

Report of: Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s):
Executive	23 March 2017	All

Delete as appropriate	Exempt	Non-exempt
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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

**SUBJECT: PROCUREMENT STRATEGY FOR THE TRANSFORMATION OF ISLINGTON
SUBSTANCE MISUSE TREATMENT SERVICES**

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy for Islington’s Substance Misuse Treatment Services in accordance with Rule 2.5 of the Council’s Procurement Rules. These services play a key role in promoting recovery and reducing the harm caused by alcohol and drug misuse, which are a significant cause of poor health and wellbeing outcomes and health inequalities in Islington.
- 1.2 There has been a major programme of substance misuse service transformation and redesign underway since 2014. Savings of £2,300,000 have been delivered since 2014/15 through the re-procurement of the complex needs service and the residential rehabilitation framework, as well as through direct negotiations with current providers, to support service redesign. As part of the substance misuse transformation programme, and as part of Islington Council’s medium term financial strategy, public health commissioners are committed to finding a further £1,300,000 million of savings. Rather than continuing to seek savings from individual providers and services, which would create challenges in maintaining quality of care, the next stage of transformation will be best achieved by remodelling the treatment system as a whole.
- 1.3 The treatment services which are within scope of this transformation (and that will become part of the proposed integrated service) have an annual contract value of £6,411,500.
- 1.4 Treatment services, in scope of this major service redesign, are currently delivered through 9 contracts. This procurement strategy proposes bringing these services together under one contract, in order to

create a significantly different approach to treatment which offers a more integrated, seamless pathway, ensuring consistent care and providing the right kind of expert support at the right time across the pathway. It also proposes re-investing £200,000 into young people's drug and alcohol services to strengthen the service by: increasing its capacity to support the needs of families affected by substance misuse; improving the transition of young people to adult services; and increasing the focus on prevention amongst young people in the community.

- 1.5 The proposed annual contract value for the new integrated adult substance misuse treatment service is £4,900,000. This annual contract value, alongside the investment of £200,000 in young people's services, will deliver an overall saving of £1,311,500.
- 1.6 The proposal is to award a contract for 5 years with an option to extend by 2 years plus 2 years subject to performance, up to a maximum length of 9 years. Extensions to the contract will be based on performance related quality measures and delivery of key outcomes.
- 1.7 This is considered the option which will lead to the Council obtaining best value for money and will provide a stable and supportive environment for service users for the duration of the contract term. The five year contract will give the successful provider more financial stability to transform and embed a new service model. This will require a radical change in the local model, with a greater focus on service user strengths, improved engagement across a number of partners to ensure a service that effectively integrates with the wide range of other services that are also accessed and support many of those engaged in drug and alcohol treatment services. The new service provider will need to test new approaches to delivery in order to improve outcomes and effectiveness for service users which will include greater involvement of local voluntary and community sector provision and aim to ensure that services are delivered in ways which meet the needs of people with multiple needs, in accordance with the principles of the council's multiple disadvantage workstream. This is a complex redesign, which will require time to fully mobilise and embed.
- 1.8 This proposed approach to the pathway will also strengthen the local service offer and support to young people using drugs and alcohol as well as ensuring a much stronger emphasis on addressing the needs and impacts on families of someone's drug or alcohol misuse. Additional resources for an increased emphasis on prevention and early intervention with young people is supported by evidence which clearly shows that acting early can prevent escalation of harms and result in improved outcomes. The redesigned service will offer an increased emphasis on prevention measures to build resilience among young people and to promote drug-free environments. In addition the transition planning between young people and adults services will be strengthened.

2. Recommendations

- 2.1 To approve the procurement strategy for substance misuse services as outlined in this report.
- 2.2 To approve that all substance misuse services procured will follow this procurement strategy and will demonstrate how they will impact on the most vulnerable residents.

3. Date the decision is to be taken

- 3.1 To be presented at the Executive Board of 23 March 2017.

4. Background

4.1 Nature of the service

Islington Council became responsible for commissioning substance misuse treatment services when responsibilities for Public Health functions were transferred to the Council in April 2013.

