

Meeting	Cabinet Resources Committee
Date	24 June 2013
Subject	Barnet's Young People Drug and Alcohol Service-Award of Contract
Report of	Cabinet Member for Education, Children and Families
Summary	This report seeks approval to award the Tavistock and Portman NHS Foundation Trust a contract for the provision of a young people's drug and alcohol service for 33 months commencing from 1 July 2013 to the total value of £600,435.

Officer Contributors	Andrew Howe, Director of Public Health, Barnet and Harrow Stuart Collins, Head of Family Support and Early Intervention, Children's Service Aphrodite Asimakopoulou, Commissioning Manager, Children's Service
Status (public or exempt)	Public (with a separate Exempt report)
Wards Affected	All
Key Decision	Yes
Reason for urgency/ Exemption from call in	Not Applicable
Function of	Executive
Enclosures	None
For decision by	Cabinet Resources Committee

Contact for further information: Stuart Collins, stuart.collins@barnet.gov.uk

1. RECOMMENDATIONS

- 1.1 That the Committee approve to the award of the Young People's Drug and Alcohol contract to The Tavistock and Portman NHS Foundation Trust subject to the completion of all necessary legal and other documentation, for 33 months, commencing from 1 July 2013 to the value of £600,435.

2. RELEVANT PREVIOUS DECISIONS

- 2.1 Cabinet Resources Committee, 30 July 2009 (Decision 7) - approved the commissioning of young people's specialist treatment provision
- 2.2 Cabinet Resources Committee, 23 February 2012 (Decision 7) - approved the award of contract for Barnet's Young People Drug and Alcohol Service.
- 2.3 Cabinet, 25 February 2013 (Decision 5) - agreed the budget proposals, including a saving of £84,000 in relation to substance misuse services.
- 2.4 Delegated Powers Report, 13 March 2013, No 1951, Subject: Extension of Young People's Drugs Alcohol Contract for the period 1 April 2013 to 1 July 2013.

3. CORPORATE PRIORITIES AND POLICY CONSIDERATIONS

- 3.1 Providing services to vulnerable children, young people and their families is a key priority across the council and its partners. The provision of drugs and alcohol support services will contribute towards the key priorities and objectives of the Council's 2013/14 - 2015/16 Corporate Plan, in particular the objective to '*Support families and individuals that need it – promoting independence, learning and well-being*'.
- 3.2 Services will also contribute to the priorities outlined in the Children and Young People Plan 2013 – 2016. In particular, the young persons' drug and alcohol service supports the Children and Young People Plan priorities to '*Strengthen early identification and intervene early to improve life chances for those living in the most difficult situations*'; and '*Reduce the involvement of children and young people in crime and anti-social behaviour*'.

4. RISK MANAGEMENT ISSUES

- 4.1 The current contract is due to come to an end on 30 June 2013. If the Council does not proceed with awarding this contract this will pose significant risks to some of the borough's most vulnerable young people and families as the Council will not continue to provide drug and alcohol services for them. This could also place additional pressure on the Troubled Families team and partners, including police and health. In order to mitigate these risks, it is recommended that the contract is awarded to the organisation identified in this report.
- 4.2 The current service specification of the Young People's Drugs and Alcohol service has been designed to more effectively integrate service provision and better use resources, which have been reduced over recent years.

- 4.3 The tender pack sets out that each potential provider will be required to keep service user records, and ensure appropriate information sharing, confidentiality; data protection, data collection and analysis are in place. Policies and protocols should be in place to ensure that the system is robust and to encourage adherence to it. The tender process assessed providers' existing safeguarding and health and safety policies, supervision arrangements, financial viability and processes; these were found to be satisfactory and appropriate in the case of The Tavistock and Portman NHS Foundation Trust. These aspects will be explored further in the mobilisation and service delivery plans.
- 4.4 To ensure monies are being spent effectively the new contract will be performance managed throughout the term of the contract using a robust monitoring system. This system is already in place. The contract to be awarded includes a break clause on the anniversary of the first and second years. This is due to external funding arrangements that are not necessarily guaranteed for the 33 month term. No allowance will be made for annual price increases. The Council reserves the right to reduce the amount of funding available should this tender not result in meeting all the priorities the Council has set or the Council has changing priorities.
- 4.5 To ensure further financial efficiencies, the successful provider will deliver this service on a payment by results model, in year 1 –the provider will receive 100% of the funding. In year 2 – the provider will receive 90% of the funding with 10% retained until key performance indicators are met. In year 3 – the provider will receive 80% of the funding with 20% retained until key performance indicators are met.

