

Agenda item:

[No.]

Cabinet Procurement Meeting

On 28th July 2011

Report Title: Extension of Eban Contract – The Blenheim Community Drug Project

Report of: Jeanelle de Gruchy – Director of Public Health

Signed :

Contact Officers: Marion Morris, Drug and Alcohol Strategy Manager; and
Andy James, DAAT Programme Manager

Wards(s) affected: **All**

Report for: **Key**

1. Purpose of the report

- 1.1. To seek member approval for a second extension of the “Eban” contract for a further year from March 2012 to March 2013, under CSO 13.02 of the Council’s Contract Standing Orders. As the value of the contract (at circa £400,000) exceeds the Director’s delegated powers limit, the approval of the Procurement Committee is sought for the proposed extension. This can be accommodated under the arrangements for the Variation and Extension of Contracts as set out in CSO 13 of Contract Standing Orders.

2. Introduction by Cabinet Member

- 2.1. The extension of the Eban contract for a further year will ensure that all of the borough’s substance misuse treatment provision can be re-tendered in the same time frame (2012-13). Existing substance misuse contracts are a combination of NHS and local authority held contracts which are all due to expire and be re-tendered in 2012-13 (with the exception of the Eban contract).
- 2.2. The extension of the Eban contract will ensure that Eban can be brought into the scope of the re-tender in 2012-13. The re-tendering exercise will also ensure that all of the substance misuse contracts are let as local authority contracts as Primary Care Trusts (PCT)s will not exist post 2013.

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

This service contributes to the Council's following strategies/priorities:

- 3.1 [Sustainable Community Strategy](#) outcome – Healthier people with a better quality of life;
- 3.2 [Well-being Strategic Framework](#): The Framework is currently being reviewed to focus on the new policy agendas of personalisation, safeguarding vulnerable adults and addressing health inequalities;
- 3.3 http://harinet.haringey.gov.uk/safer_for_all_strategy.pdf Community Safety Strategy; and
- 3.4 http://harinet.haringey.gov.uk/adult_drug_treatment_plan_2010-11.pdf Adult Drug Treatment Plan.

4. Recommendations

- 4.1 That in accordance with CSO 13.02 approval be granted to extension of the Eban contract for a period of one year from April 2012 to March 2013 to the value of £401,224 and that this contract award sum be paid to The Blenheim Community Drug Project directly from the Adult Pooled Drug Treatment Budget.
- 4.2. That it be noted that the cost of the contract will be met from the Adult Drug Pooled Treatment Budget, which is an annual ring-fenced budget from the Department of Health (National Treatment Agency for Substance Misuse).

5. Reason for recommendation(s)

- 5.1. The 2010 drug treatment needs assessment identified that Haringey has an ongoing need for a stimulant/poly drug use service as the vast majority of drug users coming into treatment in 2009/10 used both crack cocaine and heroin (72%).
- 5.2. In order to ensure that all provider drug and alcohol contracts end in March 2013, and to facilitate the re-tendering of all drug and alcohol provision in the borough, member approval is sought to extend the EBAN contract for a further year to bring it in line with all other provider contracts and therefore in the scope of the re-tender operation which will commence in 2012.
- 5.3. The re-tendering of all substance misuse provision is designed to:
 - Provide better value for money (VfM) to the Council by tendering all of the substance misuse treatment provision at the same time;
 - Transfer existing NHS contracts into Council contracts;
 - Achieve a more coherent and integrated substance misuse system by integrating drug and alcohol services; and
 - Achieve better treatment outcomes for service users, by simplifying the routes into substance misuse treatment.

- 5.4 The nature of the market for the services required to meet this need has been investigated and found to be limited. It is therefore recommended not to re-tender at this point but to exercise the option to extend the existing contract for a further year from March 2012- March 2013.
- 5.5 The level of the funding for the contract reflects the expertise required to engage and successfully treat this client group. The provider is meeting all of its performance targets and has contributed to Haringey having one of the highest rates of planned discharges from drug treatment, in London.
- 5.6 The current provider has now gained a great deal of knowledge in relation to successfully attracting and engaging some of the most marginalised people in Haringey into effective drug treatment. The provider has also gained a good reputation and trust within the local community and works with the police to divert drug users into treatment following 'Crack House closures'. Re-tendering at this stage would disrupt this effective treatment and could lead to the increased risk of drug related anti-social behaviour and crime.

6. Other options considered

- 6.1 The option to re-tender Eban was considered by the DAAT Joint Commissioning Group. However, it was agreed that as all of the remainder of substance misuse contracts were up for renewal in 2013, it made more strategic and economic sense to bring the Eban contract into the re-tendering process in 2013.