Substance misuse (alcohol and drugs) is a cause of considerable harm to the health and well-being of Islington residents. It has a significant impact on health services, crime and community safety and is an important contributor to adult and children's social care needs, as well as economic and employment impacts. For example, parental drug use is thought to be a risk factor in 29% of all serious case reviews.

Drug treatment services are a key component of responding to and preventing these health and wider societal harms. Nationally, Public Health England estimates that drug treatment prevents an estimated 4.9 million crimes every year.

Around one in three residents are estimated to drink alcohol at increased or high risk levels – all of whom could benefit from some level of intervention. Islington has one of the highest levels of incapacity benefit claimants due to alcohol dependence in London. Islington has the largest number of people accessing alcohol misuse treatment in London reflecting these high levels of population need. The Borough has the fourth highest rate of opiate and crack use in England and the number of non-opiate users attending treatment is increasing as patterns of drug misuse change, for example, the growing use of novel psychoactive substances and use of ecstasy.

The impacts of substance misuse are felt across the population, and the evidence base shows investment in drug and alcohol service results in a strong and substantial return on investment. For example:

- The National Audit Office estimates that the public sector saves £2.50 for every £1 invested in drug treatment and analysis from the United Kingdom Alcohol Treatment Trial suggests that for every £1 spent on alcohol treatment, the public sector will save £5
- It is estimated that if all drug users who started their recovery in 2010-11 sustain it, the estimated long-term benefit to society would be £2.6 billion
- For every £100 invested in drug treatment services, a crime (this includes burglaries and robberies, bag snatches, and violence against other persons) is prevented, making drug treatment an effective intervention in crime reduction and community safety, as well as health improvement
- Almost half of all violent assaults are thought to be alcohol-related
- Nationally the annual cost of looking after drug using parents' children who have been taken into care is estimated to be £42.5 million.

Islington currently invests in a range of open access and specialist services that enable people to access treatment and work towards recovery. Public Health England estimates that drug users in Islington services are among the most complex in the country in terms of overall needs.

Outcomes for drug and alcohol treatment have been improving over the last few years but the Borough can and must do better in supporting local residents. Public Health England implemented a new outcome measure from 2014/15 to identify the proportion of successful completions. Success, in the context of this measure, is defined as leaving treatment free of opiate and crack use or in the case of alcohol treatment, alcohol free. Islington's successful completions are set-out in the table below.

Successful completions as a percentage of all in treatment	Opiate users	Non-opiate users	Alcohol users
2014/2015	7%	36%	35%
2015/2016	7%	44%	38%
Local outcome comparators	6%	39%	
National Average			39%

When discussing recovery with service users, there is a consistent view that service users make substantial progress throughout their treatment journey and see recovery as a process rather than a single event with key achievements including stable accommodation, reconnecting with family; engaging with services to manage physical / mental health needs. The new service specification will include performance measures co-designed with service users which will better describe the journey and not only the final result.

The services in scope of this procurement strategy form the major components of the treatment pathway and the service redesign involved within this procurement requires a major transformation in the terms of the current pathway and will take time to embed and deliver the services needed to meet the changing needs of this complex group.

Islington's priorities for the drug and alcohol treatment system are to continue to improve recovery outcomes, increase uptake of the most appropriate treatment for those who need it and ensure the treatment pathway meets the changing needs of the population of drug and alcohol users. This includes:

- Supporting clients with different patterns of drug and alcohol use (e.g. increasing use of novel psychoactive substances along with problematic use of alcohol and other poly-drug use)
- Increasing uptake of, and engagement in, treatment for residents (increasing numbers entering drug and alcohol treatment services).
- Supporting families affected by drug and / or alcohol use to ensure that children are able to develop and flourish, with the aim of breaking familial patterns of substance use
- Better identification and support for victims and perpetrators of domestic abuse
- Ensuring an equitable focus on supporting users of alcohol
- Supporting the treatment system to better promote recovery across all user groups
- Supporting non substance misuse providers across the borough to identify emerging substance use needs and intervene earlier
- Ensuring those accessing treatment services receive support that promotes and sustains their treatment, builds resilience and helps people recover and rebuild families eg. housing, employment, positive social networks
- Developing more flexible and personalised services, with a greater emphasis on community based programmes
- Intervening early to support young people and thereby prevent their drug and alcohol use escalating, with effective prevention measures to build resilience among young people and to promote drug-free environments.

