



Haringey Council

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Agenda item: *Leave this space blank for Committee Secretariat support staff to complete*

[No.]

Cabinet Procurement Committee on Thursday 25th November 2010

Report Title: Award of Contract for the Haringey Young People's Substance Misuse Service:	
Report authorised by Niall Bolger, Director of Urban Environment, Urban Environment Directorate.	
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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 Young People's Substance Misuse Service.	
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 Children and Young People's Service has responsibility for commissioning of the services for under 18 year olds. The tender has been overseen and undertaken as a joint venture and an example of joint commissioning. The process has been ably supported through NHS Haringey representation, Safer and Stronger Communities leadership, and the council's procurement, HR, legal and financial teams	

The emphasis of this service is provided to ensure effective and early access to services for those groups of young people who are identified as most at risk. Through these strong links with our partners, it has a major effect in improving the lives of Young People and in reducing crime in the borough. I fully support the recommendation to award these contracts as outlined in paragraph 4 of this report.

Counsellor Vanier, Cabinet Member for Community Safety and Cohesion

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

3.1 Haringey Young People's Substance Misuse Service will provide targeted and specialist interventions to young people based on a centrally managed but community focused service model. It will utilise generic substance misuse workers, working out of relevant services for children and young people, within borough wide networks.

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 service contributes to the London Borough of Haringey Council's strategies

3.3.1 **Community Strategy** - The provision of the Young People's Substance Misuse Service 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 customer focus through reduction in crime and drug and alcohol misuse. There was also involvement from young people in the tender process.

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

- To promote healthy living and reduce health inequalities in Haringey by reducing the harm caused by drugs and alcohol.
- To promote opportunities through social re-integration of young offenders and reducing the fear of crime.
- To encourage opportunities for active living including getting involved, influencing decisions and volunteering through Service User involvement in the Tender Process.

3.3.3 **Children's and Young People's Plan** - complies with the plan's requirement to safeguard through identification and subsequently acting upon the impact that substance misuse has on a child or young person. It also offers early intervention for those 18-21 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 Young People by supporting offenders and ex-offenders

into sustainable social re-integration.

3.3.5 **Homelessness Strategy** - complies with the strategy as drug use can lead to anti-social behaviour and subsequent loss of accommodation for the most complex cases.

3.4 **Use of Resources** - The Drug and Alcohol Action Team (DAAT) is made up of staff from the Council and the PCT and reports to a partnership board with representation from the PCT, Metropolitan Police, London Probation Service/National Offender Management Service, Voluntary Sector, National Treatment Agency and Job Centre Plus. The DAAT undertake an annual needs assessment for young people in the borough, in co-operation with the Children and Young Peoples Service, to identify future service requirement and effectively target support. This assessment, in conjunction with a Young Peoples consultation, was the basis of the service specification supplied to potential tenderers.

3.4.1 **Value for money** – The tender evaluation has adhered to the Council's Supplier Selection Policy and the recommendation is based on the most economically advantageous bid. The Contracts will be performance managed with the providers through setting clear performance measures in the contract and discussed in quarterly contract meetings. The providers are required to participate in monthly performance management meetings and provision of action plans to correct any deviation from the contract.

3.4.2 **Property Assets** - The project is looking for the provider to supply the property that the programme will operate from as part of the bid, moving property maintenance and liability to the provider. The current Young Peoples service operational building is leased by the provider from the council, this will cease. Additional aspect to the contract is the sustainability clause which all DAAT contracts contain since 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 Young People's Substance Misuse Service to Tenderer B for a period of 12 months, with an option to extend for a further period of up to 24 months, for the sum of £260,082.62 per annum; and that this contract award will be paid from the Young People's component of the Pooled Treatment Budget and a commitment from the Adult Pooled Treatment Budget. The contract to commence on April 1st 2011.

