis to ensure the new service can make full use of the budget available to meet demand without compromising on quality in order to maximise the service outcomes.

## **4 Corporate Considerations**

### **4.1 Consultation and Engagement**

- 4.1.1 As part of the review, evaluation, and analysis of this service, a project team consisting of representatives from Public Health, Safer Leeds, WYP, NPS and others was maintained and consulted on a regular basis throughout the contract review and procurement process.
- 4.1.2 The Safer Leeds Executive, Public Health Programme Board and the Reducing Re-offending Board have been consulted, as part of the options appraisal process, model development and the joint procurement of the offender support service.

- 4.1.3 Throughout the service review and model development, extensive consultation has taken place with a wide range of stakeholders (including service users). The most recent of which was carried out in April 2019 to discuss key elements of the specification with service users from both existing providers.
- 4.1.4 As part of the ongoing consultation and contract management, the existing providers have been consulted (where appropriate) regarding the development of a new model of service delivery.
- 4.1.5 The new specification has been developed in consultation with key stakeholders in the wider delivery of IOM support, including WYP, WYCRC, HMP Leeds and NPS.
- 4.1.6 The lead members have been regularly briefed and are supportive over service developments.

## 4.2 **Equality and Diversity / Cohesion and Integration**

- 4.2.1 An Equality, Diversity, Cohesion and Integration screening assessment has been completed in respect to this report.

## 4.3 **Council policies and City Priorities**

- 4.3.1 This investment in commissioned work to address the support needs of identified offenders to reduce reoffending is made in the context of supporting key local ambitions and strategies including:
- Vision for Leeds 2011-30 to be the best city in the UK
  - Council's ambition for Leeds to be a compassionate and caring city
  - Best Council Plan 2018-19 – 2020/21 – Tackling poverty and reducing inequalities
  - Leeds Health and Wellbeing Strategy 2016-21 – whose vision is Leeds will be a healthy and caring city for all ages, where people who are the poorest improve their health the fastest
  - Housing Strategy 2016-21 - Effectively meeting affordable and social housing need, promoting independence and creating sustainable communities to make Leeds the best place to live
  - Reducing Reoffending Strategy (in development) – will oversee the strategic direction, design and implementation of an integrated partnership approach to offender management arrangements in Leeds and lead on the development and implementation of new initiatives aimed at reducing reoffending.
  - Safer Leeds Community Safety Strategy (2018-2021) – provides shared priorities; Keeping people safe from harm (victim), preventing and reducing offending (offender), Creating safer, stronger communities (location).
  - West Yorkshire Reducing Re-offending Strategy (2019-2021) - supports the delivery of the PCC, West Yorkshire Police and Crime Plan and the work of the Local Criminal Justice Board through increased partnership working to reduce reoffending and crime.
  - Leeds Inclusive Growth Strategy (2018-2023) – a plan to deliver growth that benefits all Leeds citizens and communities.

- forthcoming Drug and Alcohol Strategy and Action Plan 2019-2024.
- forthcoming City Centre Community Safety Strategy 2019-22.

### **Climate Emergency**

4.3.2 This service will provide intensive support to identified offenders to change their behaviour to reduce the likelihood of re-offending and crime and disorder linked to drug and alcohol misuse. It will support offenders to access the specialist services they need to make positive lifestyle choices, such as drug and alcohol treatment, employment, training and education. This will maximise social value.

4.3.3 The service specification requires the service to meet all legislation, guidance and good industry practice in environmental management and the objectives of the Council's sustainability policies. Officers from Adults and Health will work with the service through the established contract management process to ensure the service is proactively seeking to minimise its carbon footprint and thereby support the Council in achieving its ambition to be carbon neutral by 2030.

### **4.4 Resources and value for money**

4.4.1 Undertaking a procurement exercise for the new Leeds IOM support service will help achieve value for money through the receipt of competitive and high quality tenders. The tender submissions will be evaluated on 100% quality basis to ensure that the service delivers to all the requirements set out in the tender documentation and can make use of the available reduced budget to meet increasing demand.

4.4.2 The budget for the offender support service is £720,000 per annum, which offers value for money compared to existing arrangements delivered by two providers. This new budget has been determined based on the potential for reduced service costs in relation to lower management costs; removing service duplication; uniform ICT services; uniform policies and procedures; reduction in contract management requirements and streamlined administration (e.g. processing payments to and from external organisations).

4.4.3 The funding sources for the new service are from several Council directorates, including Resources and Housing (£106,765), Adults & Health (Public Health (£357,600) and Safer Leeds (£255,635 using grant funding available from the Office of Police & Crime Commissioner). The funding from Safer Leeds will enable more offenders to be supported via this service.

