



Haringey Council

Agenda item:

[No 1

Procurement Committee

30 September 2008

Report Title: Drug Interventions Programme Contract extension, 2008 - 2009

Forward Plan reference number (if applicable): 76

Report of: Sharon Kemp, Assistant Chief Executive, PPP&C

Wards(s) affected: All

Report for: Key decision

### 1. Purpose

1.1 To request the extension of the DIP contract for a further 12 months from 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009, as allowed in the original contract awarded on 26th June 2006.

### 2. Introduction by Cabinet Member

Haringey Drug Interventions Programme is part of a national programme aimed at breaking the links between drug misuse and crime, by encouraging drug misusing offenders into appropriate treatment. The DIP is funded by a grant for the Home Office and works with some of the most vulnerable citizens of the borough.

I fully support the recommendation to extend the contract as outlined at paragraph 3.i of this report.

### 3. Recommendations

3.1 To extend the DIP contract for a further 12 months from 1<sup>st</sup> April 2008 to 31<sup>st</sup> March 2009 in the amount of £1,102,194.

Report Authorised by: Sharon Kemp, Assistant Chief Executive – Policy, Performance, Partnerships and Communication.

Contact Officer: Paulette Haughton, Drug Interventions Programme, Project Manager. X6953/6018 [paulette.haughton@haringey.gov.uk](mailto:paulette.haughton@haringey.gov.uk)

#### 4. Director of Finance Comments

4.1 The Chief Financial Officer has been consulted on this contract extension and confirms that DIP grant of £1.262m has been allocated to Haringey for the financial year 2008/09.

#### 5. Head of Legal Services Comments

5.1 The Head of Legal Services notes the contents of the report.

5.2 The original report presented to Procurement Committee in June 2006 contained an option to extend the contract for a period of twelve months.

5.3 This is not a priority activity service so there is no requirement under the Public Contracts Regulations 2006 to undertake a European tendering exercise.

5.4 Contract Standing Order 13.02 allows the Procurement Committee to agree an extension to a contract providing that to do so is consistent with Financial Regulations.

5.5 The Head of Legal Services confirms that there is no reason preventing Members from agreeing the recommendations contained in this report.

#### 6 Head of Procurement Comments

6.1 The original contract includes an option to extend for a single period of 12 months but dependent upon the satisfactory performance of the service provider.

6.2 The contract manager confirms that performance meets contract requirements and on this basis, the Head of Procurement is satisfied that the request to extend is in the Council's overall best interests.

#### 7 Local Government (Access to Information) Act 1985

7.1 Procurement Committee Report – 20<sup>th</sup> June 2006

7.2 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 five tenderers
- Evaluation assessments and other relevant papers and files

7.3 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).

#### 8 Strategic Implications

8.1 The DIP assesses Class A drug users and engages them in treatment thus feeding in to the LAA, specifically NI 30 and 40.

## 9 Financial Implications

8.1 The cost of this contract will be met from the available central government funding.

## 10 Legal Implications

9.1 See "Head of Legal Services comments" at para five.

## 11 Equalities Implications

11.1 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services. A relatively low proportion of women drug misusers access treatment services: the DIP works with the Drug and Alcohol Action Team (DAAT) to address these imbalances and to encourage as many drug misusing offenders as possible into treatment. All relevant equalities considerations were addressed during the tendering 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. The Equalities Team has been consulted in the preparation of this report and has no specific concerns regarding an extension of the contract.

## 12 Background

12.1 Haringey DIP seeks to move drug-misusing offenders "out of crime and into treatment". The service has been in operation since 2003 and is part of a national programme, underpinned by legislation. The DAAT partnership received a further 1-year grant from 1 April 2008 to 31 March 2009 with a commitment from Government for 2009/10 at the same or similar levels. See Appendix A.

12.2 In accordance with Members direction in April 2005, a procurement exercise was undertaken, starting in September 2005. There were 36 expressions of interest and 5 companies submitted formal bids.

12.3 The Drug Interventions Programme contract was awarded to Crime Reduction Initiatives (CRI) at an Executive Procurement Committee on Monday 26 June 2006 for a period of 17 months with allowance for an extension of up to 12 months. The extension request was granted at a Procurement Committee on 30 September. This report is requesting the extension of the contract for a further 12 months, to 31<sup>st</sup> March 2009, to the existing provider, during which time the contract will be put out to tender.

