

**Southend-on-Sea Borough Council**  
**Report of Corporate Director for People**  
**to**  
**Cabinet**  
**on**  
**20<sup>th</sup> September 2016**

**Agenda  
Item No.**

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**Adult Drug and Alcohol Treatment Services Contract Extension**  
**People Scrutiny Committees**  
**Executive Councillor: Councillor Salter**  
**A Part 1 (Public Agenda Item)**

**1. Purpose of Report**

To inform Cabinet of a 4 month extension to the contract the Council holds with Change, Grow, Live (CGL) for the delivery of treatment and support for adults with drug and alcohol problems.

**2. Recommendation**

2.1 That cabinet note the extension to the CGL contract.

**3. Background**

3.1 Work to procure new drug and alcohol services for Southend is underway. This will be the first time some aspects of treatment have been competitively tendered, with others not having been tendered for between 2 and 9 years. In order to enable fuller research and planning to be undertaken in preparation for the procurement phase of the programme, the Southend Community Safety priority Leadership Group agreed to an extension to the CGL at its meeting on 28 July. This decision has been further endorsed using the Tender Exception Request Process by the Head of Service for Adult Services and Housing, and the Group manager of Corporate Procurement.

3.2 Since the last large-scale recommissioning of drug and alcohol services in Southend there have been considerable changes in both the commissioning landscape at local and national levels, and in the demands and expectations placed upon drug and alcohol services. In order that Southend Council is able to commission the most suitable configuration of services to meet the varied needs of the local community, further research is required to inform procurement planning.

3.3 The decision to extend the CGL contract by 4 months is governed by the Council Contracts Procedure Rules and the Public Contract Regulations 2015. Due to the value of the contract of £1.625m per annum, and the maximum permissible value of any contract extension of £589,148 (Public Contract Regulations), a 4 month extension with a value of £541,667 was agreed.

3.4 A fully compliant tender process comprising of all specialist drug and alcohol services, ranging from prevention and early intervention to medical treatment, and for all ages, will be awarded to the Most Economically Advantageous Tenderer by in early summer 2017, with new contractors required in place from 1<sup>st</sup> August 2017.

#### **4. Other Options**

4.1 The alternative option available was to expedite procurement of replacement provision in order that new contractor(s) are in place from 1<sup>st</sup> April 2017. It was felt that this would likely lead to contracts being offered in a very similar manner to those currently in place given the reduced capacity for consultation with service users, carers and professional stakeholders. It was additionally felt that this would negatively impact the potential to develop the local voluntary and community sector (VCS) market such that it would be able to compete on equal terms with larger national organisations.

#### **5. Reasons for Recommendation**

5.1 The decision to extend the contract will provide better value for money and minimise financial risks for the Council, together with enabling best commissioning practice in service user consultation and VCS market development.

#### **6. Corporate Implications**

##### **6.1 Contribution to Council's Vision & Corporate Priorities**

This contract extension supports several of the Corporate Priorities, notably that Southend Council will 'Work with and listen to our communities and partners to achieve better outcomes for all.' The benefits of the extension will increase capacity to meet priorities relating to crime, safeguarding, health and reducing inequalities and social deprivation.

##### **6.2 Financial Implications**

The contract extension is compliant with Financial Procedure Rules. Costs of continuing the contract will be met from existing budgets allocated to drug and alcohol provision, with no increase in overall spend.

### 6.3 Legal Implications

The contract extension is compliant with both the Public Contracts regulations 2015 and the Southend-on-Sea Borough Council Contracts Procedure Rules.

### 6.4 People Implications

None.

### 6.5 Property Implications

None.

### 6.6 Consultation

Key stakeholders across the council have been consulted in developing this work. Consultation is ongoing.

### 6.7 Equalities and Diversity Implications

A detailed Equality Analysis will be undertaken prior to finalising procurement options, and before the end of the contract extension. The additional time allowed for consultation by this contract extension will enable detailed analysis of the procurement programme on communities with protected characteristics and other key local resident groups.

### 6.8 Risk Assessment

Continuation of the existing contract will facilitate fuller planning of the implementation of new contractor(s) and mitigate associated risks.

### 6.9 Value for Money

The proposed decision will require continued funding of existing contracts, at rate of £1.625m pro rata. It is important to note both that this is a reduction against the original contract rate for the pilot following recent negotiations, and that the subsequent delay to contracting new arrangements will mean that no additional costs will be incurred by the Council and this action is achievable within agreed budgets.

### 6.10 Community Safety Implications

The extension of the contract will enable the continuation of existing work with substance misusers, including where this is undertaken in partnership with criminal justice services. Additional consultation undertaken during the extended procurement planning will allow better understanding of how best to commission future substance misuse and criminal justice partnerships.

### 6.11 Environmental Impact

None.

**7. Background Papers**

None.

**8. Appendices**

Tender Exception Request Form