



Essex County Council

AGENDA ITEM 5

<b>Report to Cabinet</b>	<b>Forward Plan reference number:</b>  FP/442/03/16
<b>Date Cabinet Meeting:</b> 19 April 2016	<b>County Divisions affected by the decision:</b>  All Divisions
<b>Title of report:</b> Procurement of a substance misuse Recovery Management Service and a combined Community Rehabilitation and Psychosocial Interventions Service.	
<b>Report by</b> Councillor Graham Butland, Cabinet Member for Health	
<b>Responsible Director:</b> Mike Gogarty, Director of Public Health	
<b>Enquiries to:</b> Ben Hughes, Head of Commissioning for Public Health and Wellbeing	

## **1. Purpose of report**

### **1.1 To obtain Cabinet approval and agreement to procure:**

- (a) a countywide Integrated Recovery Management Service (IRMS) for people with substance misuse issues.
- (b) a countywide combined Community Rehabilitation and Psychosocial Interventions Service (CRPIS) for people with substance misuse issues.

## **2. Recommendations**

- 2.1. Agree to procure a seven year contract, to commence on 1 April 2017, for a countywide IRMS using the Open (one stage) procedure with a 70:30 price/quality ratio in favour of price. The contract will have a break clause at the end of the fifth year.
- 2.2. Agree that the maximum budget for the contract will be £2.3m per annum.
- 2.3. Agree to a procure a seven year contract, to commence on 1 April 2017, for a countywide CRPIS using the Open (one stage) procedure with a 70:30 price/quality ratio in favour of price, The contract will have a break clause at the end of the fifth year.
- 2.4. Agree that the maximum budget for the contract is £0.95m per annum.

### 3. Background and proposal

#### Background

- 3.1. In 2015 Essex County Council extended three contracts (for the pilot Community Rehabilitation Service, the Integrated Recovery Management Service and the Structured Intervention Service) to March 2017. This was to allow for both a planned re-structuring of the substance misuse treatment system and in recognition of the fact that a number of services had been procured in 2014 and 2015 and thus to minimise disruption to the treatment system. The current funds allocated to the three services is £3.301m per annum and a brief summary of individual services are shown below:
- **Integrated Recovery Management Service (£2.075m per annum)**  
The aim of the service is to reduce substance misuse related harms and achieve improvement in health, social, psychological, legal, crime, welfare and life chances of local people who are vulnerable through the use of drugs and alcohol. The service will ensure that it is delivering interventions and managing recovery pathways, re-integration and abstinence as realistic and achievable goals for all.  
The delivery of these services is through the provision of a range of community based engagement, assessment and support services spanning the service catchment area of Essex's partnership area
  - **Community Rehabilitation Service Pilot (£0.528m per annum)**  
The aim of the Service is to promote recovery with abstinence (as defined by the individual) as the ultimate aim.  
The overall desired outcome of the Service is to ensure that the programmes of treatment commissioned from the provider contribute towards the sustainable recovery and reintegration agenda as set out in both national and local strategies.  
The Service provides specialist community rehabilitation services offering intensive and structured programmes delivered in a controlled, community environment.
  - **Structured Drug Interventions Service (£0.698m per annum)**  
The aim of the service is to reduce substance misuse related harms and achieve improvement in the overall recovery including health, social, psychological, legal, crime, welfare and life chances of clients and local residents who are vulnerable and/or affected through the use of drugs and alcohol.  
The delivery of these services is be through the provision of specialist community-based Structured Interventions, using individual and group work and family models spanning the service catchment area of Essex.
- 3.2. The Council is not required by law to provide any of these services. They do constitute public health services. They aim to improve the health and wellbeing of people with substance misuse issues and to prevent deterioration, which would require the intervention of more expensive and longer term health and social care services.

## **Proposal**

- 3.3. Following the extension of the existing contracts, there has been extensive discussion with providers, service users and within the ECC commissioning team to look at the existing substance misuse contracts and restructure these in a more effective way.
- 3.4. It is therefore proposed to move from three services (Integrated Recovery Management, Structured Intervention and Community Rehabilitation) to two services. The two services will incorporate and expand on all elements of the existing services. The two new services are proposed as the Integrated Recovery Management Service and the Community Rehabilitation and Psychosocial Intervention Service.
- 3.5. The proposed maximum budget for the new contracts anticipates savings to be realised the merger of three contracts into two. Additionally, the market will be asked to propose innovative and flexible solutions using a range of technologies to facilitate caseload management.
- 3.6. It is proposed that the Integrated Recovery Management Service will continue to provide the main part of the substance treatment system in Essex. This will be a holistic recovery service which will move people out of substance misusing by ensuring that physical, psychological, social and employment needs are met with a planned programme of sequenced activities. This service will incorporate the semi-structured and low threshold elements of the existing Structured Intervention Service.
- 3.7. The Community Rehabilitation and Structured Intervention Service will continue to provide highly intensive community treatment, as a more effective alternative to residential rehabilitation. The successful bidder will be required to operate the services six days a week. The success of this service has been clearly evidenced in independent evaluations and from ongoing feedback from ex-service users, many of whom have now moved on from substance misuse to becoming economically active. This service will incorporate the structured psychosocial elements of the existing Structured Intervention Service and provide a more robust platform from which these will be delivered.

