

MENTAL HEALTH ACCOMMODATION BASED SUPPORT SERVICE CONTRACT APPROVAL

Key Decision No. CACH Q29

CPC MEETING DATE

2 December 2019

CLASSIFICATION:

Open report with an exempt appendix A

By Virtue of Paragraph(s) 3, Part 1 of schedule 12A of the Local Government Act 1972 appendix A is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

WARDS AFFECTED:

All

CABINET MEMBER:

**Councillor Feryal Clark
Health, Social Care, Transport and Parks**

KEY DECISION: Yes

REASON: Affects more than one ward.

CORPORATE DIRECTOR:

Anne Canning, Group Director Children, Adults and Community Health

1. CABINET MEMBER'S INTRODUCTION

- 1.1 As agreed by the Committee in September 2018, the procurement of a Mental Health Accommodation Based Support service represents a significant enhancement to the Council's mental health offer. The service will support people with mental ill health and complex needs that include offending behaviour, substance misuse and personality disorders to achieve recovery and social inclusion and live independently.
- 1.2 The service will provide innovative and evidence based support to people with mental health and complex needs to develop their independent living skills and work towards fulfilling personal goals, aspirations and wellbeing. The service, tendered as two lots to deliver High and Medium support, forms part of a mental health pathway, designed to meet the changing needs of people coming through mental health services. The new pathway will enable people to access the right service at the right time and will encourage people to achieve independence.
- 1.3 Provision of these services should therefore delay or prevent people escalating to higher levels of need. This enables the Local Authority to discharge its duty under the Care Act 2014 to provide preventative services and increase the wellbeing of residents.
- 1.4 This will also deliver on the Mayoral commitment to promoting independence in adult social care and delivering high quality services to those who need support.

2. GROUP DIRECTOR'S INTRODUCTION

- 2.1 This report seeks approval to award contracts for a Mental Health Accommodation Based Support service in the London Borough of Hackney.

- 2.2 The service delivers accommodation based support to people with mental health needs. The procurement process has ensured that the service will be innovative, efficient and fit for the future, promoting independence, increasing quality of life and helping people re-engage in their local communities.
- 2.3 The contracts are due to commence in January 2020 and will be delivered for five years with the option to extend for one plus one years.

3. RECOMMENDATION(S)

- 3.1 Cabinet Procurement Committee is recommended to award the contracts for High (Lot 1) and Medium (Lot 2) Level Support for Mental Health Accommodation Based Housing Related Support Services to Bidder A (lots 1 & 2). Lot 1 will cost a total £3,474,582 and Lot 2 will cost a total £1,473,582 over five years. The provision for lots 1 & 2 described above will cost a total amount of £4,948,164 for a period of five (5) years with an option to extend for a further two (2) years (5 + 1 + 1 years), subject to ASC budget.**

4. RELATED DECISIONS

- 4.1 Re-tendering Of Housing Related Support (To Include Floating And Accommodation Support) Contracts Key Decision No. Cach P9
<http://mginternet.hackney.gov.uk/mgAi.aspx?ID=32105>

5. REASONS FOR DECISION/OPTIONS APPRAISAL.

- 5.1 The purpose of the service described in this report is to deliver an accommodation-based housing-related support scheme for people with high and medium level needs in relation to mental health and complex needs. This service will support and prepare people to address those issues that prevent them from experiencing social inclusion.
- 5.2 Comprising two levels of support need, medium and high, the key deliverables can be summarised as:
- Increased independence
 - Learning independent living skills
 - Establishing social networks
 - Gaining training and employment
 - Improved health (Mental and Physical)
 - Prevention of homelessness

- 5.3 The service is for men and women who have a diagnosed mental illness, aged 18 years and over and are in housing need. The majority of service users will be on the mental health Care Programme Approach (CPA). Some may have a forensic (criminal) history and/or a dual diagnosis of mental illness and substance misuse. Service users may be subject to Ministry of Justice requirements and/or Community Treatment Orders. The majority of service users accessing the high level service will typically come from inpatient services; the medium level support provision represents a 'step down' for people moving on from high level support or for people identified as requiring that level of support.
- 5.4 Bidder A, have partnered with Provider D, who will deliver a proportion of the high support provision through a subcontracting relationship. Provider D will staff and manage their accommodation based service with Bidder A acting as the lead provider. This integrated contracting approach will improve the customer experience and their ability to navigate through the pathway. The high support service will comprise of three sites owned by Bidder A (23 units) alongside one site owned by Provider D (18 units), providing a total of 41 units of high support accommodation located across Hackney.
- 5.5 A Heads of Terms for the subcontracting relationship has been agreed, more formal agreement covering referral and allocation arrangements, safeguarding, risk management, financial arrangements, performance monitoring, dispute resolution and a joint approach to contractual changes will be agreed between tender and implementation.
- 5.6 The medium support service will be delivered by Bidder A through five sites delivering 33 units. This mix of accommodation types allows for the development of a clear pathway model with the ability to place individuals in the service most suited to their needs including wheelchair accessible and women only accommodation.
- 5.7 Both the lead and the subcontracted provider, demonstrated how their organisational ethos' aligned and how they would build on existing relationships with Hackney services to deliver improved outcomes and wellbeing for service users. By implementing a service model that utilises a psychologically and trauma informed approach, the successful Providers will support service users to build on their strengths, achieve recovery and independence.

