

REPORT TO: Executive Board
DATE: 20th November 2014
REPORTING OFFICER: Strategic Director, Communities
PORTFOLIO: Health & Wellbeing
SUBJECT: Specialist Community Substance Misuse Services
WARD(S) Borough-wide

1.0 PURPOSE OF REPORT

1.1 The purpose of this report is to seek approval for the granting of a Direct Award for the delivery of community substance misuse services to March 2016 to Crime Reduction Initiatives (CRI), to enable remodelling of the current service.

2.0 RECOMMENDATION: The Executive Board:

- (i) Notes the content of the paper.**
- (ii) To ensure the stability and continuity of the service, support the recommendation to grant a Direct Award to CRI for the delivery of Specialist Community Substance misuse services from 1st March, 2015 to 31st March, 2016.**
- (iii) Agree the proposed timescale for the procurement of a substance misuse service as outlined in Appendix A.**

3.0 BACKGROUND

3.1 Halton Borough Council is responsible for commissioning services to support local people with substance (drugs and alcohol) misuse problems. The aim is to improve health and social care outcomes, reduce the harm from addiction to legal and illicit substances and reduce inequalities for local people.

3.2 CRI have held the Halton substance misuse contract since February 2011. The current contract annual contract value is £1,644,954. During this period performance across all indicators has been improved considerably.

3.3 The Substance Misuse contract is due to end on the 28th February, 2015, there is no option to extend the current contract as the +1 year clause has been implemented. A 12 month contract is financially unviable as procurement of a service is approximately 6% of the contract value (£96,000).

4.0 CURRENT POSITION

4.1 According to the Public Health England (May 2014) update, the performance of the service has resulted in the following outcomes:

- The rate for successful completions in opiate* treatment is 13.68% which is the 8th best in the whole country.
- The rate for successful completions in alcohol treatment is 60.61% which is the 3rd best in the whole country.

(*Opiates such as heroin, and prescription pain relievers, morphine and codine)

4.2 The current annual contract value is £1,644,954. The commissioners have worked with the service to identify efficiencies in operational delivery costs whilst maintaining a high quality service that has produced a significant increase in performance.

During 2014, efficiencies of £65,000 have been realised. If a Direct Award is agreed, this £65,000 of efficiencies will again be sought, alongside an additional £25,000. This will generate a total efficiency saving over the period 2014 - 2016 of £155,000.

Commissioners will work with the current provider to identify further efficiencies prior to the open procurement process which will seek to reduce the future contract value from 2016 onwards.

4.3 In addition, the Department of Health are currently conducting a formal consultation on the implementation of a Health Premium Incentive Scheme as part of the Public Health funding allocations for 2015 to 2016.

As part of this scheme, it has been proposed that a National Indicator applicable to all local Authority areas will be 'Successful completion of drugs treatment'. During the last procurement exercise performance dropped as key staff members resigned from the service and the provider changed. There is a risk that a change of provider during the consultation and benchmarking phase may impact on the allocation of the 2015 budget.

4.4 In early 2015 the substance misuse service will relocate to new premises from Ashley House to Ashton Dane a short distance from Ashley House. In addition to the move a satellite service will be developed in Runcorn. The move represents an opportunity to remodel the service and reduce rental costs.

5.0 PROPOSAL

5.1 In order to ensure we maintain stability of our specialist community drugs and alcohol treatment and recovery service, whilst at the same time allowing sufficient time for a service review and relocation of the service to take place, it is proposed that a Direct Award of a contract be given to the current provider (CRI) for 12 months. We will use a 'Voluntary Ex-Ante Transparency Notice' (VEAT) which will permit us to provide this direct

award without going out to procurement. The contracting authorities will give sufficient information as to the justification for this Direct Award without advertising on the Official Journal of the European Union (*OJEU*) and observe a minimum 10 day standstill period before the contract is awarded. If the proposal to provide CRI with a Direct Award of a contract from 1st March 2015 to the 31st March 2016 is agreed, the procurement of a longer term contract will then be implemented from July 2015 (Appendix A).

5.2 If the proposal is not agreed, or if there is a significant challenge as part of the VEAT process the service will have to go out to tender with immediate effect.

6.0 POLICY IMPLICATIONS

6.1 The method of procurement complies with the Council's procurement policy and Procurement Standing Orders, and will utilise a VEAT Direct Awards as described in section 5.1.

7.0 FINANCIAL/RESOURCES IMPLICATIONS

7.1 As outlined in the report the provision of Specialist Community Substance Misuse services in Halton currently costs £1.6million and therefore represents a significant proportion of the total Public Health grant income. Resources implications discussed in sections 4.2, 4.3 and 4.4.

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 These are contained within the report.

9.0 RISK ANALYSIS

9.1 If the proposal is not agreed it will be disruptive to the service, could affect our current excellent recovery rates and not allow time for a proper service review.

10.0 EQUALITY AND DIVERSITY ISSUES

10.1 An Equality Impact Assessment (EIA) is not required for this report.

11.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

None.