



London Borough of Hackney – Decisions taken by the Cabinet Procurement and Insourcing Committee on Monday 3 July 2023

Decisions listed below that are Key Decisions will come into force and may then be implemented on the expiry of 5 clear working days after 11 July 2023 unless called-in by at least 5 non-executive members in writing and submitted to the Monitoring Officer.

Agenda Item No	Topic	Decision
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Part A – Items considered in public

8	AHI S169 Community Drug and Alcohol Treatment Services, Contract Variation, Overview of Grant Funding Streams, and Risk Management	<p>RESOLVED: To agree a Contract Variation of £5m for the City and Hackney Integrated Drug and Alcohol Service (existing value £24m) commencing in April 2023 with all additional activity to be delivered by the end of March 2025. The revised maximum contract value including variation will be £29m.</p> <p>Reason(s) For Decision</p> <ol style="list-style-type: none">1. Substance Use and its associated harms have become a significant focus for Central Government over the past two years, in part due to the publication of two reviews of substance use across the UK by Dame Carol Black.2. This has led to an increased number of national strategic approaches to tackling drug related harms, including publication of an overarching ten year drug strategy and increases in funding, via grants, to help better meet the needs of local residents using drugs.3. The London Borough of Hackney (LBH) has been identified as a specific strategic partner for a number of these funding streams by Central Government, with drug harms across the borough having risen over the last ten years alongside an overall reduction in the capacity and funding of our substance use treatment provision.
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		<p>4. In order to reduce levels of unmet need across the borough we have accepted invitations to apply for this grant funding, and have utilised this money to increase treatment capacity and diversity of offer from our core substance use service (delivered by Turning Point). We have also worked to develop our approaches through funding of other services with low or no representation in our substance use treatment system.</p> <p>5. Single Tender Actions are being used to procure most of these services due to:</p> <ul style="list-style-type: none"> • The novel nature of the organisations • Lower levels of funding requirements • Guidance from Central Government • Lack of an existing contract between the authority and the services regarding this specific delivery <p>6. This report is presented to the Cabinet Procurement and Insourcing Committee to approve a contract variation of £5,000,000 for the delivery of community drug and alcohol treatment.</p> <p>7. This paper details the necessity of our existing substance misuse service receiving this funding, as well as the steps taken to meet the principles of decision making, best value duty and to flag future risks to service delivery</p> <p>8. What follows is a brief overview of the three relevant grant funding streams LBH have/are to receive and how they align to both local and national strategy.</p> <p>The Rough Sleepers Drug and Alcohol Treatment Grant:</p> <p>9. This funding aims to improve substance use treatment and health outcomes for people with substance use issues who are experiencing homelessness, aiming to reduce drug</p>

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		<p>related deaths.</p> <p>10. The application period and lead time between approval and delivery for the first phase (Q4 2020/21 and all of 2021/22) was limited. Despite this, stakeholder engagement with partners was conducted (Appendix 1), with ongoing engagement throughout the process of preparing and submitting the bid.</p> <p>11. Local Authorities were not informed at the start of the programme that there would be further funding and need for RSDATG delivery. Commissioners were informed of the continuation in March 2022, covering FY 22/23 and 23/24.</p> <p>12. Application for funding was opened in June 2022, to be submitted by July 2022.</p> <p>13. Further Stakeholder engagement was conducted, with consensus arising regarding access to wider ranges of clinical services, further Adult Social Care input and increased peer support.</p> <p>14. The successful application for the second phase meets this by:</p> <ul style="list-style-type: none"> • Increasing staff and resources for the core substance use service (delivered by Turning Point) • Additional funding to develop and increase staff within the LBH Supporting Transition and Empowering People Service (STEPS) • A specialist Social Worker within LBH ASC • Grant funding to a wider range of existing local services. <p>15. Project ADDER:</p> <p>16. This programme was initiated by the Office of Health Improvement and Disparities (OHID,</p>