4.2 That it be noted that the cost of the contract will be met from partnership budgets, this being external grants given to the partnership for this purpose. These being the Young People's component of the Pooled Treatment Budget and the Adult Pooled Treatment budget, hosted by NHS Haringey. Any variance in the allocated grants 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 combined score for cost and quality, across a single Lot.

6. Other options considered

6.1 The current Young People's Substance Misuse Service contract terminates on 31st March 2011 after a one year's extension. In line with the Council's Contract Standing Orders the Young People's Substance Misuse Service was required to be re-tendered.

7. Summary

7.1 Haringey Young People's Substance Misuse Service will provide targeted and specialist interventions to young people based on a centrally managed but community focused service model. It will utilise generic substance misuse workers, working out of relevant services for children and young people, within borough wide networks

7.2 The specification includes:

- Targeted provision to young service users
- Specialist treatment provision to young substance users
- Targeted provision to children of substance misusing parents who may be at risk themselves of substance misuse
- Support, advice and information to parents of young substance users
- Support, advice, consultation and training to other professionals working with children and young people

7.3 Service user groups covered by the specification

- Children and young people up to and including 18 years old who are at risk of substance misuse;

- Young people up to and including 18 years old who are identified as having substance misuse problems;
- Transitional group of 18-21 year olds where it has been agreed that interventions should be provided in a young people's setting;
- Parents and wider family members who require information and support around their children's substance misuse;
- Professionals requiring consultation, advice and training.

7.4 The aspects of Haringey's Young People's Substance Misuse Service consisted of a single lot.

7.5 The service's main funding is from an annual grant from the Department of Health. This grant is facing a reduction over the next year.

7.6 The Pooled Treatment Budget commitment is the provision of the transitional group and the parent and wider family members' advice. This budget is facing a decrease for 2011/12.

7.7 The contracts will include a clause that in the event of decreases in the funding of both or in either the Young People's Pooled Treatment Budget or the Adult Pooled Treatment Budget, the contract shall be adjusted accordingly.

7.8 The Contracts will include a clause that in the event of the cessation of funding of both or either of the Young People's Pooled Treatment Budget or the Adult Pooled Treatment Budget, the contract shall be terminated at the end of available grant funds.

7.9 The Contracts will be robustly performance managed with the providers through quarterly contract meetings.

7.10 The performance data will be from the National Treatment Agency's (NTA) National Drug Treatment Monitoring System (NDTMS) and additional supporting local data. Financial data will be from LBOH SAP system.

7.11 The Young Peoples Substance Misuse Commissioning Group, a partnership board, monitors the performance of the Young Peoples Substance Misuse Service. This board reports to the Safer Communities Executive Board (SCEB), the Drugs and Alcohol Action Team Board and the Children's Trust.

7.12 The providers will participate in monthly borough wide DAAT performance management meetings.

7.13 The open tender procedure was followed in accordance with Contract Standing Orders. This was a domestic tender advertised in The Guardian national newspaper and its related website on the 1st July 2010.

7.14 There were 5 actual tenders received.

7.15 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 Tenderer. The contract is awarded to the Tenderer with the highest score.

7.16 All Tenderers passed the financial soundness evaluation.

7.17 A ratio for each tendered price, from the tendered schedule of rates, was created by dividing all tendered prices into the lowest cost tender. This ratio is multiplied by the weighting (40%) to give a cost score for each Tenderer.

7.18 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.

7.19 Each quality criterion was evaluated through the method statement (35%), company questionnaire (20%) and presentation and interview (5%) based on the following criteria.

Criteria	Weighting
Method Statement	35%
Quality and Clinical Governance	150 pts
Service Delivery and Care Pathways	150 pts
Workforce Development	100 pts
Capacity	60 pts
Collaborative Working and Service User Involvement	60 pts
Technical and Information Requirements	30 pts
Company Questionnaire	20%
Contractual Matters	125 pts
Sustainability	125 pts
Safeguarding	125 pts
Health and Safety	125 pts
Technical and Professional	125 pts
Quality Assurance	125 pts
Equal Opportunities	125 pts
Presentation	5%
Total	60%

7.20 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 The cost of this contract can be met from external grant funding. As the level of external funding available for future years remains uncertain following the CSR announcement on 20th October, the contract contains provisions that allows it to be adjusted or terminated as necessary in the event of grant funding ceasing.

