

Report to:	Cabinet	Date of Meeting:	9th March 2017
Subject:	Substance Misuse Residential Rehabilitation Programmes Dynamic Purchasing System	Wards Affected:	(All Wards);
Report of:	Director of Public Health		
Is this a Key Decision?	Yes	Is it included in the Forward Plan?	Yes
Exempt/Confidential	No		

Purpose/Summary

To report key findings of a review of current commissioning arrangements for Substance Misuse Residential Rehabilitation Programmes for the residents of Sefton and seek authorisation to commence a procurement process to establish a Dynamic Purchasing System for future placements.

Recommendation(s)

- 1) Authorise the Director of Public Health to conduct an OJEU Light-Touch Regime tender exercise to establish a Dynamic Purchasing System for substance misuse Residential Rehabilitation to run for a period of two-and-half years from 1st October 2017 with the option of two further one-year extensions with a ceiling price of £300,000 per annum
- 2) Delegate authority to the Director of Public Health in consultation with the Cabinet Member – Health and Wellbeing to award the contracts to the highest scoring bidders, within the context of the approved budget and Medium Term Financial Plan.

3) How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	x		
2	Jobs and Prosperity	x		
3	Environmental Sustainability		x	
4	Health and Well-Being	x		
5	Children and Young People	x		
6	Creating Safe Communities	x		

7	Creating Inclusive Communities	x		
8	Improving the Quality of Council Services and Strengthening Local Democracy	x		

Reasons for the Recommendation:

A Dynamic Purchasing System (DPS), as provided for within the 2015 Public Contracts Regulations, will enable Sefton Council to ensure that fair and transparent commissioning arrangements are in place while enabling an individually tailored programme appropriate to the individual's needs and requirements. The key advantage of establishing a DPS, is that the applicable legislation allows the Council to open up the DPS to new applicants at pre-determined anniversary points during its lifespan. This therefore gives the Council the flexibility to take advantage of beneficial changes within the marketplace which may take place over time.

Alternative Options Considered and Rejected:

To establish a Framework Agreement for commissioning Residential Rehabilitation Programmes. Whilst a Framework Agreement would comply with revised procurement rules, it does not give Sefton Council the degree of flexibility required to remain responsive to on-going change, as importantly, new providers to the market are prevented from joining a Framework Agreement at any point during its lifespan, which can be a maximum of 4 years.

To continue to "Spot Purchase" as and when Residential Rehabilitation is required. Spot Purchasing requires considerable time to identify and negotiate suitable placements and provides for less transparency and ability to benchmark costs. Both a Framework and a DPS would enable longer-term contracts to be entered into with a range of Providers providing better service stability and better value in the contract cost.

What will it cost and how will it be financed?

(A) Revenue Costs

There are no additional costs. The current budget for Residential Rehabilitation Programmes is £320,000 per year. The DPS will ensure that the cost of any placement is agreed in advance and will help Public Health to allocate and manage placements more effectively. To control risk in terms of affordability of the future programmes, an indicative ceiling price of £300,000 across the whole programme will be set out in the tendering process and ceiling prices relating to types of service users as described in the service specification. The cost of the programmes will be met from within the Public Health budget allocated for substance misuse, taking into account the savings proposed in the budget process for 2017/18 – 2019/20.

(B) Capital Costs

There are no additional capital costs.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Financial	
Legal	
Human Resources	
Equality	
1. No Equality Implication	<input type="checkbox"/>
2. Equality Implications identified and mitigated	<input checked="" type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact of the Proposals on Service Delivery:

A Dynamic Purchasing System will increase the range of services and interventions available for Sefton Residents. Service providers will be able to apply to be part of the Dynamic Purchasing System based on their ability to deliver services to a clear Service Specification and within an agreed duration and cost.

The Adult Social Care Substance Misuse Assessment Team will be able to better match individual needs and requirements to an appropriate and effective placement – increasing individual choice, improving prospects for on-going recovery and cost-effective treatment outcomes.

What consultations have taken place on the proposals and when?

The Head of Corporate Resources has been consulted and any comments have been incorporated into the report (FD 4511/17) and the Head of Regulation and Compliance (LD.3794/17) has been consulted and any comments have been incorporated into the report.

The Public Health commissioners have reviewed service performance, consulted with key partners in adult social care and the council's commissioning and procurement team.