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		<p>previously Public Health England) in early 2021 aiming at system wide development work to address drug related harms.</p> <ul style="list-style-type: none"> • Specific outcomes of the programme are to: • Reduce drug-related death • Reduce drug-related offending • Reduce the prevalence of drug use • Achieve sustained and major disruption of high-harm criminals and networks involved in middle market drug/firearms supply and importation <p>17. The high profile programme acts as a ‘trailblazer’ for Central Government’s 10 year drug strategy. In line with this the Metropolitan Police team covering Hackney also received significant funding.</p> <p>18. Much like RSDATG, funding has also been confirmed and awarded a year at a time, with both short application periods and rapid timescales between approval and delivery.</p> <p>19. In the first year the City and Hackney Public Health team were awarded £900,000. In the second and final year of the project (2022/23) £1,198,306.00. Due to underspend this funding will also cover an additional quarter of delivery (Q1 23/24).</p> <p>20. Stakeholder consultation was undertaken to understand gaps in the treatment system, and to develop solutions to delivering against these gaps.</p> <p>21. As part of this a number of smaller, community based, organisations were identified as being good partners in system expansion. Additionally Turning Point were identified as requiring increases in their teams in order to work with a higher number of individuals, better connect to prisons for releases into the community and to undertake increased levels of outreach.</p>

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		<p>22. Unlike the RSDATG, only a small amount of grant reprofiling has been necessary in the second year.</p> <p>23. Supplementary Substance Misuse Treatment and Recovery Grant (SSMTR):</p> <p>24. This grant funding is directly aligned to the 10 year drug strategy with the investment seeking to reach ambitious targets by 2025. The funding is significant and is likely to continue for multiple years. Despite this, and again much like RSDATG and ADDER, the turnaround periods from confirmation of funding available through to delivery are short.</p> <p>25. 2023/24 funding was confirmed on 16 Feb 2023, and 24/25 funding is currently indicative. We have been awarded £1,490,000 in the first year, with indicative funding at £2,890,000 in the second year.</p> <p>26. Application for 23/24 funding started in late Feb, with submissions to be made March 10th. Delivery of some aspects commenced in April 2023. We do not know about the second year's funding, but it is likely that the Central Government delivery mechanism will be similar next year.</p> <p>27. As we were asked to prepare for this funding we have re-engaged with partners to understand the current need across the substance use system. Through consultation, including through five themed stakeholder engagement workshops, it has been agreed that in the first year we will continue services started as part of RSDATG and ADDER as well as increase salaries (to aid staff retention) and bring further peer led provision into the borough.</p> <p>28. If the Office for Health Improvement and Disparities (OHID) are in agreement with this plan, further funding will be awarded to Turning Point to continue the work they started with</p>

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		<p>earlier grant funded opportunities, as well as to increase salaries.</p> <p>29. We have not yet finalised a plan of delivery for the second year, which will be developed jointly through the new multi-agency Combating Drugs Partnership, though we believe it is likely we will continue services delivered as part of year one.</p> <p>30. The significant increase in the potential figure to be awarded to LBH from 24/25 onwards will be discussed throughout the coming year with partners, as well as Central Government. It is likely that a significant portion of this funding may need to be awarded to the City and Hackney Recovery Service or distributed through an appropriate procurement process.</p> <p>31. As the SSMTR is part of the vehicle for change aimed at with the ten year drug strategy, we are expecting further funding to continue beyond 23/24 and 24/25, but this is uncertain.</p> <p>32. City and Hackney Recovery Service and increased funding; reasons and options</p> <p>33. As detailed above, all decisions regarding system wide need have been made in consultation with partners. In these consultations consensus has driven our funding applications and consequent service delivery.</p> <p>34. The extremely limited time between confirmation of funding and delivery start date for 23/24 has created severely limited options for procuring services in a timely manner. Additionally, without confirmation of 24/25, we are unable to initiate a procurement process for that year.</p> <p>35. Further to this, a procurement process that results in a new and different provider alongside the existing service would create substantial risks for service clients, due to the resources required to overcome technical limitations; it would also create substantial</p>

