

**REPORT TEMPLATE:
PROCUREMENT COMMITTEE**

HARINGEY COUNCIL

Agenda item: **[No.]**

Executive Procurement Committee on Tuesday 13th March 2007

Report Title: **Award of Contract for the Tier 2/3 Young Persons Substance Misuse Service (Part A): Award of contract**

Forward Plan reference number (if applicable): Version 57

Report of: **Assistant Chief Executive (PPPC)**

Ward(s) affected: **All**

Report for: **Key decision**

1. Purpose

1.1 To seek Members agreement to award the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service.

2. Introduction by Executive Member

2.1 Haringey Drug and Alcohol Action Team (DAAT) are responsible for commissioning young persons substance misuse services in the borough. The DAAT commissions services through the Young Persons Substance Misuse Grant (YPSMG). This grant is given straight to the DAAT from Government Office for London (GOL) and is 'banked' by the council. This is an important service that will be supporting vulnerable young people in the borough from both a treatment and early intervention aspect. I fully support the recommendation to award the contract as outlined at paragraph 3.1 of this report.

3. Recommendations

3.1 That the Procurement Committee agrees to award the Young Persons Substance Misuse Service to contractor A, with the highest score identified in Part B of this report (see Part B) for a period of 33 months, commencing on 1st July 2007 with an option to extend for a further period of up to 12 months.

Report Authorised by: Justin Holliday, **Assistant Chief Executive (PPPC)**

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4. Executive Summary

4.1 Haringey's Drug and Alcohol Action Team wish to commission a Tier 2/3 Young Persons Substance Misuse Service specifically for 13-21 year olds. The contract will be for 33 months and will be funded from the Young Persons Substance Misuse Grant (YPSMG) at a cost of 260k per annum.

4.2 A procurement exercise started in November 2006. There were thirty two expressions of interest and six organisations submitted formal bids.

5. Reasons for any change in policy or for new policy development (if applicable)

5.1 N/A

6. Local Government (Access to Information) Act 1985

6.1 Procurement Committee Report – 13th March 2007

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

- Contract specification and other contract documentation
- Tender and tender support documents returned by the six Tenderer's
- Evaluation assessments and other relevant papers and files
- Young persons substance misuse commissioning review

This report contains exempt and non-exempt information. Exempt information is contained in Part B 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).

6.3 **See Part B for exempt information.**

7 Background

7.1 The contract for this service is currently held by the Haringey, Enfield and Barnet Mental Health Trust. The service was first commissioned by the Haringey DAAT in the financial year 2002/03. It has been jointly commissioned by the Haringey and Enfield DAAT. This service was originally funded through the adult pooled treatment budget which is banked by the Primary Care Trust. In the financial year 2005/06 Central Government top sliced the adult pooled treatment budget and consolidated all monies for young persons substance misuse into one grant-the Young Persons Substance Misuse Grant. This budget is banked and administered by Haringey Council on behalf of the Drug and Alcohol Partnership. This has

meant that the commissioning responsibility for the Tier 2/3 Young Persons Substance Misuse Service contract now lies with the council as opposed to the TCPCT. Due to the councils procurement rules and the fact that this contract had never been put out to competitive tender it was deemed necessary to tender out this contract. This fitted in with plans to critically assess and rethink the ways in which we are currently commissioning young persons substance misuse services in the borough. The new plans have aimed to ensure that vital target groups that have been nationally and locally recognised as being vulnerable to substance misuse, such as: Looked After Children, Truants/Excludees, Young Offenders and Children of Misusing Parents directly benefit from services in the borough.

7.2 To date the DAAT have:

- a. Commissioned a Mapping Review into Young Persons Substance Misuse Services in Haringey
- b. Conducted a Young Persons Substance Misuse Commissioning Review
- c. Consulted young people, parents/carers and professionals on how best to deliver substance misuse services for young people in Haringey
- d. Identified through national and local research, groups of 'vulnerable' young people who need to be targeted
- e. Identified areas of good practice;
- f. Developed a service specification based on findings of the Mapping Review and Commissioning Review.
- g. Identified £260k as maximum to come from the Young Persons Substance Misuse Grant per annum for the Tier 2/3 service.

8 Budget

8.1 There is £260k available for this service from the Young Persons Substance Misuse Grant (YPSMG). The YPSMG is an annual partnership budget made up of Department Of Health (National Treatment Agency), Youth Justice Board, Connexions, Department for Education and Skills and Home Office monies. The YPSMG total for 2007/8 is £510,970 (see Appendix 1)

8.2 The Young Persons Substance Misuse Commissioning Group (YPSMCG) brings together senior representatives of the statutory bodies, who are responsible for the commissioning of the YPSMG on substance misuse services and interventions for young people in Haringey.

