

SURREY COUNTY COUNCIL

CABINET

DATE: 23 JULY 2013



REPORT OF: MR MICHAEL GOSLING, CABINET MEMBER FOR PUBLIC HEALTH AND HEALTH & WELLBEING BOARD
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SUBJECT: CONTRACT AWARD - SUBSTANCE MISUSE AND HOUSING SUPPORT SERVICE FOR ADULTS AND SUBSTANCE MISUSE SERVICE FOR CHILDREN AND YOUNG PEOPLE

SUMMARY OF ISSUE:

The current contracts for provision of a Substance Misuse and Housing Support Service and the Substance Misuse Service for Children and Young People expire on 30 September 2013 and 31 October 2013 respectively. It is therefore necessary to award new contracts, following a procurement exercise, to the recommended Providers on the basis described in the Part 2 Annex (**agenda item 20**) to deliver Substance Misuse Services starting on 1 October and 1 November 2013 respectively.

The services 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. The Adult Substance Misuse and Housing Support Service will provide housing support across Surrey's eleven Districts and Boroughs.

RECOMMENDATIONS:

It is recommended that the contracts be awarded to the Providers on the basis described in the Part 2 Annex (agenda item 20) to deliver the Adult Substance Misuse and Housing Support Service and the Children and Young Peoples Service. The recommended contract awards deliver a saving of 21.5% per annum for the contract periods (3 years + 1 +1).

REASON FOR RECOMMENDATIONS:

The new services will deliver increased quality in service delivery through a strengthened and outcome focused service specification, ensure enhanced and

clearly monitored contract delivery through an incentivised payment model and will provide apprenticeship opportunities to Surrey Young People with an element of the services being delivered through a local Provider.

Public Health will be the lead commissioners for both contracts with support from Adult Social Care commissioners for the Adult contract and Children's Social Care commissioners for the Young People's contract, ensuring a joined up contract management process.

<u>DETAILS:</u>

1. As a result of the competitive tender process, the recommended contracts will enable the service to be provided within current budgets and will deliver combined savings.
2. By awarding the contracts, Surrey County Council will receive a high quality of service at a competitive rate. The tender model incorporates an incentivisation payment mechanism to encourage development within the service and achieve outcomes. The Providers will be paid 90% of the total service cost quarterly throughout the year and the additional 10% will be paid to the Providers quarterly in arrears, on the successful completion of service outcomes.
3. The incentivisation payments are not disproportionate in value to damage the commercial arrangements but will act as incentives to encourage the provider to achieve the desired outcomes.

Background and Options Considered

4. Public Health became a Directorate within Surrey County Council from 1st 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.
5. Substance misuse currently represents 36% of the overall Public Health budget locally. It also contributes directly or indirectly to over half of the Public Health Outcome Framework 66 key indicators.
6. 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.
7. 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 Commissioners) while at the same time achieving high quality of service and efficiency savings.

8. It is expected that newly commissioned services will provide robust and sustainable outcomes across the following areas :
 - A reduction in drug and problematic alcohol use and dependency among adults and young people;
 - Positive developments in people's social capital;
 - Increased skills, self-esteem and employability;
 - Increased access to housing and peer-led support;
 - A reduction in acquisitive crime and related anti-social behaviour;
 - A reduction in substance misuse related deaths.
9. Public Health England, formally named the National Treatment Agency, released a National Drug Strategy in December 2010 setting out a fundamentally different approach to preventing drug use in our communities, and in supporting recovery from drug and alcohol dependence. The existing Adult's and Children and Young Peoples Substance Misuse services were commissioned by Surrey Drug and Alcohol Team prior to national objectives and no longer met with the Government's direction of travel regarding substance misuse services.
10. Public Health, Adults Social Care and Children and Young People Services have worked in collaboration on these procurement exercises to identify common outcomes and resulting efficiencies. This paper is the result of this joined up working and this collaboration has led to the services being retendered in order to deliver objectives locally for substance misuse service users across Surrey.

