



Agenda item:

[No.]

**Cabinet Procurement Committee on Tuesday 22<sup>nd</sup> December 2009**

Report Title.

Award of Contract for the Haringey Offender Management Scheme (incorporating Haringey Drugs Intervention programme and Prolific and Other Priority Offenders Scheme):

Report authorised by **Wayne Longshaw, Interim Assistant Chief Executive, PPP&C**

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Wards(s) affected: **ALL**

Report for: **Key decision.**

**1. Purpose of the report (That is, the decision required)**

1.1 To seek Members' agreement to award the contract for the provision of the Offender Management Scheme (incorporating Haringey's Drugs Intervention Programme and Other Priority Offenders Scheme).

**2. Introduction by Cabinet Member (if necessary)**

2.1 Haringey Drug and Alcohol Action Team (DAAT) are responsible for commissioning services for adult drug and alcohol misusers in the borough. The DAAT is funded through Department of Health (Pooled Treatment Budget); Home Office Grant (DIP Main Grant) and mainstream Health (Haringey NHS) and Social Service's (LBOH) budgets. The Drugs Intervention Programme plays a major role within the borough,

working with some of the most vulnerable residents of the borough in regard to drug misusing offenders and social re-integration. Its role within the Prolific and Other Priority Offenders Scheme provides treatment for some of the most prolific offenders in the borough. Through strong links with our partners, Police, Probation and Health, and with Council Services it has a major effect in reducing crime in the borough. I fully support the recommendation to award these contracts as outlined in paragraph 4 of this report.

Councillor Nilgun Canver, Cabinet Member for Safer Communities and Enforcement

### **3. State link(s) with Council Plan Priorities and actions and /or other Strategies:**

3.1 The Haringey Offender Management Scheme is a partnership programme which aims to reduce offending of Drug Misusing Offenders. It incorporates the Drugs Intervention Programme (DIP) and Prolific and Other Priority Offenders schemes.

3.2 The provision of this scheme contributes to all five of the London Borough of Haringey Council's priorities.

3.2.1 A Better Haringey

3.2.2 A Thriving Haringey

3.2.3 A Caring Haringey

3.2.4 A Greener Haringey.

3.2.5 Driving change, improving quality.

3.3 The provision of this scheme contributes to the London Borough of Haringey Council's strategies

3.3.1 **Community Strategy** - The Provision of the Offender Management Scheme links to the Council's Community Strategy through complying with the Council's priorities for Safer for all, Healthier people with a better quality of life and People and customer focus through reduction in crime, drug and alcohol misuse. There was also service user and carer involvement in the tender process.

3.3.2 Wellbeing Strategic Framework - complying with the Framework's:

Goal 1 – To promote healthy living and reduce health inequalities in Haringey by reducing the harm caused by drugs and alcohol.

Goal 2 – To promote opportunities for leisure, socialising, life-long learning, and to ensure that people are able to get out and about and feel safe and confident inside and outside their homes through social re-integration of offenders and reducing the fear of crime.

Goal 3 – To encourage opportunities for active living including getting involved, influencing decisions and volunteering through Service User and Carers involvement in the Tender Process.

3.3.3 **Children's and Young People's Plan** - complies with the plan's requirement to safeguard the families of drug misusing offenders through the identification and acting upon the impact a parent's substance misuse has on a child. It also offers early intervention for those 18-25 years of age into treatment, employment, training and education.

3.3.4 **Safer for all (Safer Communities Plan)** - complies with the plan's priority on: Drugs and Alcohol – Prevention and effective treatment by targeting services within the Criminal Justice sector, by delivering holistic services and reducing drug misuse. Reducing re-offending by Adults and Young People by supporting offenders and ex-

offenders into sustainable social re-integration.

**3.3.5 Homelessness Strategy** - complies with the strategy's priority 2 through improving procedures for dealing with prison leavers and establishing early intervention to maintain users in accommodation. The scheme also supports offenders, who maintain abstinence, through a rent deposit scheme into private rented accommodation.

**3.4 Use of Resources** - The Drug and Alcohol Action Team is made up of staff from the Council and the PCT and reports to a partnership board with the PCT, Metropolitan Police, London Probation Service/National Offender Management Service, Voluntary Sector, Government Office for London, National Treatment Agency and Job Centre Plus. The Drug and Alcohol Action Team (DAAT) undertake annual needs assessment for both adults and young people in the borough, to identify future treatment needs and effectively target support (see Treatment Plans and Alcohol Harm Reduction Strategy). Haringey is the first borough to undertake a specific Needs Assessment for the Drugs Intervention Programme, and this has been highlighted as "Good Practice" by the National Treatment Agency. This assessment identifies the needs of those drug misusers in the Criminal Justice system and has enabled the tender specification to be aimed at those local needs. The DIP Needs Assessment feeds into the borough's overall adult drug treatment needs assessment and consequent treatment planning cycle.