5. EQUALITIES AND DIVERSITY ISSUES

- 5.1 Under the Equality Act 2010 the Council and all other organisations exercising public functions on its behalf are required when doing so to have due regard to the need to (i) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010; (ii) advance equality of opportunity between those with a protected characteristic and those without; (iii) promote good relations between those with a protected characteristic and those without. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. It also covers marriage and civil partnership with regard to eliminating discrimination.
- 5.2 This duty, also, applies to a person, who is not a public authority but who exercises public functions and therefore must, in the exercise of those functions, have due regard to the general equality duty. This includes any organisation contracted by a local authority to provide services on its behalf.
- 5.3 Having 'due regard' means: (i) consciously thinking about the three aims as part of the decision-making process; (ii) that an incomplete or erroneous appreciation of the duties will mean that due regard has not been given to them; and (iii) that the duty must be exercised in substance, with rigour and with an open mind.
- 5.4 The tender process assessed providers' existing equalities and diversity policies and specific questions were asked in the method statement in relation to organisations' recruitment process for new staff and how it is ensured that there is awareness of issues of working with vulnerable children and young people and families with a range of issues. The Tavistock and Portman NHS Foundation Trust equal opportunities policy was found to be satisfactory and appropriate.

- 5.5 The Tavistock and Portman NHS Foundation Trust is a provider of drug and alcohol services to young people and provides three key functions; a source of expertise to support universal and other targeted services working with children and young people; provision of targeted psycho educational drug and alcohol programmes to young people at risk/vulnerable; and provision of structured specialist treatment for young people using substances.
- 5.5 The Tavistock and Portman NHS Foundation Trust provides services to children and young people of all faiths and cultures, and is committed to ensuring that there is equality of service provision to all. The on going monitoring arrangements with this provider will ensure that the service provision meets the diverse needs of Barnet's children and young people.
- 5.6 Access to services and accessibility of services in relation to protected characteristics will be monitored during the regular performance monitoring of the contract for the Young People's Drugs and Alcohol provision.
- 5.7 The Tavistock and Portman NHS Foundation Trust is keen to ensure that the service is culturally sensitive.

6. USE OF RESOURCES IMPLICATIONS (Finance, Procurement, Performance & Value for Money, Staffing, IT, Property, Sustainability)

6.1 Procurement

- 6.1.1 The contract for Barnet's Young People Drug and Alcohol Service is proposed to run for 33 months from 1 July 2013 to 31 March 2016. The contract value, based on total staff breakdown costs, is £600,435, the budget for year one (July 2013 to March 2014) is £163,755 and £218,340 (per annum for year two and three). The commissioning process has been conducted in accordance with Contract Procedure Rules.
- 6.1.2 The procurement procedure to commission this service was an open and competitive process. The end to end application process for the tender was managed through the Supply4London portal. The council used an OJEU competitive notice to advertise the opportunity which is in accordance with schedule 3, Part B list of the Public Contracts Regulations (as amended). It is consistent with the corporate priorities partnerships, client outcomes, safeguarding and value for money.
- 6.1.3 The tender notice was advertised both nationally and locally on a variety of online portals:
- (a) Community Barnet (2 weeks beforehand)
 - (b) Supply4London
 - (c) Contracts Finder
 - (d) Notify current commissioned providers
 - (e) A Market Event was held for CYPNET members on 27 November 2012
- 6.1.4 The tender was released on 16 April 2013 and closed at 12 noon on 20 May 2013. Twenty three expressions of interest were registered on the portal which resulted in two organisations submitting a tender. The submission provided detailed scope and cost of their work as outlined in the project specification.

6.1.5 The applications were scored 70% for Quality and 30% for Price. The quality scores measured the organisations capacity to meet Barnet’s priorities and identify realistic and measurable outcomes.

Evaluation criteria	Method	Weighting
Quality (70%)	Experience of providing similar work	15%
	Capacity and resources to support the contract	15%
	Technical expertise	25%
	Quality assurance	15%
Price (30%)	Cost	25%
	Financial assessment	5% - based on accounts presented

6.2 Finance

6.2.1 The funding available was detailed in the tender pack as set out below:

6.2.2 The Indicative contract value is £600,435, the budget for year one is £163,755 (July 2013 to March 2014) and £218,340 (per annum). The contract includes a break clause on the anniversary of the first and second years. This is due to external funding arrangements that are not necessarily guaranteed for the whole three years. No allowance will be made for annual price increases. The cost of this contract will be contained within existing Children’s Service budgets.