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		<p>unnecessary duplication of costs. Examples include:</p> <ul style="list-style-type: none"> • Supporting wider partners/clinicians to understand the complexity of having multiple providers would be difficult and introduce risks of inappropriate or delayed referrals risking safety and quality of care. • New, duplicated infrastructure would be needed for a new provider such as managerial and administrative staff, as well as other costs in service delivery (such as premises, equipment, IT, storage and procurement of consumables etc.) • Mobilisation would need to be done at a speed incompatible with the single year time frames. • Data management would be difficult. There would be no shared data management resource, data sharing would be challenging to develop and as a current data controller Turning Point would need to operate within organisational and legal information governance frameworks that make sharing confidential data complex. • Institutional safeguarding concerns due to increased mobilisation times and data challenges. A more disjointed system would increase the challenges of responding effectively to safeguarding concerns. <p>36. These constraints mean that the existing City and Hackney Recovery Service provider is the only viable main provider of substance use services. A contract variation of £5m will provide the flexibility to provide the additional services required for 23/24 and 24/25.</p> <p>37. Funding forecast breakdown is outlined below. The newly created City and Hackney Combating Drugs Partnership (CDP) has agreed to 23/24 delivery, with the likelihood agreed services will continue into 24/25. Additional services to be awarded, and the potential need for reprofiling other funds from the grant envelope, will be agreed by the CDP during 23/24. This will be in line with OHID and Central Government timelines.</p> <p>38. Value for money and quality have been assured through a thorough benchmarking</p>

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		<p>process, both locally and nationally. Locally, benchmarking has been conducted with neighbouring commissioners and services, and nationally OHID benchmarks all budget templates and only signs off on budgets which meet their value for money and quality thresholds. Further quality assurance is conducted quarterly through contract monitoring with the provider.</p> <p>39. The recommended contract variation is an indication of how the grant funding, with the increase in staff, improved pay and conditions, and increased treatment capacity and quality impacts the overall contract value of this commissioned service.</p> <p>40. Additional funding breakdown</p> <p>41. Below is a provisional breakdown of the services to be delivered covering the period 23/24 and 24/25.</p> <p>42. A significant contingency management cost is reflected due to the large increase indicated in funding in 24/25, as well as to enable reprofiling of any underspend across the overall grant envelopes mid-year.</p> <table border="1" data-bbox="842 1161 2040 1407"> <thead> <tr> <th data-bbox="842 1161 1424 1299">Intervention</th> <th data-bbox="1424 1161 1771 1299">Total forecast spend for Turning Point FY 23/24-24/25</th> <th data-bbox="1771 1161 2040 1299">Funding Stream</th> </tr> </thead> <tbody> <tr> <td data-bbox="842 1299 1424 1337">Senior Recovery Worker</td> <td data-bbox="1424 1299 1771 1337">£55,125.00</td> <td data-bbox="1771 1299 2040 1337">SSMTRG</td> </tr> <tr> <td data-bbox="842 1337 1424 1375">Non Medical Prescriber</td> <td data-bbox="1424 1337 1771 1375">£135,198.00</td> <td data-bbox="1771 1337 2040 1375">SSMTRG</td> </tr> <tr> <td data-bbox="842 1375 1424 1407">Additional recovery workers</td> <td data-bbox="1424 1375 1771 1407">£462,462.80</td> <td data-bbox="1771 1375 2040 1407">SSMTRG</td> </tr> </tbody> </table>	Intervention	Total forecast spend for Turning Point FY 23/24-24/25	Funding Stream	Senior Recovery Worker	£55,125.00	SSMTRG	Non Medical Prescriber	£135,198.00	SSMTRG	Additional recovery workers	£462,462.80	SSMTRG
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		Through the Gate Workers	£167,727.00	SSMTRG
		Clinical Psychologist	£63,245.00	SSMTRG
		Addictions Psychiatrist	£194,040.00	SSMTRG
		Peer Mentoring Programme	£26,201.00	SSMTRG
		Naloxone increases	£33,708.00	SSMTRG
		Increased Dispensing Costs	£106,090.08	SSMTRG
		pay increases	£457,400.16	SSMTRG
		Dual Diagnosis Strategic Manager	£228,456.00	RSDATG
		Dual Diagnosis Outreach Worker	£450,000.00	RSDATG
		Trauma Aware Pathway navigator	£160,512.00	RSDATG
		Data Coordinator	£64,174.00	RSDATG
		Business Support Officer	£56,967.60	RSDATG
		Nurse	£109,480.00	RSDATG
		Alcohol Nurse	£109,480.00	RSDATG
		General Practitioner	£20,000.00	RSDATG
		Women's Healthcare Assistant	£44,804.40	RSDATG
		Senior MH Practitioner / CBT Therapist	£52,962.40	RSDATG
		Clinical supervisions	£11,040.00	RSDATG
		Dual diagnosis training	£35,992.00	RSDATG
		Contingency Management	£14,000.00	RSDATG
		ADHD assessments	£16,000.00	RSDATG
		Fibroscanner Lease	£42,000.00	RSDATG
		NMP Nurse	£123,308.00	RSDATG
		Contingency	£1,759,626.56	SSMTRG
		Total	£5,000,000.00	

