



Haringey Council

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Agenda item:

[No.]

[Name of Meeting] Procurement 25th November 2008

Report Title: Drug Interventions Programme Contract award, 2009 – 2010

Forward Plan reference number (if applicable):

Report of: Sharon Kemp, Assistant Chief Executive, PPP&C

Wards(s) affected: All

Report for: Key decision

1. Purpose

Request for Award of the Drug Interventions Programme (DIP) Contract to CRI (the existing provider) for the period 1st April 2009 – 31st March 2010 in the amount £1.m +/-

2. Introduction by Executive Member

Haringey Drug Interventions Programme (DIP) is part of a national programme aimed at breaking the links between drug misuse and crime, by encouraging drug misusing offenders into appropriate treatment. The DIP is funded by a grant from the Home Office and works with some of the most vulnerable citizens of the borough. It is important that we make maximum use of this grant funding to continue the valuable work.

I fully support the recommendation to award the contract as outlined at paragraph 3 of this report.

3. Recommendation

That Members award the DIP contract to the existing provider, CRI under the provision of CSO 7.0.3 (d) that it is in the council's best interests due to continuity of service, the timing of any tender process and overall performance for the period 1st April 2009 – 31st March 2010 in the amount of £1.m +/-.

Report Authorised by: Sharon Kemp, Assistant Chief Executive, PPP&C

Contact Officer: Paulette Haughton, Drug Interventions Programme, Project Manager. X6953/6018 paulette.haughton@haringey.gov.uk

4. Director of Finance Comments

4.1 The Chief Financial Officer has been consulted on this award request and confirms that a DIP grant of £1.262m was allocated to Haringey for the financial year 2008/09 (See Appendix 1.)

4.2 Government funding for 2009/10 has yet to be confirmed although it is expected to be available. Current expectation is that it is likely to be set at 2008/09 levels with no inflationary increase. Clearly if funding is substantially reduced this will need to be factored into the award of contract from 1st April 2009.

5. Head of Legal Services Comments

5.1 This report is seeking a award of the DIP contract to the existing provider, CRI on the basis of the ground set out in CSO 7.3(d), i.e. on the basis that a award of the contract to the existing provider at this time is in the Council's overall interest

5.2 The services under this contract are classified as 'residual services' under the Public Contracts Regulations 2006 so there is no requirement to tender the contract in the EU.

5.3 The report states that the original DIP contract for a 17-month period was awarded to the current service provider by the Procurement Committee on 26th June 2006, following a competitive tendering exercise, and that a 12-month extension of the original contract until 31st March 2009 was approved by the Procurement Committee on 30th September 2008.

5.4 A waiver of the CSO requirement to tender was agreed by Members on 28th October and the award of a further 12-month contract to the existing provider is now being sought. The additional contract period will allow for the continued provision of the service, pending the completion of the competitive tendering process to be initiated early in 2009 in respect of the procurement of a replacement service provider.

5.5 CSOs 7.2(a)/ 7.3(d) empower Procurement Committee to grant a award of CSOs if satisfied, after considering a report by the appropriate officer, that the award is justified on the basis that it is in the Council's overall interest.

5.7 Procurement Committee has the power under CSO 11.3 to award the contract.

5.8 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendation in Paragraph 3 of this report provided Members are satisfied, based on the circumstances set out in this report that it is in the Council's overall interest to grant the award.

6. Head of Procurement Comments

6.1 The contract manager confirms that performance meets contract requirements and on this basis, the Head of Procurement is satisfied that the request to award the

contract to the existing provider, CRI (under CSO 7.0.3 (d) is in the Council's overall best interests as the DIP serves a statutory requirement and needs to provide a continuous service.

7. Local Government (Access to Information) Act 1985

7.1 The following background papers were consulted in the preparation of this report:

- Procurement Committee Report – 20th June 2006
- Procurement Committee Report – 30th September 2008
- Procurement Committee report – 28th October 2008
- Contract specification and other contract documentation
- Tender and tender support documents returned by the five tenderers
- Evaluation assessments and other relevant papers and files

8. Strategic Implications

8.1 The DIP assesses Class A drug users and engages them in treatment, thus feeding into the LAA, specifically NI 30 and 40.

9. Financial Implications

9.1 The cost of this contract will be met from the available central government funding.

10. Legal Implications

10.1 See "Head of Legal Services comments" at paragraph five.

11. Equalities Implications

11.1 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services. A relatively low proportion of women drug misusers access treatment services: the DIP works with the Drug and Alcohol Action Team (DAAT) to address these imbalances and to encourage as many drug misusing offenders as possible into treatment. All relevant equalities considerations were addressed during the tendering process. The Senior Equality and Diversity Officer was part of the tender evaluation process to ensure that equalities issues were robustly addressed and was satisfied that this was the case. The Equalities Team has been consulted in the preparation of this report and has no specific concerns regarding the award of the contract to the existing provider.

12. Background

12.1 Haringey DIP seeks to move drug-misusing offenders "out of crime and into treatment". The service has been in operation since 2003 and is part of a national programme, underpinned by legislation. The DAAT partnership received a further 1-year grant from 1 April 2008 to 31 March 2009 with a commitment from Government for 2009/10 at the same or similar levels. See Appendix A.

12.2 In accordance with Members direction in April 2005, a procurement exercise was undertaken, starting in September 2005. There were 36 expressions of interest and 5 companies submitted formal bids. The Drug Interventions Programme contract was awarded to Crime Reduction Initiatives (CRI) at an Executive Procurement Committee on Monday 26 June 2006 for a period of 17 months with allowance for an extension of up to 12 months. The extension request was granted at a Procurement Committee on 30 September 2008; a waiver of CSO requirement to tender was granted on 28th October 2008.