8.3 Services are commissioned to meet the objectives of:

- Young Persons Substance Misuse Plan
- 'Changing Lives' Children and Young Peoples Plan
- Every Child matters: young people and drugs
- Community Safety Strategy
- Local Area Agreement

9 Description of Procurement Process

9.1 The procurement process was an open tender procedure and was in accordance with Contract Standing Orders.

9.2 At the beginning of November 2006 the Drug and Alcohol Action Team placed advertisements in the national Guardian newspaper, Young People Now and on Harinet that sought 'Expressions of Interest' in relation to providing the Tier 2/3 Young Persons Substance Misuse Service contract.

9.3 By the closing date of 5th January 2007, there were thirty two expressions of interest.

9.4 Six complete bids were submitted to the Young Persons Co ordinator by the closing date.

9.5 Bids were sought on the basis of most economically advantageous tender rather than lowest tender.

9.6 The six bids have been subjected to a detailed evaluation under the Council's agreed tendering process and in compliance with Council Standing Orders. The criteria used for all the bids were :

Value for money

- Bid price
- Financial Soundness

Ability to meet the requirements of the specification and method statement

- Specification
- Overall Method Statement - including compliance with Specification & Legislation
- Leadership
- Policy & Strategy
- People Management
- Resources
- Customer Satisfaction
- People Satisfaction
- Quality
- Performance Management

Environmental sustainability

Impact on society

Equal opportunities

Equal opportunities proposals

Health & Safety

Health & Safety

9.7 Specialist evaluation of each bid was undertaken by Equalities on the 23rd and 29th January, Finance on the 25th January and Health and Safety on 24th and 28th January.

9.8 Evaluation by the specialist panel made up of the Head of Safer Communities, Drug Intervention Programme Manager, Contracts Manager for Social Services and the Young Persons Substance Misuse Co ordinator, took place on 30th January 2007.

9.9 All Tenderer's were informed early on in the process that they may have to give a formal presentation. Six Tenderer's made formal presentations on the 5th and 6th February 07.

9.10 The annual costs of the bids are detailed in Part B of the report.

9.11 The approximate total project cost for the 33 month contract period is £715, 000

9.12 Regular contract monitoring meetings will be carried out with the provider to ensure that all relevant Key Performance Indicators are met.

A summary of overall points is set out below:

Tenderer:	Points:	Possible:
A	676	1000
B	629.5	1000
C	578	1000
D	520	1000
E	388	1000
F	311	1000

9.13 The award of this contract is a Key Decision and has been placed on the Council's Forward Plan.

9.14 Staff employed under the current contract will transfer under TUPE to the new provider. All TUPE information was issued in the tender pack and the new contract for the service includes TUPE clauses

9.15 All tenderers were asked to consider the TUPE implications as part of their bid. They were sent out relevant documentation provided by the current contractors which they were asked to include in their submitted bids.

10 Consultation

10.1 Focus groups were carried out with various groups. A total of 9 focus groups were conducted with professionals from the following services: Connexions, Leaving Care Team, Youth Offending Service, Drug Education Team, Step Ahead, Pupil Support Centre, Youth Service, Cosmic and BUBIC. In total 27 professionals were consulted. In addition questionnaires were sent out to various organisations across the borough.

10.2 For the purposes of the Commissioning Review a total of 5 focus groups, consisting of 34 young people were carried out in a variety of settings. Every effort was made to target groups who have been deemed through national research as being 'vulnerable' to developing substance misuse problems. The focus groups took place at the following organisations: Leaving Care Team, Pupil Support Centre, Youth Offending Team, Wood Green Youth Project and Step Ahead.

10.3 A group of parents/carers were consulted. They are service users who attend Haringey's adult treatment services. In total 9 parents were consulted.

11 Key Benefits and Risks

11.1 Reaching, engaging and retaining young people in treatment with a substance misuse issue, therefore reducing the harm that the individuals are creating for themselves, their families and the community as a whole.

11.2 The service would help address the reduction of youth crime, as well as contributing towards targets of increasing numbers of young people in education, employment and training.

12 Contract and Performance Management

12.1 The service will be commissioned using a contract that will incorporate targets set by the National Treatment Agency and Government Office for London on a national level. There will be local targets set which will be relevant to the local Children and Young Persons Plan in Haringey.

12.2 The Young Persons Co ordinator will hold quarterly contract performance meetings to monitor the service in detail and report outcomes to the Haringey Young Persons Substance Misuse Commissioning Group

12.2 In order to assess that targets set by the National Treatment Agency are being achieved the service would be expected to provide monthly performance data to the DAAT and the National Drug Treatment Monitoring Service (NDTMS).

13 Summary and Conclusions

13.1 That the contract to provide the Tier 2/3 Young Persons Substance Misuse Service for the period of 1st July 07 – 31st March 2010 be awarded to the recommended organisation for a period of 33 months, commencing on the 1st July 07 with an option to extend for a further period of 12 months.