ADULT'S SUBSTANCE MISUSE AND HOUSING SUPPORT SERVICE:

11. The Adult Substance Misuse and Housing Support Service is for adults (aged 18 years and over) with problematic substance misuse issues, including the use of opiates, stimulants, hallucinogens and alcohol.
12. One of the key service aims is to place more responsibility on individuals to seek help and overcome dependency. The service will provide a more holistic approach, by addressing other issues in addition to substance misuse in order to prevent problematic behaviour, substance misuse related crime and enable and support the long-term recovery, rehabilitation and social reintegration of people in Surrey affected by substance misuse. Assisting service users to obtain, maintain and sustain tenancies and will reduce rough sleeping and homelessness.
13. The service will have recovery at its heart, it will:

- Put more responsibility on individuals to seek help and overcome dependency
 - Place emphasis on providing a more holistic approach, by addressing other issues in addition to treatment to support people dependent on drugs and alcohol, such as offending, employment and housing
 - Aim to reduce demand
14. The service will be required to work in conjunction and collaboration with other services delivered within the community. The overall focus will be on delivering a seamless, integrated structured psychosocial substance misuse treatment programme in line with Public Health England's National Strategy. The Adult Social Care team have been fully integrated in the commissioning process to ensure synergies and alignment with common outcomes. In order to achieve Social Capital, the successful providers will be required to work with voluntary sector organisations across Surrey to ensure a holistic provision of service for substance misusers across both services.

CHILDRENS AND YOUNG PEOPLE'S SUBSTANCE MISUSE SERVICE:

15. Young People who use drugs or alcohol problematically are likely to be vulnerable and experiencing a range of problems. The need for integrated care coordinated around and tailored to the needs of the child or young person and their family is clear and fundamental to improving their health outcomes.
16. The commissioning and delivery of specialist drug and alcohol interventions for young people should therefore take place within the wider children and Young People's Agenda (National Treatment Agency for Substance Misuse, 2010). The aim is that all needs are met, rather than addressing substance misuse in isolation; and that intervention is successful before problematic use becomes entrenched. Throughout the process, colleagues from Children's and Youth Services have been involved in the re-commissioning of the Children and Young People Substance Misuse Service to ensure integration with Children and Youth Services best practice. This collaborative working has ensured alignment across the Children's Schools and Families Directorate.
17. There is no statutory responsibility for the provision of local substance misuse services for children and young people, however it is advocated as best practice to safeguard children and young people by the National Treatment Agency for Substance Misuse (2010)¹ Central Government(2006)² and National Institute for Health and Clinical Excellence (2007)³.
18. Surrey Public Health, working in partnership with Children Schools and Families and wider public health stakeholders, will commission this integrated prevention and treatment service which will improve outcomes for children, young people and their families who are at risk of substance misuse.

¹ National Treatment Agency for Substance Misuse (2010) Guidance on commissioning young people's substance misuse treatment services (as supported by the Department for Children, Schools and Families)

² HM Government (2006) Working Together to Safeguard Children: A guide to interagency working to safeguard and promote welfare of children

³ National Institute for Health and Clinical Excellence (2007) Community-based interventions to reduce substance misuse among vulnerable and disadvantaged children and young people

19. This service will support the priorities agreed in the Surrey Children and Young Peoples Strategy (2012 – 2017).
20. The key aim of the Children and Young People Substance Misuse Service is to reduce the harm that drug and alcohol use causes to individual Children and Young People, their families and the community at large.
21. By commissioning this service Surrey County Council aims to:
 - Prevent problematic substance misuse
 - Reduce drug and alcohol related crime
 - Enable and support the long-term recovery, rehabilitation and social reintegration of people in Surrey affected by substance misuse.
22. The service will focus on delivering a seamless, integrated substance misuse treatment programme, delivered across the County of Surrey ensuring effective continuity of care.
23. The Children and Young People Substance Misuse Service must target priority vulnerable groups including:
 - young people at risk of / involved in crime and anti-social behavior
 - children in need or children in care and care leavers
 - young people at risk of exclusion or excluded or not in education, employment or training (NEET)
 - young people at risk of sexual exploitation
 - young people with mental health issues.

