

# Contract award of the Leeds Integrated Community Drug and Alcohol Service

Date: 24<sup>th</sup> January 2023

Report of: Chief Officer/Consultant in Public Health (Healthy Living and Health Improvement)

Report to: Director of Public Health

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## Brief summary

This report seeks approval to award a contract to deliver the Leeds Integrated Community Drug and Alcohol Service, following the successful completion of a procurement exercise. The service will provide an easily accessible service for anyone in Leeds requiring support with drug and alcohol issues.

## Recommendations

- a) The Director of Public Health is recommended to award a contract to Humankind Charity with effect from 1st April 2023 until 31st March 2028, with an option to extend for up to a further 60 months in any combination. The value of this decision is £87,916,105.78 for the initial 5-year contract period (total value of £176,285,266.17 if the extension is fully utilised), which will be subject to a separate decision at the appropriate time.

## What is this report about?

- 1 Approval to procure the Integrated Community Drug and Alcohol Service was given on 7<sup>th</sup> October 2022 (D55671). The new service shall provide prevention, harm reduction, brief interventions, structured treatment, recovery, and wider wrap-around support to children, young people and adults in Leeds, with drug and / or alcohol issues. It will be an easily accessible service, available to support people of any age using any substance, and with no thresholds to access support.
- 2 Permission was granted to procure this under Regulation 32 of the Public Contracts Regulations 2015 - negotiated procedure without prior publication of a notice - and directly award a contract to Humankind Charity. This process required Humankind Charity to submit method statement, price schedule and social value commitments. The tender documents were issued on 7<sup>th</sup> November 2022, with a deadline of 2<sup>nd</sup> December 2022.
- 3 The tender evaluation was conducted by a panel of officers from the Adults and Health Directorate. The overall scoring process was on a consensus basis and overseen by Procurement and Commercial Services (PACS).
- 4 All method statement questions were subject to minimum quality thresholds, which were all surpassed, while the social value response was given the top score available. Overall, the bid achieved 835 points out of a possible 1,000.
- 5 The price schedule has been reviewed and deemed satisfactory.
- 6 The preferred provider has been subject to due diligence checks concerning safeguarding policies, health and safety, finance, and insurance all of which have been successfully completed with no issues identified. Furthermore, the provider has a proven track record, having successfully delivered the current contract (known as Forward Leeds) since 2015. For some years now, Forward Leeds has consistently been one of the highest performing drug and alcohol treatment services in the country, and it is one of only a few services in the country that is rated outstanding by the Care Quality Commission (CQC).

## What impact will this proposal have?

- 7 The service will contribute to the community treatment outcomes in the 10-year national drug strategy "From Harm to Hope" which aims to build a world class treatment and recovery system. These include:
  - An increase in the number of people receiving high quality treatment
  - Improved treatment for people rough sleeping or at risk of rough sleeping
  - Lives saved through a reduction in drug related deaths
  - An increase in the continuity of care for people moving from prison into treatment
  - Contributing to reduction in crime through effective treatment for offenders
  - An increase in the number of people in long term recovery
  - An increase in the number of people in recovery who are in sustained employment
  - An increase in the number of people in recovery who are in safe and stable accommodation.
- 8 The contract will also deliver additional social value outcomes related to the wellbeing of their staff (including mental health), local skills and employment, and community safety.
- 9 An Equality Diversity Cohesion Integration screening has been completed and is attached. There are no issues to be addressed.

## How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 10 The proposal will contribute to achieving the Best City Ambition for Health and Wellbeing through the goal of “investing to ensure better and more equal access to essential services in health and learning, developed with and accessible for every community across Leeds”.
- 11 It is in line with the Best City Ambition’s Team Leeds approach, by providing a focus on prevention and taking strength and asset based approaches to help people to realise their goals.
- 12 This service will also contribute to the Zero Carbon ambition, since it includes remote delivery options, and operates from a number of sites to ensure easy access for service users, and therefore minimising the need to travel and encouraging the use of public transport. This helps to reduce carbon emissions and environmental pollution which contributes to city actions to better manage air quality. Furthermore, the type of interventions provided are aimed at improving health and well-being, including the prevention of hospital admissions which helps ensure we better manage our use of resource intensive (and high footprint) health and care services.
- 13 In addition, the proposal supports the Leeds Drug and Alcohol Strategy key outcome to increase the proportion of people recovering from drug and / or alcohol misuse. This will be further aided by the new Drug and Alcohol Partnership Board, which is Chaired by the Director of Public Health. The Board will bring together individuals and organisations, across Leeds and West Yorkshire, who represent and deliver the Leeds Drug and Alcohol Strategy goals and coordinate activity to reduce the harm caused by drug and alcohol use, including representation from Forward Leeds – further strengthening the service’s integration and partnership work. A joint needs assessment is also currently being conducted to inform the Board’s decision making.