6.2.3 The funding streams for Young People’s Drugs & Alcohol Services in Barnet during 2013/14 are as follows.

Funding Stream	01.07. 2013 to 31.03. 2014 (confirmed)	2014/2015 (TBC)	2015/2016 (TBC)
MOPAC’S London Crime Prevention Fund	£36,763	£49,018 (anticipated, based on 2013/14)	£49,018 (anticipated, based on 2013/14)
LBB Children’s Services	£34,367	£45,823 (anticipated, based on 2013/14)	£45,823 (anticipated, based on 2013/14)
LBB Public Health	£99,868	£133,158 (anticipated, based on 2013/14)	£133,158 (anticipated, based on 2013/14)
TOTAL	£170,999	£227,999 (anticipated, based on 2013/14)	£227,999 (anticipated, based on 2013/14)

6.2.4 MOPAC’S London Crime Prevention Fund for future years will be dependant, on the funds continuing to be available and on outcomes being successfully achieved for 2013/14.

6.2.5 The tender submissions were assessed by evaluation panel members comprised of relevant Children’s Service managers between 20 and 24 of May 2013, during which time evaluations of commercial questionnaire, pricing schedule and financial checks were also undertaken. Corporate Procurement oversaw moderation of the evaluation process.

6.2.6 The evaluation criteria used was the most economically advantageous tender (“MEAT”) that is best able to meet the Authority’s Service Specification. This is based on the

evaluation of the quality and price including the results of financial viability checks provided through financial assessment undertaken by Finance.

6.2.7 Following the competitive tendering process it is proposed that Barnet's Young Person's Drugs and Alcohol Service is awarded to The Tavistock and Portman NHS Foundation Trust for the sum of £600,435. The proposed contractor submission represents value for money in terms of the competitive cost of the service and its ability to deliver services efficiently to vulnerable young people and families over the length of the contract.

6.3 Performance, Value for Money and Sustainability

6.3.1 All prospective providers were asked to identify how their organisation would demonstrate value for money. The Invitation to Tender detailed that evaluation would be based on the most economically advantageous tender. Given the specialist nature of the services, quality criteria was set at 70% and Price set lower at 30%.

6.3.2 The Tavistock and Portman NHS Foundation Trust will be expected to submit quarterly performance reports, in addition to mid-term and end of contract evaluations reports, to be agreed with the council at the start of the contract. Performance will be used to confirm quarterly payments. In the event of underperformance, providers will be required to attend additional review meetings and will be monitored for a period of three months. If underperformance continues after the three month period, funding clause back will apply and money will be reinvested into other services in the council.

6.3.3 In addition to the above The Tavistock and Portman NHS Foundation Trust will deliver this service on a payment by results model, in year 1 – the provider will receive 100% of the funding. In year 2 – the provider will receive 90% of the funding with 10% retained until key performance indicators (highlighted in the section 20) are met. In year 3 – the provider will receive 80% of the funding with 20% retained until key performance indicators are met.

6.4 Staffing, ICT and Property

6.4.1 TUPE information was set out in the tender pack for prospective providers. Because The Tavistock and Portman NHS Foundation is the incumbent Provider there will be no transfer of staff.

6.4.2 As part of the quality evaluation, organisations were required to provide evidence of their policies and procedures related to safeguarding and child protection. This encompassed the recruitment, training and management of staff, processes for identifying, reporting and managing concerns about families.

6.4.3 There are no ICT or property implications for the council.

7. LEGAL ISSUES

7.1 The council has prescribed 'health related functions' which are, with some exceptions, specified in Schedule 1 to the Local Authorities Social Services Act 1970. In addition, with effect from 1 April 2013 and pursuant to the Health and Social Care Act 2012, the council has responsibility for the improvement of the health of its local population.

7.2 For the purposes of European procurement rules, Barnet's Young People Drug and Alcohol Service contracts fall within Category B of Schedule 3 to the Public Contracts

Regulations 2006 (as amended). Procurements of Category B services do not have to follow the full European procurement regime. However, as indicated under section 6 above, a competitive tender process was carried out using an OJEU competitive notice which will have ensured compliance with the, relevant, Treaty principles.

- 7.3 All new providers will be required to enter into an agreement/contract with the Council specifying the term and conditions for provision of the services.
- 7.4 The award of the contract to The Tavistock and Portman NHS Foundation Trust would be on the basis that their tender, taking account of, both, price and quality, is the most economically advantageous tender. Consequently, the Council may not increase the price payable to the successful provider, save in accordance with the provisions of the contract.
- 7.5 The contract will contain provision, amongst others, enabling the Council to terminate the contract in the event that funding for the Service ceases to be available to the Council or on the first or second anniversary of the Commencement date by giving at least three (3) months' prior notice in writing to the Contractor.