**3.4.1 Value for money** – The tender evaluation has adhered to the Councils Supplier Selection Policy and the recommendation is based on the most economically advantageous bid. The schedules have also been measured value for money through the comparison of schedule of rates against the National Treatment Agencies regional unit cost where possible. The Contracts will be performance managed with the providers through quarterly contract meetings.

**3.4.2 Property Assets** - The project is looking for the provider to supply the property the programme will operate from as part of the bid, moving property maintenance and liability to the provider. The DIP's present operational building is leased by the current provider from a private landlord. Additional aspect to the contract is the Sustainable Procurement Service Level Agreement which all DAAT contracts will have from April 2010

**3.4.3 Risk Management** - As part of the process the Tenderers were requested to provide a project plan to cover the period prior to commencement of contract. The successful Tenderers plans will be the foundation of a partnership plan to ensure the contract commences on time, to quality expectations and on budget. The management of the contract is covered in the summary aspect of this report.

**3.4.4 Staff/Workforce**

Staff/workforce evaluation was undertaken through method statement and at interview. All staff will be employed by the successful Tenderers. The DAAT expects that all services will be provided with due consideration to the diverse needs in the borough of Haringey.

**4. Recommendations**

4.1 That Members agree to award of the contract for Haringey's Offender Management Scheme Criminal Justice Intervention Team (Lot1) and Rapid Access Prescribing (Lot2) to Tenderer C, for a period of 36 months, with an option to extend for a further period of up to 24 months, for the sum of £690,726 per annum; and that this contract

award will be paid from Drugs Intervention Programme Main Grant and Pooled Treatment Budget. The contract to commence on April 1<sup>st</sup> 2010.

4.2 That Members agree to award of the contract for Haringey's Offender Management Scheme the Drug Rehabilitation Requirement Programme (Lot 3) and Haringey Resettlement Service (Lot 4) to Tenderer D, for a period of 36 months, with an option to extend for a further period of up to 24 months, for the sum of £394,128.77 per annum; and that this contract award will be paid from Drugs Intervention Programme Main Grant and Pooled Treatment Budget. The contract to commence on April 1<sup>st</sup> 2010.

4.3 That it be noted that the cost of the contract will be met from partnership budgets, all being external grants given to the partnership for this purpose, these being The Drugs Intervention Programme Main Grant, hosted by the London Borough of Haringey, and Pooled Treatment Budget, hosted by Haringey NHS. Any variance in the allocated grant will be reflected in the annual cost of the contract.

## **5. Reason for recommendation(s)**

5.1 The recommendation for the contracts awards is made on the basis of the bid which is the most economically advantageous and not simply the lowest tender.

5.2 The Contract is awarded to the Tenderer with the highest score in each of the four Lots

## **6. Other options considered**

6.1 The current DIP contract terminates on 31<sup>st</sup> March 2010 after a one year's extension. In line with the Council's Contract Standing Orders the DIP was required to be re-tendered.

## **7. Summary**

7.1 Haringey Offender Management Scheme consists of the Drug Interventions Programme (DIP) and the Prolific and Other Priority Offenders Scheme (PPO).

7.2 Haringey's Drug Interventions Programme is funded through a Home Office grant and the Pooled Treatment Budget for Adult Substance Misuse Treatment Budget from the Dept. of Health.

7.3 The aim of the DIP is to divert substance misusing offenders out of the Criminal Justice System through effective substance misuse drug treatment. It does this through assertive contact and assessment of offenders in various environments, such

as custody suites, courts, prisons, and engaging them in effective drug treatment in order to eliminate/reduce their offending behaviour.

