

Notice of KEY Executive Decision

Subject Heading:	Extension of the Adult Drugs and Alcohol Service contract
Cabinet Member:	Councillor Jason Frost, Cabinet member for Adult Services and Health
SLT Lead:	Mark Ansell, Director for Public Health
Report Author and contact details:	Daren Mulley, Senior Commissioning Manager, Mercury House, Romford T: 01708 433982 E: daren.mulley@havering.gov.uk
Policy context:	At a local level, this contract supports Havering Council meet its priorities in its Corporate Plan 2019/20. This plan sets out how the Council intends to invest and transform the borough with an emphasis on improving the lives of vulnerable children, adults and families. In summary, this contract ensures the Council fulfils its aim of ensuring that the needs of the most vulnerable are met and that people are supported to be healthy and active.
Financial summary:	The value of the extension will be 6 months of the current contract annual value (£1,390,998.48) which would be £695,499.24. This will be paid from the ring-fenced Public Health Grant for 2020/21.
Reason decision is Key	Expenditure of £500,000 or more
Date notice given of intended decision:	1 st April 2020

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Relevant OSC:	Individuals
Is it an urgent decision?	No
Is this decision exempt from being called-in?	Yes

The subject matter of this report deals with the following Council Objectives

- Communities making Havering
- Places making Havering
- Opportunities making Havering
- Connections making Havering

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This paper seeks approval to;

- 1) Extend the current contract for the provision of the adult drugs and alcohol treatment and recovery service from 1st October 2020 to 31st March 2021.
- 2) Postpone the current procurement of the adult drugs and alcohol treatment and recovery service for 6 months from April 2020 – October 2020.

AUTHORITY UNDER WHICH DECISION IS MADE

Constitution, Contract Procedure Rule 19.9 states:

“For an extension with a value between the EU Threshold for Supplies and Services and £5,000,000, approval of a member of SLT is required.”

STATEMENT OF THE REASONS FOR THE DECISION

1. COVID-19 is the illness seen in people infected with a new strain of coronavirus not previously seen in humans. In December 2019, Chinese authorities notified the World Health Organisation (WHO) of an outbreak of pneumonia in Wuhan City, which was later classified as a new disease: COVID-19. The illness has since spread across the world and has begun infecting people in the UK. Currently there is no specific treatment for coronavirus. In response, the UK government have advised the general population to avoid unnecessary social contact and remain inside their own homes until further notice. As a result, these unprecedented restrictions are having a significant impact on how the Council is providing its services including a review of the current procurement of commissioned health and care services in face of this public health emergency.

2. The decision to award the contract of the adult drugs and alcohol treatment and recovery service had been scheduled to be approved by Cabinet at its meeting in May 2020. Following this, the mobilisation of the new contract would have then taken place between June and September 2020 with the new contract commencing on 1st October 2020. In the event of a new provider being awarded the contract, the mobilisation of a contract is a period of intense planning that requires significant time and resources to successfully transition business operations from one provider to another provider without disrupting the delivery of services that are crucial for supporting adults in treatment to recover from drug or alcohol misuse. Under the current restrictions a number of significant risks have been identified that would prevent the Council and other parties (e.g. new and current provider) effectively mobilising the new contract. These risks include;

- a) Premises - Ability of the current provider to remove existing equipment, ability

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of new provider to install new equipment, carry out health and safety risks assessments

- b) Clinical - Ability to install new clinical equipment and introduce new clinical pathways with the hospital, pharmacies and GPs.
- c) HR - Ability of the new provider to consult with staff effectively during TUPE process; ability to recruit into vacant/new posts
- d) IT/Data - Ability to effectively train staff in the use of new provider's caseload system.
- e) Service users - Ability to hold face to face events to effectively engage with service users and families.

3. The current five year contract to deliver the adult treatment and recovery service commenced in October 2015 and was awarded to WDP (Westminster Drugs Project), an experienced specialist drugs and alcohol charity, with over 25 years of experience in the field. With the current restrictions in place across the UK having significant impact on the provision of the service and with the current contract ending in September 2020, WDP have informally agreed to an extension of 6 months (1st October 2020 – 31st March 2021). The value of the extension will be 6 months of the current contract annual value (£1,390,998.48) which would be £695,499.24. This extension, WDP agreed, would therefore ensure a level of stability in current provision as well as ensure that the above risks of a mobilisation will be avoided.

4. Postponing the current procurement for 6 months will give the Council sufficient time to pause the procurement in anticipation of the likely easing or lifting of the current restrictions in the Autumn. Bidders will be informed of the postponement via the Council's web based procurement system, Capital E Sourcing, once this decision has been approved. Taking this 6 month postponement period into account, it is proposed that the timeframe below will be followed and communicated to the bidders;

Action	Date
Cabinet Approval of Contract Award	November 2020 (date to be confirmed)
Inform Bidders of Contract Award	December 2020
Mobilise new contract	January 2021 – March 2021
New contract commences	1 st April 2021

OTHER OPTIONS CONSIDERED AND REJECTED

- 1. Option 1 – Award the contract:** Awarding the contract in May and mobilising the contract whilst there is a possibility of the government's Covid 19 restrictions still being in place would place unnecessary risks and pressures on all parties involved in mobilising the contract including the Council, current provider, a potential new provider being awarded the contract, staff and service users.