The specification for the new service model will be co-produced with a wide range of stakeholders and, most importantly, users. This work is currently underway, however, the key elements of the new pathway include:

- A single point of contact
- A focus on service users outcomes
- Think Family embedded within all aspects of the service
- Ensuring the right kind of specialist support is tailored to meet the particular needs of users
- Expert advice to partners across the system in identifying and managing people's substance misuse needs
- A strong emphasis on recovery and social resilience built in from the start of treatment and across all parts of the service.

Services in Islington are currently delivered through nine contracts that offer the full range of evidenced based interventions that address the harms caused by substance misuse to around 1,200 drug users and 900 high risk and dependent alcohol users each year. A number of the current contracts were let prior to 2013 when services were commissioned via a range of different funding streams. As a result, parts of the drug and alcohol treatment service pathway have been designed and commissioned separately. As a result, some areas of the treatment pathway are delivered by multiple providers.

Pathways and referral routes into services are complex and can be confusing for service users and their families and carers, referring agencies and existing service providers. Although considerable work has occurred to align service provision over the past 2-3 years, there continues to be duplication within the system and a need for improved coordination of care and early intervention.

The new commissioned service will comprise/bring together services currently separately commissioned. The contracts set out in appendix 1 all have end dates which are co-terminus with the start date for the new contract or have break clauses / notice periods allowing us to terminate early and thereby include with the new contract. Commissioners anticipate there could be interest from providers who wish to provide this contract alone or through arrangements which bring several providers together in

partnership or through sub-contracting. So as not to limit either the market or innovative approaches to delivery, meet the buyer events will include the opportunity for partnership working in this area.

In addition to the services described in appendix 1, Islington have a budget of £795,000 allocated in 2016/17 to support the costs of tier 4 residential detoxification and rehabilitation. This type of treatment is delivered via a framework which was procured jointly with Camden and commenced in April 2016 with a saving of £172,000. There is no intention to re-procure the framework. However in order to ensure that the pathway takes a whole system approach, supporting the aim of better coordinating treatment from tier 2 to tier 4 and as a result delivering the best outcomes for service users, it is proposed that the management of referrals and the associated spend will be overseen by the new provider. Consequently, the current budget for tier 4 treatment is included within the proposed annual contract value of the new integrated service.

The following substance misuse services in primary care will remain outside of scope for this procurement:

- GP contracts for opiate prescribing (shared care working with the above services)
- Pharmacist contracts for (a) supervised consumption of methadone and buprenorphine and (b) needle exchange. These services provide important support to the delivery of the wider treatment pathway but the specific interventions are supportive as opposed to direct service delivery.

The above contracts have only recently been redesigned and will be considered alongside work being undertaken across Islington CCG and Public Health to consider future options for commissioning services from GPs and pharmacists. These services provide access to substance misuse treatment, and management within primary care settings, outside of the specialist services.

- Employment service
- Family and friends support service

These contracts are excluded as they are currently being managed within the prevention commissioning team and future planning for these services will be considered within this portfolio to maximise available resources across the council. These services are important in the effective support of those in substance misuse services, however they are delivered as a wider offer to support those living with a range of multiple complexities, i.e. not only substance misuse. This approach reduces the risk of silo working and duplication of services, whilst increasing cost effectiveness and managing the holistic needs of residents.

- Young people's drug and alcohol service

The service is an in-house provided service, this re-procurement offers a good opportunity for improving the integration and collaboration between young people's and adult services. However, the needs of these service users are different and as such it is not intended to integrate the young people's services into this procurement. Other work is ongoing to ensure we strengthen the linkage between young people's drug treatment and other services and support available for young people, families and carers in Islington. The wider adult pathway redesign will enable £200,000 of resource to be released and this will be used to enhance young people's services in order to strengthen their approach to prevention and early intervention, and transition into adult services.