14 Recommendations

14.1 That Members agree to award the contract for the Tier 2/3 Young Persons Substance Misuse Service to the contractor with the highest score named in Part B of Appendix 1 for the sum named in Part B of Appendix 1 for a period of 33 months, commencing 1st July 2007, with an option to extend for a further period of up to 12 months.

15 Equalities Implications

15.1 The service will target and provide access for any young person aged between 13-21 who has a substance misuse problem in the borough. Outreach and satellite services will focus

on those groups of young people who have been identified by national guidance and research as being 'vulnerable' to developing substance misuse problems.

- 15.2 All equalities considerations have been addressed throughout this 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.
- 15.3 In the contract that will be drawn up the service will be required to adhere to and share our duties with respect to equalities which should be reflected in the way in which they deliver their service. Any issues in this regard will be taken up at the quarterly monitoring meetings.

16 Health and Safety Implications

- 16.1 Any organisation appointed to carry out the services defined above must identify and demonstrate effective health and safety policies and safe working procedures that address the following:
- relevant health and safety training for all operatives in relation to the services to be delivered
 - a system of effective health and safety risk assessment
 - a pro-active organisational structure that ensures comprehensive health and safety communications at all levels
 - Any contractual arrangements that are commissioned should be subject to a defined programme of monitoring in relation to health and safety performance

17 Sustainability Implications

- 17.1 Although the Governments ten year drug strategy comes to an end on the 31st March 2008 there is still clear commitment to target groups of young people who are considered 'vulnerable' to developing a substance misuse problem by providing them with drug treatment as an early intervention method. It is anticipated that there will a new drug strategy and Central Government funding will continue and be available beyond 2008.

18 Financial Implications

- 18.1 The cost of this contract will be met from available central Government funding as set out at point 8.

19 Comments of the Director of Finance

- 19.1 Grant funding, which covers the full cost of the proposed contract, has been confirmed for the financial year 2007/08 with Central Government commitment to continue funding at a similar level in 2008/09 and 2009/10.

20 Comments of the Head of Legal Services

- 20.1 The Tier 2/3 Young Persons Substance Misuse Service is not classed as a priority activity under the Public Contracts Regulations 2006 and is therefore not subject to the full EU procurement regime so there was no requirement to tender in Europe.
- 20.2 The then Chief Executive's Service (Strategy) Directorate undertook a domestic tender exercise using the restricted procedure in accordance with CSO 8.02 (b).
- 20.3 The tenders were evaluated on the basis of the most economically advantageous tender in accordance with Contracting Standing Orders 11.01 (b)
- 20.4 The newly restructured Policy, Performance, Partnerships and Communications Directorate now wishes to award the contract to the contractor identified in Part B of this report.
- 20.5 The award of this contract will be a 'key decision' because it will be significant in terms of its effect on two or more wards, and as such has been included in the Council's Forward Plan Version 57.
- 20.6 Due to the value of the contract it must be approved by the Procurement Committee in accordance with CSO 11.03.
- 20.7 The Head of Legal Services confirms that there are no legal reasons preventing Members approving the recommendations in this report.

21 Comments of the Head of Procurement

- 21.1 This contract has been tendered in line with the Procurement Code of Practise.
- 21.2 This award recommendation represents best value to the Council. Although the lowest bid has not been accepted this award recommendation represents best value to the Council. The difference is in terms of a quality service versus a service with the lowest bid price.
- 21.3 Contract monitoring against a service level agreement will ensure contract compliance and minimise any risk of service failure.

22 Use of Appendices / Tables / Photographs

- 22.1 Part B of this report contains exempt information.
- 22.2 Appendix 1 is a letter from the Home Office confirming funding (edited)



- To: Chairs, Drug Action Teams/Integrated Drug and Crime Partnerships
Directors of Children's Services
County Councils
Metropolitan District Councils
Shire Unitary Councils
London Borough Councils
- Cc: Chief Executive Primary Care Trusts
Manager, Youth Offending Teams
Chief Executive Connexions Partnerships
Drug Action Team Co-ordinators

February 16th 2007

YOUNG PEOPLE SUBSTANCE MISUSE PARTNERSHIP GRANT 2007/08: NOTIFICATION OF ALLOCATIONS

1. INTRODUCTION

- 1.1 This letter informs Drug Action Team Chairs and Directors of Children's Services (or equivalents) of the 2007/08 allocations from the Young People Substance Misuse Partnership Grant (at Annex G).
- 1.2 The YPSMPG is a ring-fenced grant to support the development and operation of responses to children and young people's drug use at local level in line with the *Every Child Matters Change for Children: Young People and Drugs* guidance published in March 2005.
- 1.3 The YPSMPG draws together a number of funding streams that were pooled in 2004/05. Allocations to local partnerships have been determined on the basis of existing departmental allocation formulas in relation to the various constituent funding streams.