12.3 This report is requesting that Members agree to award the contract to the existing provider for a further 12 months, from 1 April 2009 to 31st March 2010, during which time the contract will be put out to tender. The award is being requested as the timeline is now such it will be difficult for an effective tender process to be carried for a new contract to be in place by 1 April 2009. In addition, the existing contract will have been in place for 2 years and 5 months, and in the interests of continuing to improve the performance of the DIP, the additional 12 months will allow for further consolidation of the work. The request is being made in line with (CSO) 6.04 (requirement to tender) under CSO 7.0.3 (d) as we believe that it is in the Council's overall best interests; the DIP serves a statutory requirement and needs to provide a continuous service.

12.4 The service works with adults who are arrested on 'trigger offences' and who test positive for Class A drugs. The DIP assesses the treatment needs of these individuals, draws up a care plan and arranges the appropriate drug treatment and support services for them.

12.5 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services. A relatively low proportion of women drug misusers access treatment services: the Drug and Alcohol Action Team (DAAT) commissions the DIP services to address these imbalances and to encourage as many drug misusing offenders as possible into treatment.

13 Summary and Conclusions

13.1 The DIP contract is due for re-tendering during 2009/10, this report requests the award of the contract to the existing provider CRI, for a further 12 months, subject to funding.



Home Office

GRANT FUNDING APPROVAL: IMPLEMENTATION OF THE DRUG INTERVENTIONS PROGRAMME REVISED MAIN GRANT 2008/09

1. I am writing to confirm that a grant of up to £1,262,194. is available to your Drug Action Team in 2008/09. The grant is to enable the implementation of the Drug Interventions Programme (DIP) as part of the local delivery of the new Drug Strategy, and must only be used to implement DIP.
2. The Home Office is providing a grant in 2008/09 that is 1.5% above the level you received in 2007/08. This will help absorb some inflationary costs, but no additional increases are planned for future years. 2009/10 budgets will not be set until later in 2008/09.
3. The system whereby individual DIP funding streams were merged into Revised DIP Main Grant (RMG) in 2006/07 will be maintained in 2008/09. This increase in flexibility has proven successful and has enabled DATs to embed and deliver DIP as a package rather than a number of distinct interventions.
4. However, in allocating the Revised DIP Main Grant, we expect certain key structures and capabilities will be in place. These are set out in the attached **Annex A** and aim to ensure delivery of the key Programme outcome – a reduction in drug-related offending. You will know which expectations apply to you based on your intensive status.
5. The grant is made subject to the terms and conditions detailed at **Annex B**. These should be signed by the responsible person in your finance department.
6. In order for funding to be released and for audit and management purposes, you must report how the partnership intends to spend this funding. Attached at **Annex C** is the template for setting out the spending profile for your 2008/09 Revised DIP Main Grant. This profile should be agreed by the Local Partnership, Government Office Drug Team Regional Manager and NTA Regional Manager.
7. Payments will be made based on the amounts indicated in this profile. Details of your nominated banker should be made on **Annex D**.
8. Annexes B, C and D must be returned to the Home Office by the **16 May 2008**.
9. We will make two payments to you in 2008/09. The first payment, subject to the receipt of Annexes B, C and D, will be made in June and will constitute Quarters 1 and 2. The second payment, for Quarters 3 and 4 will be made in December and only upon receipt of a completed 2007/08 Outturn Statement. This can be found at Annex E and must be signed off by the Chief Finance Officer.
10. Annex E – Outturn Statement for 2007/08 should be returned to the OBIU Business Support Team at the Home Office by the 30 May 2008. The details from this outturn will be used to calculate your Quarter 3/4 payment. As there was no carry-forward facility in 2007/08 underspends will be deducted from your 2008/09 grant. You will be notified by email of the amount of your Quarter 3/ 4 payment by the 30 June 2008.
11. An in-year outturn statement covering the first three quarters of the 2008/09 financial year will be required by the 31 January 2009. The template for this can be found at Annex F and should be returned to the OBIU Business Support Team at the Home Office. It does not need to be

signed off by the Chief Finance Officer, but should be an accurate reflection of expenditure to date.

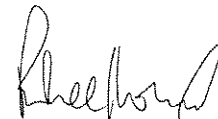
12. You are also required to complete a final 2008/09 Outturn Statement by the 30 May 2009. The template for this can be found at Annex G, but will be sent again in the new financial year.
13. You will not be allowed to carry forward any funding from 2008/09 to 2009/10, so please commit and spend all funding available to you this year.
14. All Annexes must be returned via your Government Office Drug Team with a Regional Authorisation Form attached (Annex H). The Government Office Drug Team should then forward the Annexes by the date specified to:

Joanne Terry,
PCSD / OBIU Business Support Unit
4th Floor, Fry Building
2 Marsham Street
London, SW1P 4DF

We will be accepting Annexes electronically on the basis that the full audit / authorising trail can be seen in the email. These should be sent to: Joanne.Terry@homeoffice.gsi.gov.uk or to the PCSD Business Support general mailbox: yfma-PCSDBS@homeoffice.gsi.gov.uk.

15. If we do not receive completed accurate Annexes by the dates specified in this letter you will be in breach of the grant terms and conditions, and we will give consideration to reducing or withholding funds.
16. For quick reference a funding timetable can be found at Annex I.
17. Should you need clarification or any further information concerning this funding please contact Joanne Terry either by email: Joanne.Terry@homeoffice.gsi.gov.uk or phone: 020 7035 4874.

Yours sincerely



Peter Wheelhouse
Head of Offender Based Interventions Unit