The contract for the re-procured adult substance misuse service will start on 1st April 2018.

Recommissioning the services described in this procurement strategy under one contract will bring the treatment pathway together, ensuring consistent care, an improved focus on integrated, holistic care and provide expert support across the treatment pathway. There will be strengthened links to other key settings and services ensuring a package of support (voluntary and community sector services, treatment, housing, employment, positive social networks) to help people recover. It will ensure that specialist expertise is available throughout the drug and alcohol treatment pathway which takes a strengths based approach to working with service users and can be used flexibly to meet changing or emerging needs, including support into primary care and acute settings.

A single contract will also ensure that provider management and overhead costs are reduced. A single record keeping and data reporting system will enable records and assessments to be shared more

easily, and as a result a reduction in referrals to other treatment providers, and support efficiencies in data reporting and outcomes monitoring.

The new service will be an integrated service offering service users and their families a consistent point of contact throughout their recovery journey. It will incorporate brief interventions, structured treatment and recovery services for residents of Islington with substance misuse needs. It will require the new provider to take a more active role in supporting service users and their families in ways that are outside of their core treatment task. This will include: physical health and exercise, nutrition, self esteem, education and training. There will be a significant requirement for the provider to link in with the other services that the individual and/or family are engaged with to ensure a holistic approach to treatment and recovery is achieved. A Think Family approach will be core to the way services are delivered so that those working with drug and alcohol misusers who are parents maximise the opportunities for families to get the right support. Treatment for substance misuse provides a platform for drug and alcohol dependent parents, or those living with children, to stabilise their lives – which can have a positive impact on their families and it is essential that substance misuse treatment providers, through close collaboration with other services, maximise these opportunities.

The new service will also have a clear mandate to take preventative measures where it can. They will be required to offer training to residents and partners within the borough to recognise emerging substance use needs, with the aim of intervening earlier and reducing the need for specialist services at a later date.

The development of this new service will ensure that work undertaken with parents in adult treatment services integrates fully with the services and support provided by children's services to their children. There will be renewed focus on how the adult treatment service systematically considers and discusses children with their service users to ensure that they are considering all aspects of a child's life and experience (for example school attendance, carer responsibilities of the child) when planning care for the parent and ensuring this information is also used to best support affected others (children, carers and other family members).

Similarly there will be a strong focus on identifying and supporting the victims and perpetrators of domestic abuse which is aligned with wider work in the borough.

4.2 Estimated value

Funding will be met from the Public Health budget. Current spending on these services is £6,411,500 per annum.

Substantial savings have already been delivered from this service area. There has been a reduction of £1.8 million (21%) from 2014/15 to date.

Commissioners are seeking to make further savings as part of the Public Health Transformation Programme before the start of a new contract. It is anticipated that by the start of the new contract in 2018/19 the cost of the services in scope of this programme will be £4,900,000 per annum. This will represent a £1,511,500 (23%) reduction on current 2016/17 contract values for the adult services in scope.

Of this £1,511,500 reduction, £1,300,000 is to contribute to the Public Health Transformation Programme and £200,000 will be used to further invest in the supporting young people in need of drug and / or alcohol support. The total current budget for the young people's service is £195,000 per annum, which allows the service to support those with higher need but provides limited opportunity for these services to take more preventative measures with Islington's young people, such as providing education and advice to those who may be considering using or have just started to use substances. The additional investment will also provide the resource for young people's services to work more closely with adult services to deliver better coordinated care for families who may be in contact with both services as well as supporting the transitional needs of anyone moving between young people and adult services.

Overall, the annual budget will be £4,900,000. The budget for the initial 5 year contract starting in 2018/19 will be £24,500,000 with scope for 2 plus 2 year extensions. Based on successful performance, the maximum budget over the 9 year period will be £44,100,000.

There will be no inflationary uplifts over the life of the contract and bidders will need to provide details of their financial modelling to take account of inflation, pay awards and pay increments (where appropriate).