- 7.4 The aspects of Haringey's DIP consist of the Criminal Justice Intervention Team (Lot 1), Rapid Access to Prescribing (Lot 2), Drugs Rehabilitation Requirement order programme (Lot 3) and Haringey Resettlement Programme (Lot 4).
- 7.5 The Programme accounts for approximately one third of clients entering drug treatment and contributes to part of Haringey's LAA target NI 40 (Number of Drug Misusers in Effective Treatment). It is also a significant part in the NI38 (reducing drug related (Class A) offending rate) and NI 30 Adult re-offending rates for those under Probation orders. It also contributes to targets for NI16 (Serious Acquisitive crime).
- 7.6 The programme is funded by an annual grant from the Home Office. This grant is facing a "standstill" position over the next year.
- 7.7 The Pooled Treatment Budget contributes towards the provision of the Drug Rehabilitation Requirement programme. This budget is facing a 14% decrease for 2010/11.
- 7.8 The Contracts will include a clause that in the event of decreases in the funding of either the Home Office Grant for DIP or the Pooled Treatment Budget, the contract shall be adjusted accordingly.
- 7.9 The Contracts will include a clause that in the event of the cessation of the Home Office Grant or the Pooled Treatment Budget, the contract shall be terminated at the end of available grant funds.
- 7.10 The Contracts will be robustly performance managed with the providers through quarterly contract meetings.
- 7.11 The performance data will be from the National Treatment Agency's (NTA) National Drug Treatment Monitoring System (NDTMS); Home Office Drug Interventions Record data collection system (DIRWeb) and additional supporting local data. Financial data will be from LBOH SAP system.
- 7.12 The Offender Management Scheme Steering Group, a partnership board, monitors the performance of the Drugs Intervention Programme and Prolific and Other Priority Offenders schemes. This board reports to the Safer Communities Executive Board (SCEB) and the Drugs And Alcohol Action Team Board (DAAT)
- 7.13 The providers will participate in monthly borough wide DAAT performance management meetings.
- 7.14 The National Treatment Agency will hold an annual review of the Drugs Intervention Programme 3-4 months into every financial year.

- 7.15 The open tender procedure was followed in accordance with Contract Standing Orders
- 7.16 There were 27 applications for tender packs of which 6 actual tenders were received
- 7.17 The Tenders were evaluated against Cost (40%) and Quality (60%). The Quality score and the Cost Score were added together to give an overall score per Lot per Tenderer. The contract is awarded to the Tenderer with the highest score in each Lot.
- 7.18 All Tenderers passed the financial soundness evaluation.
- 7.19 A ratio for each tendered price within each Lot was created by dividing all tendered prices into the lowest cost within each Lot. This ratio is multiplied by the weighting (40%) to give a cost score for each Tenderer within each Lot.
- 7.20 Quality was measured against the criteria of Clinical Governance; Service Delivery and Care Pathways; Workforce Development; Capacity; Collaborative Working and Service User Involvement; and Technical and Information Requirements.
- 7.21 Each Quality criterion was evaluated through the method statement and presentation and interview based on the following criteria.

Criteria	Weighting
Quality and Clinical Governance	15%
Service Delivery and Care Pathways	15%
Workforce Development	10%
Capacity	6%
Collaborative Working and Service User Involvement	10%
Technical and Information Requirements	4%
Total	60%

- 7.22 The scores from evaluation of each Quality criterion were added together to give the Quality Score. Quality was measured out of 60 to account for quality weighting (60%)

## 8. Chief Financial Officer Comments

- 8.1 This contract is funded via external grant – the DIP main grant and the pooled treatment budget - and the contract has been let based on current grant values. Given the limited control the Council has over the on-going certainty of external grant levels, the contract will include a clause enabling adjustments to the contract should funding levels decrease over the life of the contract.
- 8.2 The cost of the contract performance management has been allowed for from within the DIP grant.

## **9. Head of Legal Services Comments**

- 9.1 This report is recommending the award of contracts for services categorised as Part B or residual services under the Public Contracts Regulations 2006. These contracts are not subject to the full EU procurement procedures. In particular there is no requirement to tender them in Europe.
- 9.2 The contracts were tendered in accordance with the Council's Contract Standing Orders using the open procedure.
- 9.3 Each of the two contractors recommended for award of contracts has been selected for award of 2 of the 4 lots tendered. This is on the basis that each contractor submitted the most economically advantageous tender in respect of the lots to be awarded to it. This is in accordance with CSO 11.01(b). Under CSO 11.01 an award may be made either on this basis or on the basis of the lowest price.
- 9.4 As the total estimated contract value exceeds £250,000 the proposed award must be approved by Members according to CSO 11.03. This says that Cabinet must award all contracts over this value.
- 9.5 The award of the contracts is a key decision as the total value of the award exceeds £500,000. As such it is required under CSO 11.04 to be included in the Council's Forward Plan. The DAAT team has confirmed that it is.
- 9.6 The Head of Legal Services confirms that there are no legal reasons preventing members from approving the recommendations in paragraph 4 of this report.

