

Report for: Cabinet Member Signing 26 March 2018

Title: Request for approval to novate the contract for the provision of a Specialist Alcohol Service in accordance with Contract Standing Order (CSO) 9.07.1(d) and 10.3

Report authorised by : Jeanelle De Gruchy – Director of Public Health

Lead Officer: Sarah Hart, ext 1450, sarah.hart@haringev.gov.uk

Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key Decision

1. Describe the issue under consideration

- 1.1 This report seeks Cabinet approval to novate the existing contract for the provision of Specialist Alcohol Service with Haringey Advisory Group on Alcohol (HAGA) to Blenheim CDP (Blenheim) as permitted under Contract Standing Order (CSO) 10.03 (Novation of contracts in circumstances permitted under Regulation 72 of Public Contract Regulations 2015)) in accordance with the provisions of CSO 9.07.1(d) which provides that only Cabinet may award, assign or novate contracts valued at £500,000 or more.

2. Cabinet Member Introduction

This report is required in order to support the merger of HAGA and Blenheim and to enable continuation of the delivery of the community and housing related support alcohol services to Haringey residents. Novation of the contracts as requested will avoid any break in services for vulnerable users with alcohol needs.

3. Recommendations

- 3.1. For Cabinet Member for adult social care and culture to approve the novation of the existing contract for the provision of a Specialist Alcohol Service with HAGA to Blenheim in accordance with CSOs 9.07.1(d) and as permitted under CSO 10.03 so that the contract can continue to be delivered without interruption. The value of the contract is £419,000 per annum.

4. Reasons for decision

- 4.1 By 1st April 2018, HAGA and Blenheim will merge and HAGA will cease to be an independent charity. All existing HAGA contracts will need to be transferred

into Blenheim's name. This is an administrative change. Blenheim's contractual responsibilities will remain the same as HAGA's.

- 4.2 All HAGA staff members are moving into the merged organisation and so there will be continuity in terms of the staff delivering the contract for the provision of a Specialist Alcohol Service .

5. Alternative options considered

- 5.1. To not agree to novate the contract. As the Specialist Alcohol Service would be disrupted, this option was dismissed.

6. Background information

- 6.1 Haringey has high levels of problematic alcohol misuse, it is estimated that 10,000 residents are dependent drinkers with a further 60,000 drinking at levels that would require some level of alcohol intervention. Harmful alcohol use if not addressed leads to alcohol-related conditions, including cardiovascular disease, liver damage. It also contributes to problematic levels of alcohol crime and anti-social behaviour.
- 6.2 The Specialist Alcohol Service forms part of an integrated treatment system for those experiencing problems with substances. It provides a large range of clinical alcohol services which includes early identification screening, compressive assessment and access to community based detoxification and ongoing counselling. Demand for services remains stable, with the service reaching its annual target of seeing 600 residents each year. Haringey performs in the top quartile of the country for successful completions: 42.8% of the total number in alcohol treatment in 2016/15 (n=600) exited successfully.
- 6.3 The contract does not include non-clinical intervention, including street outreach or harm reduction interventions to manage harmful levels of drinking. These services are delivered through the Council's contract with HAGA for the Alcohol Support Service
- 6.4 HAGA was founded in 1981, they are one of the very few to focus exclusively on alcohol. Their governing board has taken the decision that it is in the charities best interest to merge with a larger drug and alcohol charity.
- 6.5 Blenheim is a charity that provides support to over 10,000 drug and alcohol users, their families and carers across London. With over twenty projects across fourteen London boroughs, Blenheim provide a range of recovery services designed to meet the unique needs of individuals and their families, friends and communities.
- 6.6 Blenheim has provided treatment services in Haringey since 2016. It is currently running the adult criminal justice service and the young people's substance misuse service. It has therefore been through and passed the Council's Pre-Qualification Questionnaire process.
- 6.7 Blenheim and HAGA share similar objectives and values, putting service-users at the heart of everything they do. Working together will mean that they will be

able to share resources, make cost savings, share knowledge, and offer a wider range of innovative services.