4.3 Timetable

Key dates include:

- Strategy approval by the Executive March 2017
- Contract notice published April/May 2017
- Evaluation July – September 2017
- Contract award – October/November 2017
- Mobilisation November 2017 – February 2018
- Contract start date April 2018

Work on implementing this procurement strategy would commence immediately after approval by Executive. The aim would be to complete the procurement exercise by October 2017 allowing four months to plan the implementation of the new contract, which would start 1 April 2018.

4.4 Options appraisal

A significant market engagement exercise is taking place between December 2016 and February 2017. This is using a range of formats: large stakeholder events; focus groups in targeted areas such as young carers and residents; individual service meetings; service user specific events; interviews with key colleagues across health, social care, childrens' services. Service users are invited to attend any session which would suit them to ensure maximum levels of engagement from our local experts by experience.

The feedback from this engagement will be used to inform the content of the new service specification and there are further sessions planned to keep interested parties advised on the areas of priority identified through our engagement exercises.

Collaboration with other boroughs has been considered as well as potential integration with Camden and have concluded that we will continue to collaborate where this is the most appropriate approach, for instance, through the joint procurement of a framework for residential rehabilitation and detoxification. For this procurement, both Camden and Islington commissioners are of the view that collaboration would not be beneficial for the following reasons:

- There are currently differences in the service pathways in both boroughs which reflect the different needs of service users in Islington and Camden. Both boroughs have distinct treatment populations – Islington service users are more likely to be opiate users (although the proportion of non-opiate users accessing treatment is increasing) and are markedly more complex than service users in Camden (based on Public Health England analysis), meaning the approach to delivery of services differs.
- For effective delivery of these specialist services and in order to maximise sustained successful outcomes among service users, integration with other local health and social care providers within Islington is essential.

4.5 Key considerations

The contract for this service will include clauses allowing for the early termination of this service should this become necessary.

Social value will be included as an award criterion within the tender. In order to derive the maximum social benefit from the contract, the bidders will be asked to set out what they can offer and to build into their submission proposals on how they will drive value from throughout the lifetime of the contract, including any extension.

London Living Wage will be a condition of the contract being entered into, as far as is legally permitted.

There are considerable TUPE implications to this contract; there are currently staff from 9 services who will be involved in the TUPE process. To manage this risk, bidders will be given between 42 and 50 days to submit their bid, this is over and above the time required by the Regulation; this extra time is to allow for bidders to carefully consider TUPE implications, plan and submit their bids. Four months has been allowed for mobilisation to allow for TUPE implications.

There is a risk of a failed procurement through lack of market interest in applying for this contract. Market Testing and Meet the Buyer have been included in the procurement process to address this and extra time has been allowed for bidders to plan their bids before submitting.

Similarly, the Market Testing and Meet the Buyer events that will be scheduled prior to advert have been included in the procurement process to address the risk that the prices offered within the procurement will exceed the amount that is allowed in the budget.; this will allow the market to be informed prior to the advert of the set up of the proposed service.

4.6 Evaluation

This procurement is being conducted in accordance with the Public Contracts Regulations 2015. The procurement is subject to the light-touch regime under Section 7 Social and Other Specific Services. Under Regulation 76 the Council is free to establish a procedure, provided that procedure is sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators (service providers). It is anticipated the approach will use a one stage tender, potentially using negotiation as appropriate. This means that any interested economic operator (service provider) may submit a tender in response to the advertisement.

The Council will reserve the right to award the contract on the basis of initial tenders without negotiation where this offers value for money. We reserve the right to not award the contract if it does not offer value for money.

Bids will be assessed on the basis of 70% quality and 30% cost. The services will work with people who are vulnerable with complex needs around substance misuse, mental and physical mental health so quality, partnership working and safety are key considerations.