CONSULTATION:

24. Commissioners from Public Health, Adult Social Care, Children and Young People and colleagues from Finance, Legal, and Procurement Services have been involved in the project and consulted with.
25. The Joint Management and Commissioning Board for Supporting People and the DAAT Joint Commissioning Board (JCG) were consulted as part of the process to involve partners from District and Borough Housing, Police, Probation, Community Safety, and Clinical Commissioning Groups.
26. 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
27. The project has also followed the Procurement Review Group (PRG) gateway process and has progressed through Gateway 3 prior to coming to Cabinet.

RISK MANAGEMENT AND IMPLICATIONS:

28. Both of the contracts include a termination provisions which protects Surrey County Council in the case of an unsatisfactory performances 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/s.

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 County Council.	<p>The service specification outlines reliable National data which captures numbers of people accessing services both inside and outside of Surrey.</p> <p>Quarterly contract review meetings will also be held to monitor the performance of the service and the numbers of people accessing the service in order to predict future demand.</p> <p>The cost of the contract is fixed and will not alter with demand for the service.</p>
	Potential risk that during the life of the contract the Providers will request an inflationary increase against the annual service delivery cost.	<p>The annual cost of the contact is fixed for the duration of the contract.</p> <p>Surrey County Council's inflationary intentions will also be communicated with all Providers on an annual basis.</p>
Reputational	Potential risk of redundancies of staff.	<p>Surrey County Council will support any potential TUPE transfer to ensure that this risk is mitigated as far as possible.</p>
Service	Difficulty with any TUPE transfer of existing staff during mobilisation could lead to a slow implementation of the new service.	
	Poor quality of service and service does not deliver National and or Local Objectives.	<p>Strong contract management and quarterly contract review meetings will mitigate the risk of a poor quality service. The use of an incentivisation model will enable us to closely monitor and understand performance delivery</p> <p>Failure to meet the service outcomes and objectives will enable Surrey County Council to restrict payment based on performance and ultimately terminate the contract if performance does not improve.</p>

	Disengagement of service users due to changes resulting from a new service provider	Surrey County Council will closely monitor data from the Providers, enable partnerships with key stakeholders and service user feedback, as part of the contract management process to ensure service users do not disengage from the service
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FINANCIAL AND VALUE FOR MONEY IMPLICATIONS:

29. Full details of the contract values and financial implications are set out in the Part 2 Annex 1.

SECTION 151 - OFFICER COMMENTARY:

30. The award of the two contracts detailed in the Part 2 Annex 1, provides significant savings to the Council across a number of service areas. The tender process provided bids of similar value which gives confidence that the service can be delivered for the prices quoted. The innovative payment structure used to incentivise providers should ensure that quality and outcomes are maintained.

LEGAL IMPLICATIONS – MONITORING OFFICER:

31. 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 Annexes 2 and 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. However, members will note the potential negative impacts for specific groups which is addressed below

Adults’ Substance Misuse and Housing Support Service

32. The EIA did not identify any evidence of potential negative impacts on residents and service users with protected characteristics. However, it recommended that the provider should promote its services and deliver interventions in a way which will enable transgender clients to be more confident in accessing the service. Similar recommendations were made in respect of female clients, as the EIA found that traditionally, women are under-represented in a substance misuse treatment.

Children and Young People’s Substance Misuse Service

33. The EIA identified that the highest proportion of services users are over the age of 16 years therefore, those who are age between the ages of 16 to 21 years are likely to be disproportionately affected by any changes to the service. In addition to this, Children in care, Care leavers and Youth

Offenders (the latter group being over represented users of the services) are more at risk of substance misuse and are likely to be disproportionately affected by any changes in substance misuse services.