12.4 Due to the timing of government announcements regarding DIP funding, the contract was not put out to tender during this financial year. Indications are that government will continue to provide a level of ring-fenced funding for the DIP in the immediate future. Any tender documentation will indicate clearly that award of contract/s will be subject to confirmed government funding.

- 12.5 The service works with adults who are arrested on 'trigger offences' and who test positive for Class A drugs. The DIP assesses the treatment needs of these individuals, draws up a care plan and arranges the appropriate drug treatment and support services for them.
- 12.6 This client group is among the most disadvantaged of Haringey's communities and includes a high proportion of BME young men who do not readily access drug treatment services. A relatively low proportion of women drug misusers access treatment services: the Drug and Alcohol Action Team (DAAT) commissions the DIP services to address these imbalances and to encourage as many drug misusing offenders as possible into treatment.

### 13. Process

- 13.1 In September 2006 the Drug and Alcohol Action Team placed advertisements in the national Guardian newspaper, Drink and Drugs News and the North-West Observer seeking 'Expressions of Interest' in relation to providing Haringey DIP.
- 13.2 By the closing date of 4<sup>th</sup> February 2006, there were 36 expressions of interest.
- 13.3 Five (5) complete bids were submitted to the Head of Legal Services by the closing date.
- 13.4 The five bids have been subjected to a detailed evaluation under the Council's agreed criteria and in compliance with Council Standing Orders. The criteria used for all the bids were :
- Quality (covering Equalities, Health & Safety and presentations)
  - Financial Soundness
  - Flexibility
  - Price
  - Service Delivery (technical capacity and ability to deliver)
- 13.5 Evaluation of each bid was undertaken by Equalities, Finance and Health and Safety on 29<sup>th</sup> March.
- 13.6 Evaluation by the specialist panel made up of officers and representatives from partner agencies took place on 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> April 2006.
- 13.7 Bidders made formal presentations on 26<sup>th</sup> and 27<sup>th</sup> April and the specialist evaluation process was completed on 4<sup>th</sup> May 2006.

A summary of overall points is set out below:

Contractor	Points position		Possible	
A	1297.48	54.5%	2380	(3)
B	1562.33	65.6%	2380	(1)
C	1337.26	56.1%	2380	(5)
D	1295.42	54.4%	2380	(4)
E	1438.88	60.4%	2380	(2)

- 13.8 Due to changes in Government funding it was not possible to award a contract of the length originally advertised, spring 2006 to 31 March 2009. It was therefore necessary to contact all prospective providers to seek their agreement to accept a shorter contract for 17 months should they be successful. Agreement was received from all five bidders.
- 13.9 The annual costs of the bids are detailed in Part B of the report.
- 13.10 The approximate total project cost for the 17 month contract period was £1,916,272 (based on the annual 2006/07 Home Office grant of £1,421,448. Of this annual grant, £200,000 p.a. was allocated to core project costs, with £1,916,272 available to deliver the contract for the 17-month period 1 November 2006 to 31 March 2008.
- 13.11 The Chief Financial Officer has been consulted on this contract extension and confirms that a Home Office, DIP Main Grant of £1.262m has been allocated to Haringey for the financial year 2008/09.
- 13.12 For the duration of the contract regular contract monitoring meetings have been carried out with the provider and these have confirmed that there are no significant concerns about the provider.
- 13.13 The extension of this contract is a Key Decision and has been placed on the Council's Forward Plan, version 76.

#### **14. Summary and Conclusions**

- 14.1 That the Contract to provide the Haringey Drug Interventions Programme, awarded to CRI on 26<sup>th</sup> June 2006 for the period 1 November 2006 to 31 March 2008 be extended until 31<sup>st</sup> March 2009 as allowed in the original contract.
- 14.2 The budget allocated for this contract is set out in Appendix B.