Quality will be assessed on the basis of the following criteria:

- Proposed clinical governance and quality – 30%
- Proposed service model and outcomes – 30%
- Proposed partnership working (including the use of peers) – 30%
- Proposals on social value – 10%

4.7 Business risks

This is a large and complex project and there a number of potential risks. These include:

Risk	Mitigation
Providers may not find the new opportunity financial attractive	Market testing is in place to develop these proposals. Further Meet the Buyer events will support this
Poor communication or not involving local people in the decision making at the appropriate times - getting the message wrong	There is a communication strategy to support this work
Poor internal clinical governance arrangements within the council	Request to CCG to provide clinical input in the procurement process submitted in December 2016
The contract is complex and the mobilisation process may exceed four months	Delays have been kept to a minimum where possible. The current timetable allows for significant time for each area of the procurement

NHS staff currently being employed in services will have high TUPE costs if the new provider is not a NHS service	Potential providers are to be given between 42-50 days to complete their bid to allow full consideration of, and planning for, the complexity of the contract and TUPE implications
There are currently 9 services with staff who may need to be TUPEd to new service which potentially has significant financial and logistical impacts on incumbent providers	A process has been agreed with the incumbent providers which will ensure that they seek approval from commissioners before proceeding with new recruitment. TUPE information will be requested in January 2017 from all current providers. A 5 year initial contract term has been proposed in order to encourage potential providers to manage the cost of any TUPE commitments over the life of the contract.
There is a saving of £1.3 million from this procurement. TUPE cost may affect the available budget	Meet the Buyer events and extended time for potential providers to complete their bid and to examine TUPE implications will be put in place

The project has a risk register and issues log in place and governance of this will be managed via Public Health's Commissioning Group.

In order to mitigate any risk associated with the contract term the contract for the new service will have a termination clause which allows them to end if they become unaffordable. This will extend to any sub-contracts that the successful bidder may put in place to deliver the service.

4.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to sign the Council's anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences. The adequacy of these measures will initially be assessed by officers and the outcome of that assessment will be reviewed by the Council's Procurement Board.

4.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.6 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Adult substance misuse treatment services See paragraph 4.1
2 Estimated value	The estimated value per year is £4.9 million. The agreement is proposed to run for a period of 5 years with an optional extension of 2 x 2 years. See paragraph 4.2
3 Timetable	The procurement strategy would commence immediately after approval by Executive with the aim of completing the procurement exercise by October 2017 allowing four months to plan the implementation of the new contract, which would start 1 April 2018. See paragraph 4.3

4 Options appraisal for tender procedure including consideration of collaboration opportunities	A significant market engagement exercise is taking place between December 2016 and February 2017 to inform the co-production of the new service specification. See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	Social value will be included as an award criterion within the tendered and LLW will be a condition to the contract. There are considerable TUPE implications to this contract; to manage this risk, bidders will be given between 42 and 50 days to submit their bid, this is over and above the time required by the Regulation. See paragraph 4.5
6 Evaluation criteria	Bids will be assessed on the basis of 70% quality and 30% cost. Quality will be assessed on the basis of the following criteria: <ul style="list-style-type: none"> • Proposed clinical governance and quality • Proposed service model and outcomes • Proposed partnership working (including the use of peers) • Proposals on social value See paragraph 4.6
7 Any business risks associated with entering the contract	Governance of risk managed via the Public Health Commissioning Group. The financial risk associated with the contract term is mitigated by adding a termination clause which allows them to end if they become unaffordable. This will extend to any sub-contracts that the successful bidder may put in place to deliver the service. See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	See paragraph 5

5. Implications

5.1 Financial implications

Islington Council receives a ring-fenced Public Health grant from the Department of Health to fund the cost of its Public Health service.

The current 2016/17 budgets earmarked for the services identified as in scope for this procurement total £6,411,500 per annum. The proposed contract values for 2017/18 will remain at similar levels in order to minimise disruption to service users and providers.

Following the proposed procurement approach it is envisaged that there is a minimum of £1,300,000 savings realised.

The Council's Public Health expenditure must be contained entirely within the grant funded cash limit indicated above. If any additional pressures are incurred management actions will need to be identified to cover this.

To avoid a potential future financial pressure for the Council, any future contracts will have a termination clause which allows them to end if they become unaffordable. This will extend to any sub-contracts that the successful bidder may put in place to deliver the service.