- 1.4 Changes in levels of funding against 2006/07 allocations need to be placed in the context of record levels of investment over the last eight years. Where there is a local need, the Pooled Treatment Budget can be used to provide additional funding for young people's treatment.
- 1.5 YPSMPG spending plans will be subject to challenge by Joint Regional Teams in the Government Offices.

2. ACTION

- 2.1 Drug Action Teams (DAT) Chairs (or their equivalent in merged partnerships) and Directors of Children's Services are asked to take the following action:
- Jointly agree priorities and targets for the development and operation of responses to children and young people's drug use and their YPSMPG expenditure plans for 2007/08 with the Government Office Joint Regional Team.
 - Complete and return **Annex A, B and D** to the relevant Government Office by **30th April 2007** for agreement by Government Office
 - Return the end-year expenditure report (**Annex E**) to the Government Office Joint Regional Team by **end of April 2008**
 - Agree progress ratings (**Annex H**) against the criteria in Annex F with the Government Office before the end of each quarter (June, September, December and March) during 2007/08.
 - Return a final expenditure report (**Annex C**) to the Crime and Drug Strategy Directorate by the end of June 2008.

3. PURPOSE OF THE GRANT

- 3.1 The Young People's Substance Misuse Partnership Grant must be used, along with other mainstream funding, for the local delivery of substance misuse universal and targeted interventions with vulnerable young people and specialist support young people drug services in line with guidance set out in Every Child Matters Change for Children: Young People and Drugs <http://www.everychildmatters.gov.uk/key-documents/>.
- 3.2 Expenditure of the grant must reflect the joint priorities and targets agreed by Drug Action Team Chairs and Directors of Children's Services or their equivalents in line with the Every Child Matters Change for Children: Young People and Drugs guidance.
- 3.3 Partnerships are required to fund YOTs at least at the level indicated in the Named Drug Worker Fund as set out in Annex G. To ensure outputs while providing room for flexibility,

any changes to the use of YPSMPG funds to YOTs must be agreed by the YOT Manager.

- 3.4 The 10 DAT Areas piloting arrest referral schemes for children and young people as part of the Drug Interventions Programme are required to use the dedicated funding within the YPSMPG for that purpose, in line with the model agreed with the Home Office (Drug Interventions Programme). A condition of this funding is that each pilot area must comply with the monitoring requirements set out by the Home Office (Drug Interventions Programme).
- 3.5 Grant conditions are set out at Annex B. The grant must not be used to fund any activity that is, or might be construed to be, political in nature.
- 3.6 Drug Action Team Chairs are responsible for ensuring that grant expenditure meets the highest standards of propriety and regularity, with clear accountability.

4. PERFORMANCE MANAGEMENT

- 4.1 Joint Regional Teams in the Government Offices will performance manage local delivery, using an assessment of progress against the criteria set out in Annex F
- 4.2 In areas where there is evidence of poor performance, Government Office staff, with regional partners, will negotiate with the partnership a plan of targeted support to improve delivery.
- 4.3 Where partnerships continuously fail to deliver the required outputs the Home Office Crime and Drug Strategy Directorate reserves the right to return funds to the direct management of lead agencies.

5. PAYMENT ARRANGEMENTS

- 5.1 The grant will be paid to the local authority, acting as the banker for the Drug Action Team. In two tier authorities the grant will be paid to the higher tier local authority.
- 5.2 The grant will not be subject to the relaxation of ring-fencing within High-Performing Councils i.e. Excellent Councils, because the YPSMPG is made to the local authority on behalf of a number of government departments.
- 5.3 Annex G sets out the allocation made to each partnership.
- 5.4 If the partnership fails to comply with any of the conditions set out in this document, or commits any other breach of faith such as misrepresentation or concealment of information, the Secretary of State for the Home Department may require the repayment of all or part of the grant monies paid, as may be determined by the Secretary of State and notified in writing to the local authority. Failure to resolve an adverse audit report on the funds paid under this initiative may also lead to notification of the need to repay all or part of the grant. Such sum as has been notified shall immediately become payable to the

Secretary of State.

- 5.5 The grant will not be made in advance of need and any grant paid during one financial year may not be carried over into the following financial year.

London Region	Region
Haringey	Partnership
15,415	DH Drug Education Funding (formerly part of SF 204)
22,002	DH Targeted Prevention
55,416	YOT funding
94,079	HO Substance Misuse Grant
62,444	SR2002 Prevention & Early Intervention (for 25 s)
£221,144	DH YP Share of Pooled Treatment Budget
	HO Arrest Referral for Young People (pilot areas only)*
10,964	DfES Connexions (split by FSS)
29,506	HO Uplift from 2004\05 split by FSS
510,970	Total