

From: Andrew Scott-Clark, Director of Public Health

To: Graham Gibbens
Cabinet Member, Adult Social Care and Public Health

Date: 19th January 2016

Subject: Kent Drug and Alcohol Services – Contract awards

Classification: Unrestricted

Past Pathway of Paper: Discussed at Adult Social Care and Health Cabinet Committee on 10th July 2015 and 14th January 2016

Future Pathway of Paper: Cabinet Member Decision – 16/00004

Electoral Division: All

Summary

In July 2015, The Adult Social Care and Health Cabinet Committee endorsed proposals for the competitive retender of the West Kent Drug and Alcohol Service and the extension of the contract for East Kent.

A competitive procurement process for West Kent was undertaken towards the end of 2015 and tender evaluations are expected to conclude by mid-January with contract awards due to be completed by the end of the month. The new service will start operating from April 2016.

Recommendations

The Cabinet Member of Adult Social Care and Public Health is asked to:

- i. Note the progress of the procurement of the West Kent Drug and Alcohol Service and the contract extension for East Kent;
- ii. Note the comments from the Adult Social Care and Health Cabinet Committee on 14th January 2016; and
- iii. Agree to award the contract for the West Kent Drug and Alcohol Service to the successful bidder (from those listed in the exempt appendix presented to Adult Social Care and Health Cabinet Committee on 14th January 2016), and to invoke the one year contract extension option within the East Kent Drug and Alcohol Service contract (provided by Turning Point), to enable it to run until 31st March 2017.

1. Introduction

- 1.1. KCC Public Health is responsible for commissioning drug and alcohol services across Kent.
- 1.2. In July 2015, the Adult Social Care and Health Cabinet Committee endorsed the proposals for the competitive re-tender of the drug and alcohol service in West Kent and the continuation of negotiations to extend the existing contract in East Kent.

- 1.3. This paper aims to provide an update on the progress of these commissioning plans and seeks the committee's endorsement of a proposed key decision for contract award and extension.

2. Background

- 2.1. The contract for the West Kent drug and alcohol service is due to expire in March 2016 whilst the contract for the East Kent service includes provision for a one-year extension to 31st March 2017.
- 2.2. At its July meeting, the committee noted the level of savings that would need to be realised from drug and alcohol services in 2016/17 and endorsed the recommendation to deliver these savings through a competitive re-tender of the West Kent drug and alcohol service. The committee also agreed a negotiation with the existing provider in East Kent to enable savings to be achieved in the final year of the contract.

3. Progress

- 3.1. The competitive procurement process for the West Kent service started in November 2015. The organisations who submitted tenders are listed in a separate exempt paper.
- 3.2. Tender evaluations are due to conclude in mid-January and the contract is due to be awarded by the end of January subject to the key decision process and completion of the final stages of the procurement. The new service is due to start operating from 1st April 2016 after a two-month transition phase.
- 3.3. Public Health entered into negotiation with the current service provider in East Kent to agree for the existing service to continue into 2016/17 at a reduced budget. The current provider has agreed to deliver the required savings as part of the existing contract and to manage the transition to this reduced budget whilst minimising service disruption and impact on service users.

4. Financial Implications

- 4.1. The contract for the West Kent drug and alcohol service has a maximum available budget of £3.6m for 2016/17. The final contract value will be confirmed through the procurement process. The East Kent service has significantly higher need with more people accessing treatment. The budget is £5.75m for 2016/17.
- 4.2. These revised budgets will bring the services onto a financially sustainable footing and will not rely on non-recurring reserves as in previous years.

5. Risks

- 5.1. The combined budget for these services in 2016/17 is significantly lower than the current financial year. These reductions will be challenging for the services but will be delivered through effective partnership working with other providers and on-going co-design of services in order to ensure that any changes are informed by the views and priorities of service users and other stakeholders.

- 5.2. There is always a risk of service disruption with any re-commissioning and service change process. Public Health will manage this risk through close monitoring of the transition phase in West Kent and the change management needed to deliver savings in East Kent.
- 5.3. Public Health have also mitigated this risk as far as possible by evaluating provider capability to manage change and proposals for change management as part of the tender process in West Kent.

6. Conclusion

- 6.1. Public Health has made significant progress with the plans presented to the committee in July for the re-commissioning of drug and alcohol services across Kent. These plans will bring the services onto a financial sustainable footing.
- 6.2. The existing provider of drug and alcohol services in East Kent has agreed to deliver the savings needed in 2016/17 through the existing contract which allows for a contract extension to March 2017.
- 6.3. The West Kent contract is due to end in March 2016. The procurement process for a replacement contract is due to conclude by the end of January with the new service operating from April 2016.
- 6.4. The key risks with this commissioning and procurement approach have been identified and will be managed through the Public Health commissioning structures.

7. Recommendations

The Cabinet Member of Adult Social Care and Public Health is asked to:

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- iii. Agree to award the contract for the West Kent Drug and Alcohol Service to the successful bidder (from those listed in the exempt appendix presented to Adult Social Care and Health Cabinet Committee on 14th January 2016), and to invoke the one year contract extension option within the East Kent Drug and Alcohol Service contract (provided by Turning Point), to enable it to run until 31st March 2017.

Background Documents:

None

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