5.2 Legal implications

The council has a duty to improve public health under the Health and Social Care Act 2012, section 12. The council must take such steps as it considers appropriate for improving the health of the people in its area including providing services or facilities designed to promote healthy living (whether by helping individuals to address behaviour that is detrimental to health or in any other way) as well as providing services or facilities for the prevention, diagnosis or treatment of illness (National Health Service Act 2006, section 2B, as amended by Health and Social Care Act 2012, section 12 and Regulation 2013/351 made under the National Health Service Act 2006, section 6C). Therefore the council may provide specialist substance misuse services as proposed in this report. The council may enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The services that have been procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £589,148.00. The value of this contract is above this threshold. The council's Procurement Rules require contracts over the value of £164,176.00 to be subject to competitive tender.

In compliance with the requirements of the light touch regime in the Regulations and the council's Procurement Rules the proposal outlined in the report is to advertise a call for competition in the Official Journal of the European Union (OJEU) and procure the service using a competitive tender process.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

5.3 Environmental implications

The service should have only a minimal environmental impact being primarily conducted within office locations and there will be an expectation that the new provider have fewer of their own premises and operate peripatetically in existing community settings.

Staff will be encouraged to use public transport to travel for work purposes. Fuel usage for lighting, heating and operating equipment within the building will be considered and where possible gas and/or electricity will not be wasted.

It is possible that the service will be required to dispose of hazardous materials related to drugs testing and harm reduction activities (i.e. needle exchange or disposal). The specification will require that these are safely disposed of in accordance with current waste regulation including Duty of Care regulation.

The service would have some minor impacts associated with the use of buildings (energy/water/waste) and possibly around marketing materials (leaflets/posters).

5.4 Resident impact assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed December 2016 and the summary of the equality impacts is included below:

- The service will be expected to provide additional support to people who would otherwise find it difficult to access services due to, for example, stigma within their community, language barriers, cultural or religious beliefs, learning disability or mental health concerns.

- There are no anticipated negative impacts on discrimination, harassment and victimisation. There will be no negative impacts for individuals in the nine protected characteristic categories.
- In order to identify and manage any adverse impacts, the provider will be closely monitored by the Commissioning Team at LBI.
- Provision for clients with disabilities has been included in the procurement process to ensure that there is availability for all clients.
- Examining the data on race of individuals in drug and alcohol treatment in the borough it can be seen that there are higher levels of white clients in treatment compared to the borough average. Historically this has been evidenced in drug and alcohol treatment across the country. Descriptions of priority groups will be set out in the spec with the requirement for the new service to think creatively about engaging with people from these communities.

Throughout the process there will be continued consultation and engagement with service users, former service users and their families.

6. Reasons for the decision

- 6.1 Islington requires a pathway of substance misuse services able to meet the needs of residents in a flexible way, both in a specialist treatment setting and in primary care, to support the council's ambition to improve recovery outcomes. Alcohol and drug misuse causes significant harm to the health and wellbeing of individuals, families and communities. Levels of mortality and illness among people who are problem drug users are high.
- 6.2 This service will play a key role in improving the recovery outcomes of adults resident in Islington with a range of complex needs, including substance misuse, as well as supporting local GPs to treat people in primary care, increasing access for young people, children and families and wider social and public services.
- 6.3 The integrated service will enable substance misuse services to better coordinate with key partners across the borough to ensure that service users and their dependents receive a more consistent and unified approach to their care and support, both within substance misuse services but by the system more generally. It will also ensure an enhanced approach to earlier intervention and prevention, especially through the increased focus on young people and embedding a strong and systematic Think Family approach in adult substance misuse services.

Appendices:

Appendix 1 – Financial information (exempt from publication)

Background papers:

None

Final report approval:

Janet Burgess

Signed by:

Executive Member for Health and Wellbeing

Date: 2nd March 2017

Report Author: Emma Stubbs – Senior Commissioning Manager
 Tel: 020 7527 8198
 Email: emma.stubbs@islington.gov.uk