Implementation Date for the Decision

Following the expiry of the "call-in" period for the Minutes of the Cabinet Meeting

Contact Officer: Linda Turner

Tel: 0151 934 3360

Email: linda.turner@sefton.gov.uk

1. Background

- 1.1 Residential Rehabilitation is an integral part of any drug treatment and recovery system and a vital option for some people requiring treatment for dependency to substances.
- 1.2 Dependent drug and alcohol users typically present to services with a range of complex physical, emotional, psychological and psychiatric health problems. Effective treatment and recovery requires a range of services and interventions including; specialist clinical services, medically assisted detoxification programmes, psychosocial interventions, mutual aid and residential rehabilitation programmes.
- 1.3 Sefton's Integrated Substance Misuse: Assessment, Treatment and Recovery Service provide a care pathway approach to treatment and recovery in which community rehabilitation is the first line offer where appropriate and clinically safe.
- 1.4 For those who have undergone a programme of treatment and detoxification and have either not responded to or do not meet the criteria for community rehabilitation, residential rehabilitation programmes provide the opportunity for sustained recovery in a safe and therapeutic residential setting. The presence of health and social care complexity including dual diagnosis (substance misuse and mental ill health), physical disability, home and personal circumstances and/or Alcohol Related Brain Damage (ARBD) are likely to increase the necessity for a residential rehabilitation placement and the likelihood of successful treatment outcome.
- 1.5 Eligibility for Residential Rehabilitation Programmes is determined by the Adult Social Care Substance Misuse Assessment Team who carry out full social care assessment of need compliant with Care Act requirements and equality to access legislation. Residential placements are matched to individual need based on assessment and clinical review from specialist substance misuse treatment providers. Once agreed placements will be funded, initially for a period of three months, from a fixed annual public health budget.

2. Review and Service Developments

- 2.1 A recent Social Care review of substance misuse rehabilitation has demonstrated a good rate of completions: 33 planned discharges from 54 admissions (61%) between January 2016 and December 2016. This compares with a National rate of planned discharges between 20% and 60%. However, the absence of an agreed Service Specification as part of a Dynamic Purchasing System can leave social care staff having to negotiate 'special arrangements' and ad-hoc provision for individuals with additional need.
- 2.2 Like many areas, Sefton has an ageing treatment population and experiences significantly high levels of drug and alcohol related harm. Sefton has higher than average rates of drug related deaths, higher than average rates of hepatitis C and alcohol related mortalities and emergency hospital admissions for alcohol related liver disease above the national average.

2.3 Evidence from the National Treatment Agency for Substance Misuse; *The Role of Residential Rehabilitation in an Integrated Treatment System (2012)* suggests that the best performing rehabilitation programmes do well with complex service users who often do not benefit from community rehabilitation programmes. Moreover, Residential Rehabilitation Programmes are more successful at retaining residents with severe alcohol dependency and chronic alcohol related problems.

3. Developing a Dynamic Purchasing System

3.1 Residential Rehabilitation providers will be invited to join the Dynamic Purchasing System where they can demonstrate to commissioners and social care their ability as a provider to deliver against a service specification with a fixed price for groups of similar case mix and complexity. This will cut down on any placement negotiation time and enable Public Health and the Adult Social Care Assessment Team to benchmark provision against other Local Authorities leading to greater efficiencies and savings. Sefton Council Procurement Team will ensure open and transparent communication to all interested providers via the Chest while the benefits of a Dynamic Purchasing System over a single commissioning framework means that the Dynamic Purchasing System can be opened to include additional providers and services as need and requirements change.

4. Procurement Process

4.1 The Draft Timetable is:

Contracts Start	1/10/2017
OJEU Award Notice	31/8/2017
Implementation / mobilisation	1/8/2017 – 30/9/2017
Contract Sealing (Legal)	1/8/2017 – 31/8/2017
Contract Award	31/7/2017
Mandatory Standstill	18/7/2017 – 28/7/2017
COR to approve award	14/7/2017
Evaluation	13/6/2017 – 13/7/2017
Submission deadline	12/6/2017 (12 noon)
Last date for questions	5/6/2017 (12 noon)
Opportunity open period	19/5/2017 – 12/6/2017
OJEU Notice	19/5/2017
Dynamic Purchasing System documents completed	16/5/2017
Evaluation matrix build	16/5/2017 – 12/6/2017
Development Dynamic Purchasing System Document and Service Specification (incorporating legal view of Terms and Conditions)	1/2/2017 – 16/5/2017

4.2 The basis of the tender evaluation will be Most Economically Advantageous Tender (M.E.A.T.) taking into consideration a percentage balance between Cost and Quality

- 4.3 To control risk in terms of affordability of the future service, an indicative ceiling price will be set in the tendering process, informed by the service review referred to within this report.
- 4.4 It is proposed that at the end of the procurement process, two-and-a-half year contract(s) with the option to extend for up to a further two years will be entered into with provider(s). This should provide for better service stability and enable better value in the contract cost by procuring for a two-and-a-half year period. The contract(s) will however include provision for variation and early termination by the Council for convenience in the event of e.g. a reduction in funding levels etc.