#### **What consultation and engagement has taken place?**

Wards affected: All

Have ward members been consulted?       Yes                       No

- 14 Public Health Programme Board was informed of the outcome of the tender evaluation on 20<sup>th</sup> December 2022.
- 15 The Executive Member for Public Health and Active Lifestyles was briefed on 9<sup>th</sup> January 2023 and is supportive.

#### **What are the resource implications?**

- 16 The value of this decision is £87,916,105.78 for the initial 5-year contract period (total value of £176,285,266.17. This sum is available through a combination of the Public Health budget and grant funding from the Department of Health and Social Care’s Office of Health Improvement and Disparities (OHID).
- 17 The use of the Public Health budget is considered to be essential spend because without it, the city would not be eligible for the investment from OHID.

#### **What are the key risks and how are they being managed?**

- 18 Should the approval not be granted there would be the loss of a significant service once the current contracts end on 31<sup>st</sup> March 2023. There is an evidenced need for this provision and should it not continue to be delivered beyond the expiry of the current contract, this would significantly affect the Council’s ability to address drug and alcohol misuse in the city.
- 19 There is a risk that levels of grant funding may reduce in future contract years. Any changes to funding levels will managed through the variation and change mechanism within the contract terms and conditions.

## **What are the legal implications?**

- 20 The decision to award this contract is a direct result of a previous Key Decision (D55671) and is therefore a Significant Operational Decision and exempt from call in, in accordance with Article 13.4.2(c) of the Constitution.
- 21 The procurement has been undertaken in accordance with the Public Contracts Regulations 2015 and, the council's own Contracts Procedure Rules. Following evaluation, the panel believes that the contract should be awarded as set out in the recommendations of this report.
- 22 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 in accordance with the Public Contracts Regulations 2015, and that the Council is simply seeking to circumvent the application of the procurement rules. However, this was considered when seeking approval for this procurement by clearly setting out the technical reasons that justified the use of Regulation 32 (2) (b) (ii), and therefore the risk was felt to be low.
- 23 In addition, risks can be diminished somewhat by the publication of a voluntary transparency notice on Find a Tender after the decision to award the contract has been taken and then 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 Regulations, 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.
- 24 However, it should be noted that voluntary transparency notices themselves can be challenged. Although we have now left the European Union the case of Italian Interior Ministry v Fastweb SpA (Case C-19/13) is still good law and highlights the limited protection that the voluntary transparency notice route can offer to contracting authorities wishing to make direct awards without following an above threshold procurement process in accordance with the Public Contracts Regulations 2015. 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. The Voluntary Notice was published on FTS on 3 November 2022 and no challenge was received following the publication.
- 25 These comments should be noted by the Director of Public Health and in making the final decision should be satisfied that doing so represents best value for the Council.
- 26 The contract will be managed by officers in Adults and Health. This will include regular reviewing of performance information and quarterly contract management meetings with the providers, at which any service delivery issues will be discussed.

## **Options, timescales and measuring success**

### **What other options were considered?**

- 27 There was the option of ending the provision once the current contract expires. However, this service continues to be required to meet the demand in the city, and to support the delivery of the national "From Harm to Hope" strategy.

### **How will success be measured?**

- 28 The Service will be subject to a robust Performance Management Framework which includes a number of Key Performance Indicators and other service delivery outcomes. The performance

management framework will be subject to review on an annual basis to reflect changes in demand and performance.

29 Contract management meetings will be held between Leeds City Council and the Contractor on a quarterly basis, or more frequently if required. They will cover topics such as service delivery and development, performance, finance, safeguarding, contract issues, and compliments and complaints.

30 The Service will also be monitored against Leeds City Council's Quality Management Framework which is structured around the themes of: Well-led; Performance; Safe; Effective; and Client Involvement.

### **What is the timetable and who will be responsible for implementation?**

31 The contract will begin on 1<sup>st</sup> April 2023.

### **Appendices**

- EDCI screening

### **Background papers**

- N/A