## 15. Appendix A



### GRANT FUNDING APPROVAL: IMPLEMENTATION OF THE DRUG INTERVENTIONS PROGRAMME REVISED MAIN GRANT 2008/09

1. I am writing to confirm that a grant of up to £1,262,194. is available to your Drug Action Team in 2008/09. The grant is to enable the implementation of the Drug Interventions Programme (DIP) as part of the local delivery of the new Drug Strategy, and must only be used to implement DIP.
2. The Home Office is providing a grant in 2008/09 that is 1.5% above the level you received in 2007/08. This will help absorb some inflationary costs, but no additional increases are planned for future years. 2009/10 budgets will not be set until later in 2008/09.
3. The system whereby individual DIP funding streams were merged into Revised DIP Main Grant (RMG) in 2006/07 will be maintained in 2008/09. This increase in flexibility has proven successful and has enabled DATs to embed and deliver DIP as a package rather than a number of distinct interventions.
4. However, in allocating the Revised DIP Main Grant, we expect certain key structures and capabilities will be in place. These are set out in the attached **Annex A** and aim to ensure delivery of the key Programme outcome – a reduction in drug-related offending. You will know which expectations apply to you based on your intensive status.
5. The grant is made subject to the terms and conditions detailed at **Annex B**. These should be signed by the responsible person in your finance department.
6. In order for funding to be released and for audit and management purposes, you must report how the partnership intends to spend this funding. Attached at **Annex C** is the template for setting out the spending profile for your 2008/09 Revised DIP Main Grant. This profile should be agreed by the Local Partnership, Government Office Drug Team Regional Manager and NTA Regional Manager.
7. Payments will be made based on the amounts indicated in this profile. Details of your nominated banker should be made on **Annex D**.
8. **Annexes B, C and D** must be returned to the Home Office by the **16 May 2008**.
9. We will make two payments to you in 2008/09. The first payment, subject to the receipt of **Annexes B, C and D**, will be made in June and will constitute Quarters 1 and 2. The second payment, for Quarters 3 and 4 will be made in December and only upon receipt of a completed 2007/08 Outturn Statement. This can be found at **Annex E** and must be signed off by the Chief Finance Officer.
10. **Annex E – Outturn Statement for 2007/08** should be returned to the OBIU Business Support Team at the Home Office by the 30 May 2008. The details from this outturn will be used to calculate your Quarter 3/4 payment. As there was no carry-forward facility in 2007/08 underspends will be deducted from your 2008/09 grant. You will be notified by email of the amount of your Quarter 3/ 4 payment by the 30 June 2008.
11. An in-year outturn statement covering the first three quarters of the 2008/09 financial year will be required by the 31 January 2009. The template for this can be found at **Annex F** and should

be returned to the OBIU Business Support Team at the Home Office. It does not need to be signed off by the Chief Finance Officer, but should be an accurate reflection of expenditure to date.

12. You are also required to complete a final 2008/09 Outturn Statement by the 30 May 2009. The template for this can be found at Annex G, but will be sent again in the new financial year.
13. You will not be allowed to carry forward any funding from 2008/09 to 2009/10, so please commit and spend all funding available to you this year.
14. All Annexes must be returned via your Government Office Drug Team with a Regional Authorisation Form attached (Annex H). The Government Office Drug Team should then forward the Annexes by the date specified to:

Joanne Terry,  
PCSD / OBIU Business Support Unit  
4<sup>th</sup> Floor, Fry Building  
2 Marsham Street  
London, SW1P 4DF

We will be accepting Annexes electronically on the basis that the full audit / authorising trail can be seen in the email. These should be sent to: [Joanne.Terry@homeoffice.gsi.gov.uk](mailto:Joanne.Terry@homeoffice.gsi.gov.uk) or to the PCSD Business Support general mailbox: [yfma-PCSDBS@homeoffice.gsi.gov.uk](mailto:yfma-PCSDBS@homeoffice.gsi.gov.uk).

15. If we do not receive completed accurate Annexes by the dates specified in this letter you will be in breach of the grant terms and conditions, and we will give consideration to reducing or withholding funds.
16. For quick reference a funding timetable can be found at Annex I.
17. Should you need clarification or any further information concerning this funding please contact Joanne Terry either by email: [Joanne.Terry@homeoffice.gsi.gov.uk](mailto:Joanne.Terry@homeoffice.gsi.gov.uk) or phone: 020 7035 4874.

Yours sincerely



Peter Wheelhouse  
Head of Offender Based Interventions Unit