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PRE-DECISION CONSULTATION

The following officers and organisations were consulted;

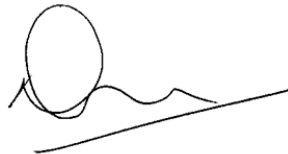
- Director of Public Health
- WDP (current provider)
- Lead Procurement Officer
- Corporate Legal Services

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Daren Mulley

Designation: Joint Commissioning Unit

Signature

A handwritten signature in black ink, consisting of a large, stylized 'D' followed by a series of loops and a long horizontal stroke extending to the right.

Date: 8th April 2020

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a general power of competence under s1 of the Localism Act 2011 to do anything that an individual generally may do subject to other statutory provisions limiting or restricting its use. The recommendations in this report are compatible with this statutory power.

Officers are satisfied that Westminster Drug Project (the incumbent provider) has performed the service to a satisfactory level under the current contract and now seek to extend the term for a further 6 months by relying on Regulation 72(1)(b) of the Public Contracts Regulations 2015.

To modify the Contract in this way, the Council must send a notice by electronic means for publication to the EU Publications Office.

This report sets out the interchangeability of the existing equipment and installations procured under the initial procurement that mean a change in contract cannot be made in these circumstances.

This provision can only be relied upon where the increase in price does not exceed 50% of the value of the original contract. The total value of the 5 year original contract is £6,851,563 and the increase in price for this extension amounts to just above 10% of the above total value.

In accordance with Contract Procedure Rule 19.8, the reasons and authority to extend the contract must be recorded in writing and loaded onto the Council's preferred e-tendering suite.

FINANCIAL IMPLICATIONS AND RISKS

The costs of the contract for the Adults Drug and Alcohol Treatment and Recovery Service are met via the Public Health ring-fenced grant from Cost Centres A48012 (Drugs Misuse) and A48013 (Alcohol Misuse).

The combined budget for this contract is £1.391k per annum. The current contract costs are shown in the table below:-

Service	Current Annual Budget £	Quarterly Contract Cost WDP £	Annual Contract Cost WDP £
A48012 Drugs Misuse Adults	£794,260	£203,649.77	£814,599.08

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A48013 Alcohol Misuse Adults	£596,740	£144,099.85	£576,399.40
Total	£1,391,000	£347,749.62	£1,390,998.48

The new service contract was due to commence from 1st October 2020 for a period of 8 years. Estimated contract savings arising from this re-tendering exercise were in the region of £520k over the 8 year period. As a result of the delay in the re-tender process, the full extent of these savings will no longer be realised. However, the proposed extension costs with WDP can still be met from within the existing available budget.

In light of the Covid-19 pandemic, all business as usual activities have ceased, including contract and procurement. Any savings associated with the re-tender of this contract will be revisited when the current procurement restrictions are lifted.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

There are no implications or risks anticipated to Council staff as the employees involved in the delivery of the services will be employed directly by the Supplier.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- a) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- b) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- c) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering

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residents in respect of socio-economics and health determinants.

The action to be undertaken in respect of the extension of the contract will include monitoring how services meet the needs of all eligible users, including those from ethnic minority communities and disabled people. The Council will also ensure that potential providers have undertaken equality training and adhere to the Council's Fair to All Policy or their own equivalent.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

This contract extension will have a positive impact on the health and well-being of people who misuse substances. Although the service itself is an essential service being health and care, a substantial part of the related work needed to transition to a new provider requires work classified as non-essential. In addition, social distancing has been instructed by the government. The extension will support the service to ensure, during this time of unprecedented crisis due to COVID-19, a certain level of continuity to the service by mitigating the risk of the lack of services to it support the service users to continue to achieve positive outcomes in their recovery from substance misuse, to ensure access to high-quality drug and alcohol services in this time of major crisis and to reduce health inequalities related to these vulnerable groups:

- Alcohol users who are dependent, hazardous and problematic
- Opiate and Crack Users (OCUs)
- Non opiate and crack users (non-OCUs) – this includes, but is not limited to users of cocaine, cannabis, synthetic/legal highs, psychoactive drugs, over the counter medications and prescription drugs
- Service users in the criminal justice system with substance misuse problems

Improving health and well-being will be an essential aspect of each service user's recovery plan and the Supplier will be required to support the following health and well-being outcomes;

- Promoting the independence of individuals to lead the life they wish
- Behaviour and lifestyle such as diet, exercise or self-care
- Mental health and wellbeing
- Access to and quality of education or other training opportunities
- Employment, income, opportunities for economic development
- Access to green space, sports facilities and opportunities to be active
- Opportunity to interact socially with other people, social isolation, community support networks and being able to live independently
- Ability to access health and social care services
- Transport, and connections to places within or between the Borough

To conclude, this extension of contract will minimise the impending high risk to service disruption related to the contract transition during the time of a national crisis and will support resilience and recovery of the service users and lead to an improvement in their quality of life, health and wellbeing, and contribute towards the resilience and stability of the borough as a whole.

BACKGROUND PAPERS

Not applicable

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Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Committee Officer in Democratic Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____