## **10. Head of Procurement Comments**

- 10.1 The recommendation is in line with the Procurement Code of Practise
- 10.2. A competitive tendering process has been undertaken and evaluated against a Most Economically Advantageous Tender (MEAT) evaluation, providing the Council with a Value for Money service.
- 10.3 The Contract has been developed to mitigate any financial risk to the Council if external funding streams are not continued.
- 10.4 A Contract Management process has been put in place to monitor contract compliance.

## **11. Equalities and Community Cohesion Comments**

- 11.1 Equality considerations were considered throughout the tender process; an equalities impact assessment was conducted through specialist evaluation and in

the quality evaluation in aspects of workforce development; capacity (access and engagement); collaborative working and service users.

11.2 The Drugs Intervention Programme is a positive action programme that addresses the specific needs of those Haringey residents who are in the Criminal Justice system with drug misuse. This client group contains some of the most disadvantaged of Haringey communities and includes a high proportion of BME men who do not readily access treatment but who are over represented in the criminal justice system. The programme will also be required to contact and engage other vulnerable groups such as women, the homeless and those with mental health issues who have contact with the Criminal Justice system.

11.3 The Equalities Team carried out the Equalities Specialist Evaluation of all tenders

## **12. Consultation**

12.1 The Offender Management Scheme specification was devised following consultation by the DAAT with London Probation Service, London Metropolitan Police – Haringey, Service Users and Haringey PCT.

12.2 The process of DIP is laid out by the Home Office Drugs Intervention Record pathway.

12.3 The Offender Management Scheme tender evaluation panel consisted of Metropolitan Police inspector, Senior Probation Officer from London Probation Service, a service user, council officers and managers from the Haringey NHS.

12.4 London Borough of Haringey's Procurement Team supported and advised on the process throughout the tendering.

12.5 Specialist evaluation was undertaken by London Borough of Haringey's Finance, Health and Safety, Procurement and Equalities teams

## **13. Service Financial Comments**

13.1 The DIP Main Grant is to enable the implementation of the Drugs Interventions Programme (DIP) as part of the local delivery of the Governments new Drug Strategy and must only be used to implement DIP, as outlined in the agreement for Drugs Interventions Programme Main Grant. Indicative funding for the forthcoming year is made in February and any changes to funding will be made at this time.

13.2 The Pooled Treatment Budget is comprised of different funding streams from the Dept of Health, Home office and NHS Haringey. The funding is for drug and alcohol services which are commissioned by the Joint Commissioning Manager and over



seen by senior representatives from all the partnership bodies. There is a requirement for the PTB to fund Drug Rehabilitation Requirement services. Confirmation of the annual funding for the forthcoming financial year is given in December and any changes to funding will be made at this time.

13.3 There is no specific funding for the Prolific and Other Priority Offenders Scheme. The DIP aspect of the PPO scheme is funded by the DIP Main Grant.

13.4 The budget for each year is approved on the understanding that the work will continue to deliver against the targets and milestones set in the contracts and DAAT Performance Management Group. The monitoring of the service is outlined in this report's points 7.10 -7.14.

13.5 The full cost of funding the scheme depends on the Government grant and the estimated cost of the initial 36 months requested may vary due to the nature of the funding from the government. The management of this is outlined in this report's points 7.8 -7.9.

13.6. Potential savings can also be created through economies of scale and premises costs. Financial and other benefit realisation will form part of the implementation action plan.

#### **14. Use of appendices /Tables and photographs**

14.1 Part B

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

15.1 Procurement Committee Report – 22<sup>nd</sup> December 2009

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

15.2.1 Contract Specification and other contract documentation

15.2.2 Tender and Tender support documents returned by the six Tenderers

15.2.3 Evaluation assessments and other relevant papers and files

15.2.4 Home Office Drugs Intervention Programme Grant Agreement

15.2.5 Haringey DIP Needs Assessment

15.2.6 Haringey DAAT Needs Assessment

15.2.7 Home Office Drugs Intervention Record Guidance

15.3 This report contains exempt and non-exempt information. Exempt information is contained in Part B of this report and NOT FOR PUBLICATION. The exempt information is under the following category (identified in the amended schedule 12A of the Local Government Act 1972) (3)Information relating to the financial or business affairs of any particular person (including the authority holding that information)