8. CONSTITUTIONAL POWERS

- 8.1 The Council's constitution in Part 3, Responsibility for Functions, paragraph 3.6 states the terms of reference of the Cabinet Resources Committee.
- 8.2 Paragraph 7 of the Council's Contract Procedure Rules sets out the authorisation, and Paragraph 11 of the Contract Procedure Rules sets out acceptance procedures. These paragraphs identify the procedure for authorisation before quotations or tenders for supplies, services or works may be sought and for the subsequent acceptance of tenders or other purchase arrangements.
- 8.3 Appendix 1, Table A of the Contract Procedure Rules provides the threshold for authorisation and acceptance of contracts. In the case of the proposed award of contract specified in this report, authorisation and acceptance by the Cabinet Resources Committee is required.

9. BACKGROUND INFORMATION

- 9.1 The purpose of commissioning young people's drug and alcohol services is to improve the outcomes of children and young people within the service and to provide a comprehensive range of interventions to fully support vulnerable young people, in particular psychology, psychotherapy and substitute prescribing.
- 9.2 The Tavistock and Portman NHS Foundation Trust will provide three key functions; firstly, act as a source of expertise to support universal and other targeted services working with children and young people; secondly, provide targeted psycho educational drug and alcohol programs to young people at risk/vulnerable; finally, the service will provide structured specialist treatment for young people using substances.
- 9.3 The Young People's specialist substance misuse performance assurance system is based on the assessment of the following diagnostic indicators, in line with National Guidance (National Treatment Agency, NTA). These indicators aim to focus on

treatment quality and effectiveness. The Council may increase or stretch these targets in line with local priorities and needs. Diagnostic indicators include:

- 95% of young people requiring specialist substance misuse treatment should be catered for in a young person's service
- 20% of referrals to specialist substance misuse treatment should be referred by Children and Families services; 15% of referrals to the service should be referred by Health
- All young people referred for specialist substance misuse treatment should have a comprehensive assessment undertaken within 5 working days of referral.
- All young people who are assessed as requiring specialist substance misuse treatment should commence treatment within 10 working days of the comprehensive assessment.
- 80% of young people should leave treatment in an agreed and planned way with positive young people outcomes

9.4 The service provider will be measured against the National Treatment Agency outcome monitoring tool for young people through quarterly contract monitoring meetings. These outcomes include cessation of substance use, improved mental and emotional wellbeing, reduced offending behaviour, and improved educational attainment.

9.5 Special attention will be given to:

- Young people at risk of/involved involvement in crime and anti-social behaviour
- Children in Need or Children in Care and care leavers
- Young people at risk of exclusion or excluded or not in education, employment and training (NEET)
- Young people at risk of sexual exploitation
- Young people with mental health issues

9.6 All of the above targets are to be achieved, to ensure 100% of funding is received. As mentioned in paragraph 6.3.3, The Tavistock and Portman NHS Foundation Trust will deliver this service on a payment by results model.

9.7 As mentioned in paragraph 6.1, a Part B one-stage open procurement process was undertaken. In total, two tender submissions were recorded on the eportal, Supply4London. The evaluation process first concentrated on compliance with the conditions of tendering, including that all the required documents had been correctly completed and delivered. Evaluations of the financial standings of each tenderer were also carried out. As well as price presented in the pricing schedule. The tender process enabled Council officers to assess submissions individually and evaluate against the principles of Most Economically Advantageous Tender.

9.8 Prices and quality were evaluated against a scoring matrix which was released with the evaluation matrix in the tender documents. The table below shows the results of the tender evaluation

Tenders	Price: weighted score (30%)	Quality: weighted score (70%)	Total Scores
Bidder A	19.83%	35.40%	55.23%
Bidder B (The Tavistock and Portman NHS Foundation Trust)	15.40%	51.20%	66.60%

9.9 Tenderers were required to submit a 'Service delivery plan' as an integral part of their tender set out in the Tender document. The service specification, together with the successful tender submission incorporating the Service delivery plan, will form part of the Contract. The Council will review and confirm the Service delivery plan with the successful tenderer (The Tavistock and Portman NHS Foundation Trust) as part of final contract preparation.

9.10 This contract will cover the period 1 July 2013 to 31 March 2016 with an annual break clause exercisable by the local authority. For the contract duration, there will be regular monitoring to ensure that the contract meets the specified outcomes and represent value for money. In the event of underperformance, providers will be required to attend additional review meetings and additional monitoring will be undertaken. The service performance monitoring information will form part of the contract monitoring which will be undertaken.

10. LIST OF BACKGROUND PAPERS

10.1 None

Cleared by Finance (Officer's initials)	Approved
Cleared by Legal (Officer's initials)	Approved