7. Summary

- 7.1. All existing substance misuse contracts, with the exception of the Eban contract, expire in 2013 and therefore a re-tendering exercise will need to take place in 2012-13.
- 7.2 In addition, all substance misuse contracts need to be re-tendered as local authority contracts and local Primary Care Trusts will cease to exist in 2013. Existing substance misuse contracts are a combination of NHS and local authority contracts.
- 7.3 The extension of the Eban contract for a further year will ensure that all substance misuse provision can be re-tendered in the same time frame and drive down the costs as contracts are currently held by a number of different providers.
- 7.4 The 2010 adult drug treatment needs assessment identified that Haringey has an ongoing need for a stimulant/poly drug use service as the vast majority of drug users coming into treatment in 2009/10 used both crack cocaine and heroin (72%) and 19% of those in treatment are primary crack cocaine users.

7.5 The Contract will be robustly performance managed with the provider through quarterly contract meetings.

8. Chief Financial Officer Comments

- 8.1. The funding for this contract comes from the Pooled Treatment Budget (PTB) managed by NHS Haringey.
- 8.2 The contract allows for variations in provision so in the unlikely event that the available PTB should reduce over the period of the extension, the service specification could be reduced down to match available funding.
- 8.3 The only direct financial cost to Haringey associated with this contract is the contract performance management which can be met from existing budgets.
- 8.4 The request for the extension is set out clearly in the report and will enable more efficient commissioning of substance misuse contracts to take place during 2012/13.
- 8.5 The Chief Financial Officer draws attention to the points raised in the exempt section of the report.

9. Head of Legal Services Comments

- 9.1 The services are classed as Part B services under the Public Contracts Regulations 2006 and are therefore not subject to the full scope of the tendering requirements of the Regulations.
- 9.2 The Public Health Directorate requires a second extension of the Eban contract from March 2012 until March 2013. This is to coincide with the expiry of the Council's other substance misuse contracts and so that they can be re-tendered together.
- 9.3 Because of the value of the extension, the approval must be approved by the Procurement Committee in accordance with CSO 13.02.
- 9.4 Please see additional comments in the exempt part of the report.

10 Head of Procurement Comments

- 10.1. This report is seeking approval to extend the specialised provision of the Eban treatment of crack cocaine user's service.
- 10.2. The second extension of the Eban contract from March 2012 until March 2013 is

recommended to coincide with the expiry of the Council's other substance misuse contracts and so that they can be re-tendered together.

- 10.3. The service is demonstrating value for money for the Council in terms of exceeding targets and within allocated funds; and market research indicates that it would not be viable to re-tender at this time.
- 10.4 The contract is monitored quarterly and is meeting the performance indicators set out.
- 10.5 It would be advisable to start the re-tendering process for new substance misuse contracts at the earliest opportunity to ensure that the market is tested and a new contract is in place at the expiry of this extension.

11 Equalities & Community Cohesion Comments

- 11.1. The stimulant/poly drug use service (Eban) was commissioned as a result of a needs assessment undertaken in 2006, which clearly demonstrated the need for a service that could specifically work with residents who were experiencing problems with crack cocaine and other stimulant drugs.
- 11.2 In particular the needs assessment identified that younger African Caribbean men, female sex workers and those in unstable accommodation were not accessing existing treatment provision.
- 11.3 There was no provision for people living in the North East of the borough, despite this being the most prevalent area for substance misuse.
- 11.4 A lower percentage of women use crack cocaine than men. However, their needs are often greater. The percentage of women accessing Haringey drug treatment services is above the regional average. One factor in this success is the counselling services offered by Eban along with the service design which allows women to be treated in an environment where they feel safe.
- 11.5 Equalities considerations were considered throughout the original tendering process; an equalities impact assessment was conducted and the Senior Equalities and Diversity Officer was part of the tendering process to ensure equalities issues were robustly addressed.

12 Consultation

- 12.1 The need for a specialist crack cocaine service was informed by a robust needs assessment which included the views of service users. The current service, Eban, has a service user involvement group who actively shape the service. Their views around extension were sought and they are fully supportive regarding the effectiveness of the current provider in delivering the service.

12.2 The members of the Joint Commissioning Group, which includes NHS Haringey, Probation, Supporting People and the Police, have been consulted and endorse extension of the contract.

12.3 As part of the re-tendering exercise service users will be consulted.

13 Service Financial Comments

13.1 The Adult Drug Pooled Drug Treatment Budget is comprised of different funding streams from the Department of Health, the Home Office, and mainstream health and social care monies.

13.2 The Joint Commissioning Group for substance misuse oversees spend which is actioned by the Joint Commissioning Manager for Substance Misuse.

13.3 This contract is commissioned from the Pooled Treatment Budget which comes directly down from the Department of Health to DAATs for spend on drug treatment provision in their boroughs.

13.4 The full cost of commissioning this service is £401,224 per annum.

13.5 In 2012 the Pooled Treatment Budget will transfer into the Public Health Budget, under the Director of Public Health, who will ultimately hold responsibility for the commissioning of substance misuse services in the borough.

14 Use of appendices /Tables and photographs

14.1 Appendix 1 – Exempt Information

15 Local Government (Access to Information) Act 1985

15.1. This report contains exempt and non-exempt information. Exempt information is contained in the Appendix and is 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).