

SURREY COUNTY COUNCIL

CABINET

DATE: 17 DECEMBER 2013



REPORT OF: MR MICHAEL GOSLING, CABINET MEMBER FOR PUBLIC HEALTH AND HEALTH & WELLBEING BOARD

**LEAD OFFICER: SUSIE KEMP, ASSISTANT CHIEF EXECUTIVE
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SUBJECT: CONTRACT EXTENSION – MEDICAL AND PSYCHOLOGICAL TREATMENT FOR DRUG AND ALCOHOL

SUMMARY OF ISSUE:

The Council's Public Health Service has a requirement to deliver drug and alcohol recovery services to residents. This Cabinet report seeks to extend the current contract delivered by Surrey and Borders Partnership Foundation Trust for a further year for the provision of Medical and Psychological Treatment for Drugs and Alcohol. This requirement is covered by an existing contract delivered that expires on 31 March 2014.

The service will be provided in accordance with guidance from Public Health England in order to improve the delivery of Substance Misuse Services to develop and sustain recovery among services users across Surrey's eleven Districts and Boroughs.

Due to the commercial sensitivity involved in the contract award process, the financial details are included as exempt information in Part 2 Annex 1 (agenda item 22) for Members to demonstrate why the proposed contract extension will deliver best value for money.

RECOMMENDATIONS:

It is recommended that:

1. Following consideration of the results of the discussions undertaken with the service provider outlined in Part 2 Annex 1, the award of the extension of the contract be agreed.
2. That a contract extension for the period of one year be awarded to Surrey and Borders Partnership Foundation Trust for the provision of Medical and Psychological Treatment for Drugs and Alcohol to commence on 1 April 2014 and expires on 31 March 2015.

REASONS FOR RECOMMENDATIONS:

The existing contract will expire on 31 March 2014. Surrey and Borders Partnership Foundation Trust has performed well over the duration of the contract against the performance measures in place. This has contributed to the success of Surrey's

Drug and Alcohol Treatment System as the most successful in a cluster group of other partnerships with a similar socio/demographic basis. No concerns were raised in the recent CQC report.

The extension of the current contract will ensure stability and continuity of the largest component of the Drug and Alcohol Treatment System in Surrey (detailed in Annex 2).

The extension period will provide the opportunity to develop collaborative working relationships with the supplier and regular contract management meetings.

DETAILS:

1. This report recommends that an extension of a further year to the existing contract is awarded to Surrey and Borders Partnership Foundation Trust for the provision of Medical and Psychological Treatment to dependant and/or complex Alcohol and Drug users to commence on 1 April 2014. Together with Part 2 Annex 1 (circulated separately to Members) this report demonstrates why the recommended contract award delivers best value for money for Surrey County Council.

Background

2. Public Health became a Directorate within Surrey County Council from 1 April 2013. The Public Health Team's commissioning intentions in relation to substance misuse stem from the substance misuse chapter of Surrey's Joint Strategic Needs Assessment (JSNA) which identifies relevant needs across Surrey and its populations. The JSNA is a live document which is updated on a yearly basis as new trends emerge and local needs develop.
3. The landscape for a partnership response to drug and alcohol dependence has recently shifted to enable a community focused approach. Local partnerships – including Police and Crime Commissioners (PCCs), employment and housing services, and prison and probation services work together to increase the ambition for recovery in Surrey. In line with the National Drug Strategy 2010 the power and accountability is devolved to a local level; tackling and addressing alcohol and drug dependency.
4. Drug and Alcohol services currently represent 36% of the overall Public Health budget locally in Surrey. It also contributes directly or indirectly to over half of the Public Health Outcome Framework 66 key indicators.
5. Strategically the Public Health Team's commissioning intentions around substance misuse treatment, are underpinned by the following frameworks :
 - National Drug Strategy 2010 & 2012 review;
 - National Alcohol Strategy 2012;
 - Public Health Outcome Framework 2012;
 - Health & Social Care Act 2012.
6. A number of contracts originally commissioned by Surrey Primary Care Trust through its Drug & Alcohol Team, which are now the responsibility of the Surrey County Council Public Health Team, will come to an end throughout 2013/14 and 2014/15. This represents a good opportunity to re-design a more integrated substance misuse treatment infrastructure along with a number of

commissioning partners (e.g. Adult Social Care, Children and Families, Education Services, Police and Crime Commissioner) while at the same time achieving high quality of service and efficiency savings.

