

Portfolio Holder Decision – reference number: 2642

Subject:	Approval to CDP to extend contract length for new young people's substance misuse services		
Corporate Director(s)/ Director(s):	Alison Michalska – Corporate Director Children and Adults		
Portfolio Holder(s):	Councillor Alex Norris – Portfolio Holder for Adults and Health		
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Key Decision	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	Subject to call-in <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision		<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: £624,214.00			
Wards affected: All		Date of consultation with Portfolio Holder(s): as per signature.	
Summary of issues (including benefits to citizens/service users): Authority to tender and award this contract for 3+1+1 was given at the March 2016 sub-committee. To align this contract with other substance misuse contracts, we seek authority to extend the contract to 5+1+1.			
Exempt information: None			
Recommendation(s):			
1. To authorise extended contract length for new young people's specialist substance misuse treatment service for 5 years (with the option to extend for two further periods of one year - 5+1+1) following the tender, award and contract implementation of an appropriate service.			

1 REASONS FOR RECOMMENDATIONS

- 1.1 Authority to tender and award the young people's specialist substance misuse treatment service at a contract length of 3+1+1 years was granted at Commissioning and Procurement Sub Committee March 2016.
- 1.2 We now seek to extend the agreed contract length from 3+1+1 to 5+1+1 as this would ensure greater stability for providers and potentially make the tender more attractive to the market.
- 1.3 Longer contract lengths offer more stability to citizens and ensure comparability of contract length with other areas of public health and substance misuse contracts.

- 1.4 Relevant break clauses within the longer contract will be retained to ensure that contracts can be ended early should that be required.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The alignment of substance misuse provision in the City took place in 2015/16 and 2016/17. New services are now in place as of 1 July 2016. The tendering of the young peoples' substance misuse service follows that process and will be tendered and awarded in this financial year in line with the authority granted by this committee.
- 2.2 To align contract lengths will make the tendering opportunity more attractive to potential bidders and will offer more stability to providers and for service users.
- 2.3 In May 2016, the Commissioning and Procurement Sub Committee granted authority for the agreed length of new contracts (3 years, plus 1, plus 1). Due to the commissioning already undertaken to achieve the Medium Term Financial Plan (MTFP) we now seek to extend that contract length to invite a wider range of bidders and to give stability to the service provision.

3. OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 The originally agreed length remains an option but there is risk that it may put potential providers off engaging with the tender opportunity. Shorter contracts create a cycle of ongoing commissioning which is destabilising for providers and citizens and also impacts on the capacity within commissioning and procurement. For this reason, this option was rejected.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The anticipated value of the Public Health Grant, Police & Crime Commissioner Grant, Nottingham City Council, and partner contributions funds totals £12,080,821 in 2016/17.
- 4.2 The current contract is due to end on the 30/04/2017. Approval to retender this service for a period of 3 years plus 1 year plus 1 year was sought and agreed at Commissioning & Procurement Sub-Committee 10/03/2016.
- 4.3 This proposal seeks approval to further extend for another plus 1 year, plus 1 year.
- 4.4 If approved this will deliver best value for money as the longer period of the contract will attract more providers to tender therefore delivering more choice.
- 4.5 All current MTFP savings attributable to the CDP have been achieved by retendering services and delivering efficiencies. Further budget reductions are expected in future years due to Public Health Grant cuts and potential reductions in partner contributions. In order to react swiftly to such reductions the contract awarded will have a 'no penalty' break clause built in, with a time scale of 6 months' notice.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL AND PROCUREMENT IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1 The risk of a longer contract is equal to the risk of a shorter contract as appropriate break clauses are included within the contract terms and conditions.

5.2 There is no legal risk to awarding a longer contract.

6 SOCIAL VALUE CONSIDERATIONS

6.1 Recommendations have been considered in line with the Public Services (Social Value) Act 2012. All services within this report aim to improve the social wellbeing of the client.

7 REGARD TO THE NHS CONSTITUTION

7.1 Local authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making decisions relating to public health functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

8 EQUALITY IMPACT ASSESSMENT (EIA)

8.1 An EIA is not required, as the decision only applies to the retendering of these services.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 Commissioning And Procurement Sub Committee – 10 March 2016 - Crime and Drugs Partnership Contract Approval 2016/17.

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1 Legal advice provided by Andrew James, Team Leader Contracts and Commercial on 19/09/2016;

11.2 Finance advice provided by Dee Fretwell, Commercial Business Partner, 17/10/2016

Signed
Alex Norris, Portfolio Holder for Adults and Health

Signature: 

Date of signature: 27/10/16

Allison Michalska, Corporate Director Children and Adults

Signature: 

Date of signature: 20/10/16

Published on: 31/10/2016

Last date for call-in: 07/11/2016