34. In order to counteract this the Providers will work closely with commissioners and commissioning stakeholders to ensure that the most vulnerable young people are appropriately signposted to national and local services through partner agencies such as the social services, schools (including non-maintained independent schools), police and health services. There will also be clear communication of the changes to the services to services users, families of the same, communities and stakeholders. Work will be undertaken with schools (particularly in PSHE lessons) to ensure that preventative messages and signposting take place.
35. The provider's performance will be monitored to follow effectiveness of early intervention and prevention in addressing substance misuse.

EQUALITIES AND DIVERSITY AND PUBLIC SOCIAL VALUE:

36. The procurement process was undertaken through an EU Procurement procedure (Part B), which was advertised to allow Providers to express their interest. The tender was also advertised on the SCC's website so as to attract local businesses and SMEs.
37. As part of the market engagement work Surrey County Council held a provider event to communicate the needs and vision for the services and encourage supplier engagement in the process.
38. The contracts make it a legal requirement that the Providers comply with all relevant equality and diversity legislation (including but not limited to the Equality Act 2010) whilst delivering the services. This includes a clause which requires the Providers to ensure its personnel comply with all equal opportunities policies when dealing with both service users and staff.

Corporate Parenting/Looked After Children:

39. Looked After Children and Care Leavers are more at risk of substance misuse than those who are not in care and are likely to be disproportionately affected by any changes in the provision of the services. In addressing this risk the provider will work together with the Council, commissioners, and stakeholders to ensure clear sign posting to national and local resources and will work closely with social services and schools to raise awareness of services available and how to access substance misuse services if needed. The Providers of both services will also work with lead commissioners and commissioning stakeholders to ensure that there are strong links to ensure a seamless transition between children and adult substance misuse services.

Safeguarding Responsibilities for Vulnerable Children and Adults:

40. The terms and conditions of the Contracts, which the successful Providers will sign, stipulate that the Providers will comply with the Council's 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.

Public Health:

41. These are Public Health, Adult Social Care and Children and Young People commissioned services. The services will deliver preventative substance misuse and housing support services to enhance the health and wellbeing of residents of Surrey.
42. The Contracts aim 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
 - Prevent evictions and reduce homelessness
 - Reduce onward transmission of Blood Borne Viruses

WHAT HAPPENS NEXT:

43. The timetable for implementation is as follows:

Action	Date
Cabinet decision to award (including 'call in' period)	30 th July 2013
Standstill Period	9 th August 2013
Contract Award	Week commencing 12 th August 2013
Contract Signature	Week commencing 9 th September 2013
Contract Commencement Date (Substance Misuse and Housing Support Service for Adults)	1 st October 2013
Contract Commencement Date (Substance Misuse Service for Children and Young People)	1 st November 2013

44. Colleagues from Procurement and Commissioning will work closely with the successful Providers to ensure a smooth transition from the current provisions to new services.
45. The Current Providers and the new Providers will be required to work together with regards to the transfer of staff under the TUPE Regulations (amended) 2006 to ensure the continuity of staff for current service users and the successful transfer of staff to the new service.

Contact Officers:

Heather Ryder – Commissioner Public Health (01483 519 645)

Lisa Slade – Adults and Public Health Category Specialist (020 8541 7856)

Alys Wood – Children and Young People Category Specialist (020 8541 8676)

Consulted:

Helen Atkinson – Director of Public Health
Heather Ryder – Commissioner Public Health
Gail Hughes – Public Health, Alcohol Lead
Karl Smith – Service User & Carer Development Officer
Donal Hegarty – Adult Social Care, Senior Commissioner
Peter Floyd – Adult Social Care, Commissioner
Elaine Malloy – Children’s Services Commissioner
Laura Langstaff, Head of Procurement
Christian George – Category Manager Adults and Children and Young People
Andy Wickes – Principal Accountant (Projects - Public Health & Adult Social Care)
Ayo Owusuh – Contracts and Procurement Lawyer

Annexes:

Part 2 Annex 1 attached as agenda item 20
Annexes 2 and 3 Equalities Impact Assessments

Sources/background papers:

Tender submissions (exempt information)