7. The Medical and psychological treatment service for drug and alcohol is a specialist community based service that prescribes for the treatment of drug and/or alcohol dependence to adult users. The contract currently provides treatment to adult service users with a care planned treatment intervention representing 1424 adults with a drug as a primary substance of choice and 700 Severely dependant alcohol users in Surrey. Source: National Drug Treatment Monitoring System Quarter 4 2012/13
8. Inpatient provision within the contract is provided at a 12 bed inpatient Recovery unit (two to four week placement) that offers detoxification, stabilisation and a recovery programme to those with the most complex needs. The inpatient Recovery unit admitted for 2012/13 a 92% occupancy rate which included the admission of 98 severely dependent alcohol and 34 primary drug using service users.

Procurement Strategy and Options Considered

9. A key consideration in developing the Procurement strategy was to ensure minimal disruption to the Substance Misuse Treatment System for adults in Surrey. The existing contract has been in operation for three years.
10. Surrey County Council recently undertook a tender exercise to award a contract for the provision of a Substance Misuse Treatment Services to a new supplier. This service is an integral element of Drug and Alcohol Treatment System for Adults across Surrey. Concern was raised that tendering another service would potentially mean significant disruption to the drug and alcohol treatment system and the vulnerable adults receiving a service if another part of the treatment system was retendered.
11. The following options were considered in order to outline the best route to market:
 - go out to tender
 - terminate the existing service and do not deliver any service
 - extend the current contract for an additional year.
12. The Director of Public Health and her team with support from Procurement explored the benefits and the risks to the council. After a full and detailed options analysis it was decided to award a contract extension for an additional year on the basis of a negotiation process as this demonstrated best value for money and a ensure stability for service users.
13. The decision to extend the contract was made on the basis of ensuring stability to service users within the Drug and Alcohol Treatment system and concluded that in the best interests of the council and in order to maintain a stable Drug and Alcohol Treatment System.

Key Implications

14. The service delivers preventative substance misuse services to enhance the health and wellbeing of residents of Surrey.
15. The contract aims to ensure social sustainability and enhance the community environment by:
 - Reducing drug related crime
 - Safeguarding children and vulnerable adults
 - Reducing street drinking, rough sleeping & street begging
 - Reducing serious drug & alcohol anti-social behaviour
 - Reducing the demand for drugs, resulting in decreased dealing in the community.
 - Reduce the risk of emergence of Sexual Exploitation Networks linked to organised crime and terrorist networks
 - Reduce onward transmission of Blood Borne Viruses
16. By awarding a contract extension to the supplier recommended in the Part 2 Annex for the provision of Medical and Psychological Treatment for Drugs and Alcohol to commence on 1 April 2014, the Council will be meeting its duties and support individuals to seek help and overcome dependency
17. Performance will be monitored through a series of Key Performance Indicators as detailed in the contract and reviewed at monthly operations meetings. The top performance indicators and targets for each are as follows:

KPI	Target
New Treatment Journeys Engaged in Effective Treatment	80%
New Clients Offered Intervention Within Three Weeks of Referral	85%
Adult Agency Discharges – planned exits	42%
Of those 'offered and accepted' how many clients had a Hep B vaccination YTD	50%
Number clients previously or currently injecting who have had a Hep C test	80%

18. The management responsibility for the contract lies with the Senior Public Health Lead for Substance Misuse within Public Health and will be managed in line with the Contract Management Strategy and plan as laid out in the contract documentation.
19. A number of additional outcomes to improve and develop the contract in addition to the existing KPI's have been placed on the provider on the basis of an additional year as follows:

- Increase access to treatment for those with an identified need who have poor presentation rates
 - Conclude the robust development of dependant alcohol treatment aspect of the contract
 - Monitor the supplier performance against best practice and NICE guidance
 - Strengthen recovery environment for those successfully completing treatment
20. Over the contract extension period it is intended to further develop collaborative working relationship with the supplier through contract management and supplier relationship management in order to increase the numbers of service users successfully completing treatment without representing to the service based on national criteria.
21. The extension of the contract will provide the supplier with the opportunity to develop the service and performance over the extension period.
22. The contract extension will provide stability of the Drug and Alcohol Treatment system working closely with the provider will support the development of a new service specification for the retender of the service in 2015.

