REPORT OF
Director for Public Health

TO
Procurement Board

ON

25th January 2017

TITLE: Approval for an Extension of the Contract for Integrated Substance Misuse and Recovery Services

RECOMMENDATION:
That the Procurement Board

(1) Approves the extension of the Contract for Integrated Substance Misuse and Recovery Services as detailed in the table below:

<table>
<thead>
<tr>
<th>Detail required</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Reference</td>
<td>C916</td>
</tr>
<tr>
<td>Title/Description of Contracted Service/Supply/Project Name of Contractor</td>
<td>Integrated Substance Misuse and Recovery Services Greater Manchester West NHS Foundation Trust Other Non-SME</td>
</tr>
<tr>
<td>Type of organisation (to be supplied by Corporate Procurement)</td>
<td></td>
</tr>
<tr>
<td>Status of Organisation (to be supplied by Corporate Procurement)</td>
<td></td>
</tr>
<tr>
<td>Value of Contract Extension</td>
<td>£1,977,372 Full Project</td>
</tr>
<tr>
<td>Existing Contract Term</td>
<td>01/10/2014 to 30/09/2017</td>
</tr>
<tr>
<td>Extension Period Requested</td>
<td>01/10/2017 to 31/03/2018</td>
</tr>
<tr>
<td>Contact Officer (Name &amp; number)</td>
<td>Mark Knight 603 4177</td>
</tr>
<tr>
<td>Lead Service Group</td>
<td>Public Health</td>
</tr>
<tr>
<td>Funding Source</td>
<td>Revenue Budget</td>
</tr>
</tbody>
</table>
EXECUTIVE SUMMARY:

The purpose of this report is to request an extension to the contract for Integrated Substance Misuse and Recovery Services. The contract is with Greater Manchester West Mental Health NHS Foundation Trust (GMW).

There is provision within the current contract to extend the agreement for a further period from 01/10/17 to 30/10/18, but for the purposes of this report we are asking to extend the agreement for up to 6 months to 31/04/18 to facilitate the tender process.

Salford City Council is the Lead Partner for the procurement of a new service model which will implement GM common standards for the delivery of substance misuse services and further integrate hospital and community based provision across Bolton, Salford and Trafford.

BACKGROUND DOCUMENTS:

Permission for Salford City Council to be the Lead Partner in the commissioning and procurement of Integrated Substance Misuse and Recovery Services for Bolton, Salford and Trafford Local Authorities (Procurement Board, 10th August 2016).

Approval for Extensions of Contracts for Integrated Substance Misuse and Recovery Services and Inpatient Detoxification at the Smithfield Service (Procurement Board, 25th May 2016).

Tender Award: Integrated Substance Misuse and Recovery Service (Procurement Board, 14th May 2014).

KEY DECISION:

Yes: The value of the requested contract extension is £1,977,372.

DETAILS:

1. **Permission for Salford City Council to be the Lead Partner**
   1.1. Public Health Commissioners from Bolton, Salford and Trafford (BST) Local Authorities are working together to jointly commission Integrated Substance Misuse and Recovery Services. Permission for Salford City Council to be the Lead Partner was given by the Procurement Board on 10th August 2016.
2. Overview of accompanying report

2.1. An accompanying report is also being presented to the Procurement Board on 25th January 2017 entitled ‘Update on the commissioning and procurement of Integrated Substance Misuse and Recovery Services for Bolton, Salford and Trafford Local Authorities.’

2.2 The report provides members with an update on the development of the new service model and allocation of finances. It addresses ongoing discussions between Local Authority and Clinical Commissioning Group colleagues which focus on integrating hospital and community based substance misuse services.

- The report details the complexities involved in aligning service offers across the three local authorities,
- The work being undertaken to ensure that planned expenditure aligns with service offers in each local authority,
- The importance of this work to the GM Public Service Reform agenda and the development of GM common standards for the delivery of substance misuse services.

2.4. The report contains a revised timeline for the procurement of the new service model. This allows for a necessary six month transition period ahead of services becoming operational in January 2018. This will require a 14 week extension to the existing contract with GMW. However, given the complexities involved, an extension of 6 months is being requested to allow for any further unforeseen delays.

KEY COUNCIL POLICIES:
Joint Health and Wellbeing Strategy (2013 - 2016)
City Plan (2013 - 2016) www.salford.gov.uk/cityplan.htm
Family Poverty Strategy www.partnersinsalford.org/familypoverty.htm

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:-

A Community Impact Assessment (CIA) was undertaken on Salford’s Drug and Alcohol Strategy in March 2011. This was last updated in November 2013 in light of the intention to procure a recovery treatment system utilising a Lead Provider Model.

An Equality Impact Assessment (EIA) will be completed as part of the current commissioning and procurement process. This process will be informed by service user consultation and stakeholder events which took place in July 2016.
ASSESSMENT OF RISK:

From a Legal perspective, the risk is "Low". However, from an operational and service user perspective, the risk is greater if there is disruption to service continuity should an extension not be granted.

SOURCE OF FUNDING:  Salford City Council’s Public Health Revenue Budget

LEGAL IMPLICATIONS Submitted by: Tony Hatton, Principal Solicitor, tel. 219 6323

It is an established principle that an existing public contract is capable of being extended where the original contract makes provision for the extension, and the Council’s Contractual Standing Orders (CSO’s) also allow for contract extensions to be made where the original contract makes provision for such an extension of the original term.

When the contract for substance misuse was originally put out to tender, it was made clear in the documentation that the two year term would be subject to potential extensions of two further periods of twelve months, hence any risk that any extension granted within the potential four year term could be subject to challenge by an aggrieved provider, on the basis that it ought to have been put out to tender and advertised in accordance with public contract regulations and CSO’s, is extremely low.

Also in accordance with CSO’s, where provision is made within the contract for an extension, and the value is over £100,000, approval should be sought from Procurement Board.

FINANCIAL IMPLICATIONS Submitted by: Stephen Thynne, 0161 778 0244

This report requests an extension to the contract for the Integrated Substance Misuse and Recovery contract held by Greater Manchester West Mental Health NHS Foundation Trust (GMW) for up to six months from 1st October 2017. The value of the extension requested is up to £1.977m and as detailed in the accompany report providing an update on the commissioning and procurement of a new joint service for Bolton, Salford and Trafford Local Authorities it is hoped this service will be implemented from 8th January 2018. Savings of £200K (part year effect) in relation to this contract have been included in the Council’s 2017/18 proposed savings and the revised implementation date will lead to slippage against this target. It is hoped to manage this shortfall within the service group so as not to adversely impact the achievement of the proposed savings in 2017/18.
PROCUREMENT IMPLICATIONS: Submitted by: Colette Hilton, ext. 0161 686 6242

Procurement has been fully involved with and supported Public Health Commissioners in preparing for this collaborative tender exercise and has provided technical expertise in developing the process.

Due to the complexity of developing the collaborative arrangements for Bolton, Salford and Trafford, there is a requirement to seek an extension to the existing service in Salford. The existing contract includes the facility to extend the arrangement up to September 2018 and therefore is fully compliant with Contractual Standing Orders.

OTHER DIRECTORATES CONSULTED: N/A
The contract is exclusively funded from the Public Health Revenue Budget.

CONTACT OFFICER: Mark Knight, Public Health Strategic Manager,
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WARDS TO WHICH REPORT RELATES: All