9. Head of Legal Services Comment

9.1 Urban Environment Directorate seeks an award of contract in respect of the Young People's Substance Misuse Contract.

9.2 The service is not considered a priority activity service under the Public Contracts Regulations 2006 so it was not necessary to carry out a European tendering exercise.

9.3 A domestic tender exercise was carried out utilising an open tender procedure, pursuant to CSO 6.05 (requirement to follow a competitive tender process).

9.4 Urban Environment Directorate wishes to award a contract to the tenderer identified in Part B of this report. The recommendation is made on the basis of most economically advantageous tender in accordance with CSO 11.01 (b).

9.5 Because of the value of the contract the award must be approved by Cabinet Procurement Committee in accordance with CSO 11.03.

9.6 The Head of Legal Services confirms that there are no legal reasons preventing Members from approving the recommendations in this report.

10. Head of Procurement Comments

10.1 The recommendation is in line with the Procurement Code of Practise

10.2 The market has been fully tested by the use of a competitive tendering process to ensure Value for Money is achieved for the council.

10.3 Contract management arrangements have been put in place to ensure contract compliance.

10.4 The contract has been structured to allow for any funding reductions to be accommodated, mitigating any financial risk to the council.

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 Haringey Young People's Substance Misuse Service is a positive action service that addresses the specific needs of those Haringey residents under 18 and those age 18 -21 who are in transition between young People and Adult treatment services who have drug misuse or who are at risk from the hidden harm of parental substance misuse. This client group contains some of the most disadvantaged of Haringey communities and includes a group of with complex needs and issues. The service will also be required to contact and engage other vulnerable groups such as women, family members, the homeless, those with mental health issues and those in social care services/environments.
- 11.3 The Equalities Team carried out the Equalities Specialist Evaluation of all tenders

12. Consultation

- 12.1 The Young Peoples Substance Misuse Service specification was devised following consultation by the DAAT with a group of 30 young people, including 7 current service users of the Youth Offending Service and 11 from the Pupil Support Centre.
- 12.2 The Model of Care is outlined by the National Treatment Agency and in line with "Every Child Matters".
- 12.3 The Young People's Substance Misuse Service tender evaluation panel consisted of council officers, from Children and Young People's Services and the DAAT and managers from the Haringey NHS. A specific question was evaluated solely by a group of young people.
- 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, Safeguarding, Sustainability and Equalities teams

13. Service Financial Comments

- 13.1 The full cost of funding the scheme depends on the Government grant and the estimated cost of the initial 12 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 7.7 -7.8.
- 13.2 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 -7.12.
- 13.3 The Pooled Treatment Budget (PTB) is comprised of different funding streams from the Dept of Health and Home Office. 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 treatment and advice services for individuals over the age of 18. 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.
- 13.4 The Young People's Pooled Treatment Budget (YPPTB) is a separate amount from the national budget allocated specifically for services for those under 18 years of age. The funding is for drug and alcohol services which are commissioned by the Young People's Substance Misuse Commissioning Manager and over seen by senior representatives from all the partnership bodies. There is a requirement for the YPPTB to fund treatment and advice services for individuals under the age of 18. 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.

14. Use of appendices /Tables and photographs

14.1 Part B

15. Local Government (Access to Information) Act 1985

15.1 Procurement Committee Report – 25th November 2010

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 five Tenderers

15.2.3 Evaluation assessments and other relevant papers and files

15.2.4 Haringey YP Needs Assessment 2010

15.2.5 Haringey DAAT Needs Assessment

15.2.6 Haringey Young People's Consultation Report 2009/10

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)