CONSULTATION:

23. Commissioners from Public Health and colleagues from Finance, Legal, and Procurement Services have been involved in the project and consulted with.
24. Service users inform the commissioning intentions of the service through representative groups, surveys and feedback. Services users were also represented by a service user representative at the evaluation stage

RISK MANAGEMENT AND IMPLICATIONS:

25. The contract includes a termination provision which protects Surrey County Council in the case of an unsatisfactory performance of service and/or any significant changes in legislation or Council Policy which will impact on the existing services. These provisions allow the Council to amend the contract with three months notice or if termination is required, six months notice will be given to the provider.
26. The following key risks associated with the contract and contract award have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	If demand for the service increases in excess of numbers proposed within the service specification. This could lead to increased cost to deliver the service to Surrey	The service specification outlines reliable National data which captures numbers of people accessing services both inside and outside of Surrey. Quarterly contract review meetings will also be held to monitor the performance of the service and the numbers of people

	County Council.	accessing the service in order to predict future demand. The cost of the contract is fixed and will not alter with demand for the service.
	Potential risk that during the life of the contract the Providers will request an inflationary increase against the annual service delivery cost.	The annual cost of the contract is fixed for the duration of the contract. Surrey County Council's inflationary intentions will also be communicated with all Providers on an annual basis.
Service	Poor quality of service and service does not deliver National and or Local Objectives.	Strong contract management and quarterly contract review meetings will mitigate the risk of a poor quality service. The contract terms and conditions enables early termination from the contract if the provider fails to deliver a satisfactory service.

Financial and Value for Money Implications

27. Full details of the contract value and financial implications are set out in the Part 2 Annex (agenda item 22).
28. Public Health funding is a ring fenced budget from the Department of Health. Funding for 2013/14, 2014/15 and 2015/16 have been guaranteed with a 10% uplift expected in 2014/15.
29. The extension to the contract will mean a decrease in the cost of the contract, as well as an improvement in the Key Performance Indicators (KPI) reporting requirements and the service levels being delivered under the contract.

Section 151 Officer Commentary

30. All material financial and business issues and risks have been considered/addressed: the contract enhances Value for Money and can be afforded within current budget plans.

Legal Implications – Monitoring Officer

31. There are no monitoring officer issues from this report and Legal Services have been involved in providing support as required to the process which has been undertaken. A full Equalities Impact Assessment has been completed.

Equalities and Diversity

32. Under section 149 of the Equality Act 2010 Cabinet must comply with the public sector equality duty, which requires it to have due regard to the need to
 - a. eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;

- b. advance equality of opportunity between persons who share a relevant characteristic and a person who do not share it;
 - c. foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The Equalities Impact Assessments (EIA) attached as Annex 3, set out the impacts of the recommendations on each of the protected group for each service. A range of positive impact has been identified for all groups.
33. The EIA conducted for the extension of this contract has identified that it is not envisaged that there will be a negative impact resulting from the one year extension of this contract and that quality and innovation measures as part of the contract and extension negotiation will enable targeted responses to identified needs.
34. The EIA attached been approved by the Director of Public Health before this paper is submitted to Cabinet. The Equality Impact Assessment reports has been submitted to the Cabinet Member for Community Safety, who has special responsibility for Equality and Diversity.

Safeguarding responsibilities for vulnerable children and adults implications

35. The terms and conditions of the Contract stipulates that the Providers will comply with the Safeguarding Adults and Children’s Multi- Agency procedures, any legislative requirements, guidelines and good practices as recommended by the Council. This is monitored through contractual arrangements.

WHAT HAPPENS NEXT:

36. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including ‘call-in’ period)	31 December 2013
Standstill Period	24 December 2013
Contract Variation Signature	17 January 2014
Contract Commencement Date	01 April 2014

Contact Officer:

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Consulted:

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 Christian George – Category Manager Adults and Children and Young People
 Lucinda Derry – Principal Accountant
 Carmel McLaughlin – Principal Solicitor, Contracts and Procurement Team
 Donal Hegarty - Adult Social Care, Senior Commissioner

Annexes:

Part 2 Annex 1 – Commercial Details and Contract Award
Annex 2 – Surrey Drug and Alcohol Treatment System Model
Annex 3 – Equalities Impact Assessment

Background papers:

None
