

From: Peter Oakford
Cabinet Member, Strategic Commissioning and Public Health
Andrew Scott-Clark, Director of Public Health

To: Health Reform and Public Health Cabinet Committee

Date: 22 September 2017

Subject: Young Persons' Substance Misuse Service

Classification: Unrestricted

Past Pathway: Children's Social Care and Health Cabinet Committee – 11 January 2017

Future Pathway: Cabinet Member Decision – 16/00144

Electoral Division: All

Summary

The former Children's Social Care and Health Cabinet Committee previously endorsed plans to commission the Kent Young Persons' Substance Misuse Service through a competitive tender process. The procurement of the new service started in August and is due to conclude early in October.

The annual budget for the service is approximately £820,000 although the exact contract value will be determined through the procurement process. The new service is due to start operating on 1st January 2018 with an initial term of 5 years.

Recommendations

Members of the Health Reform and Public Health Cabinet Committee are asked to:

COMMENT on the progress of the procurement of the Young Persons' Substance Misuse Service and either **ENDORSE** or make a recommendation to the Cabinet Member for Strategic Commissioning and Public Health on the proposed decision to award to the successful bidder (from those listed in the exempt appendix to this report)

1. Introduction

- 1.1. The former Children's Social Care and Health Cabinet Committee previously endorsed plans to commission a new Young Persons' Substance Misuse Service across Kent through a competitive tender process.
- 1.2. This paper aims to provide an update on the progress of the procurement process and seeks the committee's endorsement of a proposed key decision to award the new contract.

2. Background

- 2.1. As part of its responsibilities for public health, KCC commissions a specialist Young Persons' Substance Misuse Service to reduce the harm caused by drugs and alcohol and to improve the health and wellbeing of children and young people in Kent. Commissioning these services is a condition of the Public Health grant.
- 2.2. The service was competitively tendered in 2012 and is currently delivered by the health and substance misuse charity, Addaction (previously known as KCA). In January 2017, the Children's Social Care and Health Cabinet Committee endorsed the proposed commissioning approach for the service which involved extending the existing contract until 31st December 2017 whilst a new the contract for a new service was competitively tendered.

3. Progress

- 3.1. KCC Strategic Procurement Team and Public Health undertook a 'virtual market engagement' event on 4th August 2017 to generate interest among potential service providers. This innovative approach to market engagement allowed commissioners to test out the commissioning intentions and the commercial model for the new contract. The full service specification was circulated before the event to allow prospective bidders to get a detailed understanding of the service requirements and prepare questions for the event.
- 3.2. Invitations to tender for the service were issued later in August via the Kent Business Portal. The exempt Appendix 2 to this report lists the bidders which have expressed an interest in bidding for the contract. The timetable below sets out the rest of the procurement process:

Procurement Timetable	
Providers send back responses	18 th September 2017
Evaluation and moderation (including service user evaluation)	19 th to 22 nd September 2017
Pre-award meeting (TBC)	w/c 25 th September 2017
Draft award report	w/e 29 th September 2017
Cabinet Member Award Report sign-off	5 th October 2017
Contract Award/preparation and standstill	5 th – 15 th October
Issue contracts	w/c 23 rd October
Pre contract mobilisation	16 th October – 31 st December 2017
New service start date	1 st January 2018

4. Financial Implications

- 4.1. The Young Persons' Substance Misuse Service is funded from the KCC Public Health grant with a contribution from the Kent Police and Crime Commissioner.
- 4.2. The maximum available budget is £4.1m over the initial five year term of the contract although the exact contract value will be determined through the competitive tendering process. The ongoing commissioning and contract management process will ensure that County Council maximises the return on this investment and realises the benefits of improved alignment with other services for children and young people.
- 4.3. The initial five year contract term will also enable the selected provider to implement efficiency plans and to expand the scope of the service to offer support for 18-24 year olds where necessary.
- 4.4. The overall contract price will be evaluated through the tender process and will take account of the value and quality of each proposal as well as the cost. This will enable the Council to secure best value through the commissioning process. As the contract value is expected to exceed £1m, the contract award will require a key decision by the Cabinet Member for Strategic Commissioning and Public Health.

5. Risks

- 5.1. The key risks for this new contract are that the allocated budget will not be sufficient to meet demand and that there is not sufficient provider capability to meet the changing needs of young people and families in Kent. These risks have been managed by carefully shaping and costing the specification for the updated service and feeding this in to the Public Health business planning and budgeting process.
- 5.2. The risk of lack of market interest or capability has been managed by engaging with and consulting potential service providers to stimulate the market and seek views on how the service should be specified and designed to reduce substance misuse and deliver better outcomes for young people in the most cost-effective way.
- 5.3. Bidders have been asked to submit detailed mobilisation plans as part of their tender. The risks associated with mobilising the new contract have been mitigated by building in a mobilisation period of just under three months.

6. Conclusion

- 6.1. KCC Procurement and the Public Health team have initiated the re-tendering of the Kent Young Persons' Substance Misuse Service following the Children's Social Care and Health Cabinet Committee's endorsement of the overall commissioning approach. The procurement process is now underway and is expected to conclude early in October. The new service is due to start on 1st January 2017, with an annual contract value of approximately £4.1m over 4 years (£820,000 p.a.).
- 6.2. The recommendation of the successful bidder will be presented to the Cabinet Member for Strategic Commissioning and Public Health and the contract award will require a key decision. A proposed Record of Decision has been included as Appendix 1 to this report.

7. Recommendations

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Background documents: none

Report Authors:

Mark Gilbert, Interim Head of Public Health Commissioning
03000 416668
Mark.Gilbert@kent.gov.uk

Relevant Director

Andrew Scott-Clark, Director of Public Health
03000 416659
Andrew.scott-clark@kent.gov.uk