

**Report for:** 12 March 2019 Cabinet

**Title:** Approval to novate the existing contracts for provision of the **Specialist Alcohol Service and the Recovery Service** for drug and alcohol substance misuse

**Report authorised by:** Charlotte Pomery – Assistant Director Commissioning

**Lead Officer:** Sarah Hart Public Health Senior Commissioner – Substance Misuse, Sexual Health, Health improvement  
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**Ward(s) affected:** All

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

## 1. Describe the issue under consideration

- 1.1. This report requests Cabinet approval to novate the existing contracts for the provision of the **Specialist Alcohol Service and the Recovery Service** for drug and alcohol substance misuse from Blenheim CDP to Humankind Charity as allowed under Contract Standing Orders (CSO) 9.07.1(d) and CSO 10.03.

## 2. Cabinet Member Introduction

This report is required in order to enable continuation of the delivery of alcohol and recovery services to Haringey residents and novation of the contracts as requested will avoid any break in services for vulnerable users with substance misuse needs.

## 3. Recommendations

- 3.1. For Cabinet to approve the novation of the existing contracts for the provision of a Specialist Alcohol Service and for the provision of a Recovery Service for drug and alcohol substance misuse from Blenheim CDP to Humankind Charity in accordance with CSOs 9.07.1(d) and 10.03 from 1 April 2019 so that the contracts can continue to be delivered without interruption.

## 4. Reasons for decision

- 4.1. As of 1<sup>st</sup> April 2019, Blenheim CDP and Humankind Charity will merge and all staff, assets and contracts of Blenheim CDP will be transferred into Humankind Charity. For Haringey this is an administrative change, Humankind Charity's contractual responsibilities will remain the same as Blenheim CDP's.

- 4.2. The Council has received assurances from Humankind on several core areas of delivery/ethos to give it confidence that the new services will have an ethos that ensures important elements of the local services remain.

## 5. Alternative options considered

- 5.1. Not to agree to novate the contract. As these are core services which would be disrupted, with a negative impact for service users, this option was dismissed.

## 6. Background information

- 6.1. Haringey has three main substance misuse services – drug service, alcohol service and drug and alcohol recovery service. The drug and alcohol services are the first access point, offering services that are more clinical. From these services, residents progress into the recovery service which offers psychosocial help i.e. counselling, group work, education and employment services. The recovery service also has a strong focus on self-help and peer support.
- 6.2. The substance misuse services were tendered in 2018 and both the Specialist Alcohol Service and Recovery Service *for drug and alcohol substance misuse* were awarded to Blenheim CDP (“Blenheim”) by Cabinet in October 2018. The length of both contracts is four years with an option to extend for a further period or periods of up to two years plus another two years up to a maximum of eight years. Value for the Specialist Alcohol Service for four years is £3,570,938.42 with a maximum over eight years of £7,170,567.54. Value for the Recovery Service *for drug and alcohol substance misuse* for four years is £2,013,767.11 with a maximum over eight years of £4,064,932.67.
- 6.3. Blenheim has delivered services in Haringey since 1984. In April 2018 Haringey Action Group on Alcohol (HAGA) merged with Blenheim. HAGA had provided alcohol services to Haringey since 2007 but had reached a stage where it was going to benefit from the resources of a larger organisation. Blenheim currently has 200 staff and 45 volunteers and provides support in twenty projects across fourteen London boroughs to over 11,000 drug and alcohol users, their families and carers. Blenheim’s annual turnover in 2017-18 was £8,854,059.
- 6.4. Blenheim has decided to merge with Humankind Charity (Humankind) following analysis of the benefits and risks associated with merging and a decision-making process which has identified that the merged organisation will be stronger and more resilient than the sum of its parts. Key points underpinning both organisations’ rationale for merger include:
- Shared ethos and values: specifically, a mutual commitment to a local community focus, service user progression, independence/empowerment and positive change;
  - Compatible geographies: jointly, the organisations have national reach- Humankind in North and Blenheim in the South of England;
  - Clear strategic synergies in the five-year plans of both organisations;

- Commitment to maintaining and developing shared organisational strength to increase campaigning, advocacy and a national voice for those we serve;
  - Mutual recognition of the strengths of each organisation and a belief that these impacts can be extended through further collaboration and integration.
- 6.5. Humankind will be a new organisation to Haringey. It has worked in local communities in the North of England for 35 years delivering services which include clinical and community-based substance misuse services and in addition services with a very tangible link to social care of marginalised groups including employability programmes for young unemployed people, offender support and rehabilitation services, independent living support for care leavers and the development of an innovative approach to 'accommodation registers' for homeless people. It operates in line with three key values, which reflect those of Blenheim:
- Honest: we are open and realistic, building trusted relationships in which we challenge, collaborate and change
  - Committed: we are passionate about being the best that we can be, and we do this by keeping people at the heart of everything that we do
  - Inventive: we are ambitious, drawing together skills and resources to innovate and adapt in determined pursuit of our mission.
- 6.6. Humankind has 850 staff and 100 volunteers supporting 23,500 individuals in local communities in the North East, Yorkshire and Humberside and the North West of England. Humankind's annual turnover in 2017-18 was £32,005,295.
- 6.7. Blenheim has provided assurances to commissioners that the merger is about protecting smaller organisations and providing them with the resilience and support to survive.
- 6.8. In a recent meeting commissioners sought assurances on several core elements of the new contract and these have been agreed in writing by Blenheim and Humankind. These include commitments made to the local, small subcontractor of the Drug and Alcohol Recovery Service, maintenance of the ethos of Blenheim, assurances for staff, maintenance of local championing around alcohol awareness and maintaining social value that Blenheim brings to Haringey, see appendix 1.