4.4.4 As the funding from Safer Leeds is not confirmed after 1<sup>st</sup> April 2021 and due to the on-going developments regarding the offender agenda, an annual review mechanism will be included within the service specification to accommodate any future funding or service scope changes.

4.4.5 There will also be resource efficiencies in terms of streamlined contract and performance management.

### **4.5 Legal Implications, Access to Information and Call In**

4.5.1 This would be a Key Decision due to the contract value being above Council thresholds. However it is a direct consequence of the decision taken in March 2018 to extend existing contracts pending a comprehensive review of the service prior to this re-procurement.

This decision is therefore to be treated as a Significant Operational Decision. This decision will not therefore be subject to call in.

- 4.5.2 Future decisions arising from this report, for example the decision to award the contract, will also be treated as a consequence of that Key Decision and will therefore be Significant Operational Decisions at most.
- 4.5.3 There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 4.5.4 As the total contract value over the potential five year life of the contract will exceed the EU procurement threshold and whilst the service is not subject to the “full” regulations but to the “Light-Touch Rules Regime” under the regulations, there is still a requirement to advertise this opportunity in OJEU and run an EU wide procurement exercise. Therefore competition will be sought through a formal tender process.
- 4.5.5 Advice has been sought from Procurement and Commercial Services (PACS) throughout the duration of this service review and re-modelling process, and will continue to be sought through the subsequent competitive procurement exercise.

## 4.6 Risk Management

- 4.6.1 Without the approvals which are being sought through this report, IOM support services would not continue after 31<sup>st</sup> March 2020. This would result in offenders not being supported as intensively or effectively to reduce their reoffending behaviour and address their drug and alcohol misuse. This could result in increased numbers of offenders reoffending with a greater cost and reputational damage to the Council and other key agencies such as WYP, WYCRC and NPS.
- 4.6.2 A risk register relating to the review, remodelling and procurement has been developed and is being maintained and monitored by the project team. The risks in respect to the existing providers in relation to this procurement are being closely monitored by the project team.

## 5 Conclusions

- 5.1 The review of the IOM approach within the city has identified the need for a more flexible and coordinated ‘Leeds IOM Support Service’, which works with partners to provide an intensive case management approach to working with offenders with the overall outcome to reduce crime and disorder in the City. The service will ensure clear pathways for individual offenders into the services that they need, whilst providing support and activities to encourage behaviour change, long term development of self-care capability and increased resilience in terms of taking responsibility for their health, wellbeing and behaviour.
- 5.2 This intensive approach to addressing the complex nature and multiple needs of the clients who offend will ensure a smooth transition between custody and the community. The service will work in partnership with specialist and Ministry of Justice partners to help offenders change their behaviour, access support for drug and alcohol misuse and address housing, employment, training and education needs.
- 5.3 The new Leeds IOM support service contract will commence on 1<sup>st</sup> April 2020. It will be for 3 years with an option to extend for up to 24 months. The annual contract value will be £720,000 and funding for the service is from Resources and Housing, Adults and Health (Public Health) and Safer Leeds (using grant funding available from the Office of Police &

Crime Commissioner). The contract will be subject to annual reviews based on both service needs and available funding for the forthcoming year.

- 5.4 This report seeks authority to waive CPR 15.2 (tender evaluation) because the funding available for these services has already been reduced on a number of occasions (see paragraph 2.4) and the funding from Safer Leeds is not confirmed after 1<sup>st</sup> April 2022. This will enable the tender evaluation to be awarded on a 100% quality basis to ensure the new service can make full use of the budget available to meet demand without compromising on quality in order to maximise the service outcomes.

## **6 Recommendations**

6.1 The Director of Communities and Environment is recommended to approve:

- the procurement of the 'Leeds IOM Support Service' with a budget of £720,000 per annum (£106,765 Resources and Housing, £357,600 Adults and Health (Public Health) and £255,635 Safer Leeds) in accordance with CPR 9.1 and CPR 9.2.
- the contract will commence from 1<sup>st</sup> April 2020 and be for three (3) years, with the option to extend for up to 24 months.
- the waiver of CPR 15.2 to enable the tenders to be evaluated on the basis of 100% quality.

6.2 To note that:

- The Director of Communities and Environment will use their delegated authority to take commissioning decisions which flow from this decision. Decisions will be taken in line with the key principles and featured as described in this report.

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

Equality, Diversity, Cohesion and Integration Screening tool.

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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.