## **Procurement Approach**

- 3.8. It is proposed to undertake two separate Open (one stage) procurement processes for each of the new contracts in order to select suitable suppliers. It may well be that consortia, partnerships or other collaborative ventures may well need to be developed. The tender will be scored on a 70:30 price/quality split subject to meeting minimum quality thresholds. As stated within ECC's Procurement Policy and Procedures, Part 3, Section 6, Selection and Award Criteria.

3.9. The evaluation criteria will include the below themes and ensure that the supplier has demonstrated the following areas:

- An integrated approach to the delivery of services;
- How they will meet ECC'S outcomes; and
- How they will work with partners and key stakeholders so ensure successful service delivery.

3.10 Timescales are dictated by the procurement process and contract commencement is envisaged for 1st April 2017.

3.11 The proposed procurement process is as follows:

Mar-Jun 2016	Prepare tender documents and obtain Cabinet approval.
Jun 2016	Advertise procurement
Jun 2016	Invitation to Tender Issue
Aug 2016	Invitation to Tender Return & Evaluation
Sep 2016	Delegated Authority to Award
Oct 2016	Final Award
Nov 16 - Mar 2017	TUPE Implementation
Apr 2017	Service Commencement

#### **4. Policy context and Outcomes Framework**

4.1. This decision will have a direct impact on the Council's Corporate Outcomes Framework 2014-18, in relation to the People in Essex enjoy good health and wellbeing and People in Essex live in safe communities and are protected from harm. The decision will also have a direct impact on ECC's Vision for Essex 2013-17 specifically improving public health and wellbeing across Essex and keeping our communities safe and building community resilience.

4.1.1. *People in Essex enjoy good health and wellbeing:*

The services will improve the health and wellbeing of people with substance misuse issues by providing necessary interventions and recovery support in order to reduce their drug and/or alcohol addictions and improve their quality of life.

4.1.2. *People in Essex live in safe communities:*

The services aim to recover people with substance misuse issues and in so doing makes the communities of Essex safer. The proposed new services will also provide information and advice to families and carers as well as the wider community.

4.2. It is expected that the services which will be delivered under these contracts will improve service users' health and wellbeing by providing them with recovery focused intensive treatment and support.

#### **5. Financial Implications**

5.1. The current cost of the three contracts is £3.3m.

- 5.2. As part of the tender responses, and falling within the 70% commercial response scoring, bidders will be asked to propose the level and timing of additional savings over the contract period. Any additional savings in the contracts as a result of this will release further Public Health grant which can be reinvested in service delivery or used to assist ECC with meeting the funding reductions in the grant funding.
- 5.3. The contracts proposed are for seven years and therefore continue into the period where potentially the Public Health grant will no longer be ring-fenced (2018/19)). Although the contracts will not have a break clause until year five (2021/22), should ECC wish or need to exit the contract sooner, this can be achieved by giving 12 months' notice at any point.

## **6. Legal Implications**

- 6.1. These Services would fall under the Light Touch Regime which requires a competitive process but the full rigour of the EU Procurement Directive does not apply. It is nonetheless proposed that the procurement will be advertised through the OJEU and that the Council will generally seek to apply the standards that it would be required to follow if the EU rules did fully apply to the process.
- 6.2. The process will use an Open (one stage) tender style format. The tender documentation will have a set of qualification criteria within it, including a financial stability evaluation and a tender evaluation that will be assessed and weighted appropriately according to ECC standard criteria 70% price and 30% quality.

## **7. Staffing and other resource implications**

- 7.1. ECC officers will prepare and run the tender under business as usual and will be responsible for monitoring the performance against the contract once it has been awarded
- 7.2. The staff engaged in delivering the current contracts are employed by external providers.
- 7.3. The new contract will also be procured from external Providers.
- 7.4. Although there are no direct staffing and/or property implications for the Council, ECC will assist with the TUPE process to ensure a smooth transition between providers.

## **8. Equality and Diversity implications**

- 8.1. The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful
  - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
  - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 8.2. The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 8.3. The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

## **9. List of Appendices**

(available at [www.essex.gov.uk](http://www.essex.gov.uk) if not circulated with this report)

### **9.1. Equality Impact Assessment**