

**REPORT TEMPLATE:  
PROCUREMENT COMMITTEE**

**\* HARINGEY COUNCIL \***

Agenda item: **[No.]**

**Executive Procurement Committee on Tuesday 13<sup>th</sup> March 2007**

Report Title: **Tier 2/3 Young Persons Substance Misuse Service contract extension (Part A): contract extension**

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 extend the contract for the provision of the Tier 2/3 Young Persons Substance Misuse Service.
- 1.2 This report needs to be read in conjunction with the report titled: Tier 2/3 Young Persons Substance Misuse Service contract award.

**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 is funded through the Young Persons Substance Misuse Grant (YPSMG) which is given straight to the DAAT from Government Office for London (GOL) and is 'banked' by the council. This extension will support incoming contractors to manage the change over process and ensure that young people in Haringey who are considered vulnerable continue to have access to a substance misuse service. I fully support the recommendation to extend the contract as outlined at paragraph 3.1 of this report.

**3. Recommendations**

- 3.1 That the Procurement Committee agrees to extend the Young Persons Substance Misuse Service contract to the recommended organisation (see Part B for exempt information) for a period of 3 months, commencing on 1<sup>st</sup> April 2007

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#### 4. Executive Summary

4.1 Haringey's Drug and Alcohol Action Team seeks to extend the contract for the Tier 2/3 Young Persons Substance Misuse Service . The extension will be for 3 months and will be funded from the Young Persons Substance Misuse Grant.

4.2 This contract is currently going through a tendering process. In order to enable the successful contractor to fulfil the requirements of the new contract an extension of the current contract with the Mental Health Trust by a period of 3 months, is required. This contract has already been subject to a one year tender waiver, which was approved by the Executive Member for Crime and Community safety. This was to enable the DAAT team to undergo the process of tendering.

#### 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 – 13<sup>th</sup> March 2007

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

- Contract specification and other contract documentation
- 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 This contract 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 YPSMG per annum for the Tier 2/3 service.
- h. Secured agreement from the Mental Health Trust for a 3 month extension

## **8 Budget**

8.1. The money will be available for the extension 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 2006/7 was £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 Reason for contract extension**

9.1 The current contract for this service expires on the 31<sup>st</sup> March 2007. This contract was subject to a one year tender waiver

9.2 This extension will support the contract award and is necessary to enable a seamless transition period.

## **10 Consultation**

10.1 For the purposes of the commissioning review 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 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' adult treatment services. In total 9 parents were consulted.

## **11 Key Benefits and Risks**

11.1 To ensure that 'vulnerable' young people continue to receive a service and are not adversely affected by the contract change.

11.2 To support the incoming contractors through the takeover process

## **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 Mental Health Trust will provide monthly performance information to the DAAT and the National Drug Treatment Monitoring System (NDTMS) for the 3 months that the service is operational

## **13 Summary and Conclusions**

13.1 That the current contract with the Mental Health Trust to provide the Tier 2/3 Young Persons Substance Misuse Service is extended for 3 months from the 1<sup>st</sup> April 2007. This will give the incoming contractors time to manage the takeover as effectively as possible.

## **14 Recommendations**

- 14.1 That Members agree to extend the contract for the Tier 2/3 Young Persons Substance Misuse Service to the Mental Health Trust. This decision will be made in conjunction with the decision to award the contract for the Tier 2/3 Young Persons Substance Misuse Service.

## **15 Equalities Implications**

- 15.1 The recommendation to extend the existing contract by 3 months will have the benefit of ensuring a seamless transition to a new provider and carries no potential adverse equalities implications

## **16 Health and Safety Implications**

- 16.1 The organisation will continue to work to the standards that they have been with regards to health and safety. They will 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 This extension is only for 3 months and thereafter a contract will be awarded to the successful Tenderer

## **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 is no requirement to tender in Europe.

- 20.2 PPPC Directorate wishes to extend the contract from 1 April 2007 for a term of 3 months.
- 20.3 The Contract has already been extended once. Under CSO 13.02 a further extension needs to be approved by the Procurement Committee.
- 20.4 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. This extension is deemed necessary to enable the new contract to be set up appropriately
- 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



- 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 16<sup>th</sup> 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 **30<sup>th</sup> 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