- 6.8 HAGA made the Council aware, that they would have to novate the contract over, on the 5th March 2018.
- 6.9 In 2013, Cabinet awarded the contract to HAGA for 3 years with the option to extend for a further 2 years. In 2016, Cabinet extended the contract as it was satisfied that the provider had met the expected outcomes. The contract is due to end on 31st December 2018. The value of the contract between 1 April 2018 and 31 December 2018 is £314,250.
- 6.10 The Council's intention is to combine and re-tender its two alcohol service contracts for a new service to start on the 1st January 2019; joining the current Alcohol Support Service Contract and Specialist Alcohol Services.

7 Contribution to strategic outcomes

- 7.1. The service is a key element of delivery of reduction in substance misuse, which is an outcome within the Corporate Plan Priority 2, and reducing reoffending and antisocial behaviour contributes to Priority 3. This service is linked to the crosscutting themes: 'Prevention and early intervention', 'a fair and equal borough', 'Working in Partnership' and 'Working together with communities'.

8 Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

There are no financial implications to this proposal as the contract will be novated at current cost and will be funded from existing resources.

8.2. Procurement

- 8.2.1 This contract novation is in line with the Council's Contract Standing Orders and the Procurement Code of Practice.
- 8.2.2 It is also one of the permitted modifications allowed under s72 1 (d) of the Public Contract Regulations provided that scope of the service including the duration of the contract and value remain the same, there are no further substantial contract modifications and that the new contractor would have met the same selection criteria as the original one.
- 8.2.2 Moreover, novating the contract will minimise the risk of service failure, ensure compliance with service standards, as well as, provide sufficient time for the re-commissioning of Alcohol Support Service with partners which should improve the Council's buying power and realise some cost efficiencies

8.3 Legal

8.3.1 The Assistant Director of Corporate Governance notes the content of the report.

8.3.2 The award of the contract to HAGA was previously approved by Cabinet in November 2013 for the sum of £1,572,342.

8.3.3 CSO 9.07.1(d) gives Cabinet the power to novate a contract where the value of the contract is £500,000 or more as permitted under the provisions of CSO 10.3.

8.3.4 The provisions of Regulation 72(1)(d)(ii) of the Public Contracts Regulations 2015 permits the novation of a contract following a merger, provided that there is no substantial modifications of the contract terms and the service has confirmed that the terms of the contract will remain the same.

8.3.5 The Assistant Director of Corporate Governance therefore sees no legal reasons preventing Cabinet Member for adult social care and culture from approving the recommendation in the report.

8.4 Equality

8.4.1 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.
- The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

8.4.2 This report relates to the novation of a contract already awarded for a specialist alcohol service through a competitive tendering process. The service by its

nature provides support to vulnerable people, including those with the protected characteristics.

- 8.4.3 The contract specification clearly sets out the supplier's responsibilities under equalities legislation, including a requirement to have in place up to date equalities policies and to ensure that the service is accessible to all sections of the community.
- 8.4.4 The contractor had to demonstrate compliance with relevant equalities legislation through the tendering process. The contractor was also required to demonstrate how they would meet the needs of different service users and ensure the service provided would be accessible to all sections of the community. The contractor's compliance with equalities legislation will continue to be quality assured through regular contract monitoring and service review.
- 8.4.5 An Equalities Impact Assessment was carried out in 2015 when the service was retendered in 2014. It found that clients of the alcohol detox service are more likely to be male, more likely to be older and more likely to be White British or White Other – including Irish and Eastern Europeans; however, women, younger groups and other ethnic groups also access the service and there is equality of access. The Specialist Alcohol Service is a service provided to some of the most vulnerable and excluded residents, including from the protected groups.

9 Use of Appendices

9.2 None

10 Local Government (Access to Information) Act 1985

10.2 None