## **7. Contribution to strategic outcomes**

- 7.1.1. Priority 2 – Enable all adults to live healthy, long and fulfilling lives: All residents will be as healthy as possible for as long as possible. Health related quality of life will improve over time (including mental health and wellbeing).
- 7.1.2. Priority 5 - creating homes and communities where people choose to live and are able to thrive: Prevent homelessness and support residents to lead

fulfilling lives. More people, including vulnerable people and those with complex housing needs, will be able to maintain their tenancies successfully and have greater independence.

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

### **8.1 Finance**

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

### **8.2. Procurement**

8.2.1. This provision is within the Light Touch Regime of the Public Contracts Regulations 2015. As such, any modifications to the contract post award would generally require retendering.

8.2.2. However, a novation falls within one of the permissible exceptions under s72. PCR 2015; 'a new contractor'. The new contractor Humankind is required due to it having merged or acquired the original Contractor, Blenheim CPD. The novation may therefore be permitted ; there are no other contract modifications

8.2.3. Strategic Procurement will undertake due diligence to ensure that that Humankind can meet the same selection criteria as Blenheim

8.2.4. During the contract term, Commissioning Officers will undertake regular contract monitoring to ensure key performance indicators are met, as well as, mitigate against any service delivery risks.

### **8.3. Assistant Director of Corporate Governance**

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

8.3.2 The award of the Specialist Alcohol Service and the Recovery Service for drug and alcohol contracts to Blenheim CDP was approved by the Cabinet in October 2018. The commencement date of both contracts was 1 February 2019.

8.3.3 Under CSO 9.07.1(d) Cabinet must approve the novation of contracts which were valued at over £500,000 at the time of the award, and under CSO 10.03 the Council may agree to the novation of contracts in the circumstances permitted under Regulation 72 of the Public Contracts Regulations 2015.

8.3.4 The novation of a contract following a merger is permitted under Regulation 72(1)(d)(ii) of the Public Contracts Regulations 2015, provided that the novation does not entail other substantial modifications to the contract. The service has confirmed that there will be no other modifications to the contracts.

8.3.5 The Assistant Director of Corporate Governance sees no legal reasons preventing the Cabinet from approving the recommendations 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:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- 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 contracts that were already awarded for 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 specifications 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 services 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.

#### 9. **Use of Appendices**

Appendix 1 – Assurances given by Humankind in relation to the Haringey contracts

#### 10. **Local Government (Access to Information) Act 1985**

Not Applicable

Appendix 1 – Assurances given by Humankind in relation to the Haringey contracts

<b>Assurance area</b>	<b>Assurance given</b>
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<p><b>Commitments to Bringing Unity Back Into the Community (BUBIC);</b> The peer support element of the new Recovery Service in Haringey is sub-contracted to Bringing Unity Back into the Community (BUBIC).</p>	<p>All commitments made on behalf of or to BUBIC in the tender document will be honoured.</p>
<p><b>Culture and ethos of Haringey Action Group on Alcohol (HAGA) and Blenheim to be maintained;</b> HAGA was a Haringey charity with a passion for challenging normalisation of alcohol use, dedication to delivering high quality services and a legacy of Innovation particularly around on-line services.</p>	<p>Humankind has undertaken to maintain the ethos of HAGA and Blenheim by;</p> <ul style="list-style-type: none"> <li>• Retaining London/south presence, staff, base and specialisms</li> <li>• Amalgamating training offers, including adding Humankind specialisms to Blenheim’s offer, such as independent living, employment training and education, and clinical service provision</li> <li>• Cross-organisational business development to increase provision and enhance sustainability</li> <li>• Sharing best practice of working in urban, semi-urban and rural areas across both organisations</li> <li>• Jointly developing innovative models and initiatives</li> <li>• Bringing together Marketing &amp; Communications activities in terms of national campaigns</li> <li>• Bringing together Care Quality Commission (CQC) and clinical governance processes, retaining strengths across both organisations and sharing resources</li> <li>• Continuing communication processes, with weekly core group meetings comprising the Executive teams from both organisations and dedicated working groups for key areas</li> <li>• Collaborating on business planning from leadership teams of both organisations, including service development and strategic priorities, including recently</li> </ul>

	<p>holding a joint Senior Management Team meeting to introduce combined processes</p> <ul style="list-style-type: none"> <li>• Two members of HAGA board to go onto the new Humankind board. Should these members resign, Humankind will continue to have dedicated alcohol specialists on their board. 5 Blenheim Trustees will join the Humankind Board of Trustees.</li> </ul>
<b>Staff will not be negatively affected</b>	<p>Humankind have undertaken to make no changes to staffing arising from the transfer. Local volunteers will be retained in their roles and Humankind will continue to provide volunteering opportunities in line with the new service specification. Pay for all Haringey staff will be in line with the London Living Wage. Humankind will commit to Trade Union recognition.</p>
<b>Retaining local influence around issues of alcohol misuse</b>	<p>Humankind will continue to commit to the local Borough plan, local alcohol campaigns and at senior management level there will be membership of the local voluntary sector forums run by Bridge.</p>
<b>Maintaining social value</b>	<p>Humankind will continue to provide Haringey with digital services at no cost (Don't Bottle It Up, Drink Coach, Skype) It will be dedicated resource to continue work around domestic abuse. The current investment commitments to Shine will continue.</p>