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			consultant psychiatrist and at present 90 Recovery Workers, it is therefore too complex to insource, and especially in such short timeframes.
		Do nothing, and do not accept the grant funding	Given the dire need for funding this option would leave a desperately underfunded community treatment system unable to respond to the increase in drug related deaths and poor treatment outcomes. Risks the very health and wellbeing of residents and fails to demonstrate the very real difference this money can and is making.
9	AHI S222 Lime Tree Court & St Peter's House	<p>RESOLVED: To award the contract for the delivery of Care and support at Limetree Court & St Peters House to Supplier A for a period of up to four years in total (2+1+1) commencing in November 2023 at a maximum cost of £3,126,339.</p> <p>Reasons For Decision See Business Case.</p> <p>1. This report asks CPIC to approve the award of contract for the delivery of Care and support at Limetree Court & St Peters House to Supplier A.</p> <p>2. Local Authorities, under the Care Act 2014, have a duty to promote wellbeing. The Act highlights the importance of preventing or delaying the development of needs for care and</p>	

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		<p>support and the importance of reducing needs that already exist. This service is designed to reduce the need for individuals to go into residential or nursing care homes wherever possible and to promote independence and self care.</p> <p>3. The contract will deliver care and support at both Housing with Care schemes to meet the local need.</p> <p>Alternative Options (Considered and Rejected)</p> <p>1. The following 4 options were appraised for the future of the provision in the borough:</p> <ul style="list-style-type: none"> ● Option 1: Insourced provision of care ● Option 2: Commissioned 24 hour scheme (preferred) ● Option 3: Commissioned Non-24 hour scheme ● Option 4: Commissioned rebranded sheltered scheme <p>2. Option 2 was agreed as the preferred option by the Cabinet Procurement and Insourcing Committee in October 2022. Options 3 and 4 were considered as potential routes to savings but were not considered practical at this time (see section 5.9 of the Business Case Report).</p> <p>3. Insourcing was considered as an option, however at present this is not a viable option as the capacity to insource is currently interdependent upon the completion of the Council’s Housing with Care review and redesign. Until the review and the outcome of the CQC inspection is favourable the continuation of commissioned provision for care and support is considered to be the best option in order to ensure and maintain service stability and value for money.</p>
10	AHI S225 Adult Social Care Transformation Implementation	<p>RESOLVED: To award the contract for the delivery of the Adults Social Care Transformation Project</p>

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	Project - Contract Award Report	<p>to Provider A for a period of up to 3 years at a maximum cost of £4,982,000.</p> <p>Reasons For Decision</p> <ol style="list-style-type: none"> 1. The diagnostic identified a number of areas that would benefit from a redesign of how care is delivered to residents, helping people to stay independent, resilient and supported across long term care, learning disabilities and commissioning. 2. The programme of work is expected to improve outcomes for a potential 4,000 Hackney residents. These opportunities represent an anticipated benefit to the council of up to £32m over the next 5 – 6 years. 3. This transformation programme is in the main about demand management and cost avoidance. There would not therefore be money to reinvest in public services but it will ensure more costs are avoided that would impact upon spend elsewhere in the council. 4. Bids were invited via the CCS Management Consultancy 3, Lot 3 framework. Evaluation was completed by a team of relevant officers who gave recommended contract award to Provider A. The process was compliant with the descriptors set out in the invitation to further competition documents. 5. The milestone objectives and payment schedules will be agreed with Provider A following contract award. This work will be overseen by a governance group whose membership will include senior officers from ASC transformation, operations, commissioning and finance and where required, legal. This group will also track progress of Provider A in achieving the outcomes sought. <p>Alternative Options (Considered and Rejected)</p>

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		<ol style="list-style-type: none"> 1. The following 3 options were appraised for the future of the provision in the borough: <ul style="list-style-type: none"> ● Insourcing ● Direct Award ● Do Nothing 2. Cabinet Procurement & Insourcing Committee approved the business case for the preferred procurement option in April 2023.
11	CHE S227 Main Contractor For Social Housing Decarbonisation Fund (SHDF) Capital Works To Hackney Owned Homes	This report was withdrawn from the agenda and will be considered by Cabinet on Monday 24 July 2023.