6. PROJECT PROGRESS

6.1 Mental Health Accommodation Based Support Service developments since the Business Case approval

6.1.1 Mental Health Accommodation represents one of five recommendations presented in the business case. Progress on the other projects is set out below:

- A new integrated floating support contract for five years with an option to extend for a further two years was granted in March 2019. The service launch date is 31st October 2019.
- Approval to award a new contract for a Housing First service for one year with the option to extend for a further two years has been agreed by Cabinet Procurement Committee on 7th October 2019.
- Direct negotiation of a contract for a single homeless pathway is ongoing, and a Single Tender Action will be submitted for approval later this year.
- Direct negotiation of a contract for Older Adults services is ongoing, a report will be submitted to CPC later this year for approval.
- Negotiation with existing specialist Accommodation-Based Support for members of the Orthodox Jewish Community is in progress and a Single Tender Action will be submitted for approval in due course.
- Officers continue to work with clinical commissioners from East London Foundation Trust and the City and Hackney Clinical Commissioning Group to review and recommission the accommodation and support offer for people with highly complex needs. Assumptions about the most appropriate provision that were set out in the business case form part of this review work, and proposals will be brought forward to Cabinet Procurement Committee once the most appropriate sourcing approach has been determined.

6.2 Whole Life Costing/Budgets:

6.2.1 Funding for the Mental Health Accommodation Based Support service is contained within the Adult Services budget.

6.2.2 The price stated below is fully inclusive of staffing, office accommodation, all expenses (including travel) and recognises the annual inflationary pressures over the lifetime of the contract:

Housing Related Support Provision	Year 1 £K	Year 2 £k	Year 3 £k	Year 4 £k	Year 5 £k	Total £K
Lot 1: Mental Health Accommodation - High Level	684,332	691,364	699,022	699,932	699,932	3,474,582
Lot 2: Mental Health Accommodation - Medium Level	284,295	291,321	298,990	299,289	299,687	1,473,582
Total	968,627	982,685	998,012	999,221	999,619	4,948,164

6.3 SAVINGS

6.3.1 As part of the Council's medium term financial plan, savings were agreed in respect of Housing Related Support services totalling £5.378m up to and including 2019/20. £1.862m of this total was achieved by 2017/18. In working to deliver these savings there has been an opportunity to review current pathways and services, to make sure they meet the expressed strengths and needs of service users and can achieve value for money on behalf of all residents. No immediate savings are expected from this contract but, as noted above and in the Business Case, the provider is required to contain annual cost inflation within the price.

6.3.2 The new Mental Health Accommodation Based Support service will build on the success in the borough to date by delivering person-centred, recovery focused support to people with mental health and complex needs. This service model, which utilises a psychologically and trauma informed approach, can bring added value by working with people to help them address their health and support needs, improve their daily living skills, access training and employment, reduce isolation, experience social inclusion as part of Hackney's community and move on to live independently. It does not include support for young people which is being commissioned separately by the Children and Families Directorate.

7. SUSTAINABILITY ISSUES

7.1 Procuring Fair Delivery

7.1.1 A full Equality Impact Assessment (EIA) has been completed in June 2018 and was attached to the business case report:

<http://mginternet.hackney.gov.uk/documents/s62080/120918%20Final%20CA%20M95%20HRS%20Appendix%204.pdf>

7.2 Procuring Green

- 7.2.1 Our own assessments showed that this procurement would have a positive environmental impact, both in terms of using existing property as well as specifications that encourage landlords to provide a living environment that is safe, well maintained and appropriately equipped with energy efficient utilities and appliances.
- 7.2.2 The preferred provider demonstrates a commitment to continuous improvements in their environmental performance. They share offices with sister schemes and partner services wherever possible which provides economies of scale, with shared office costs, bulk-purchasing and any associated recycling/ contract costs. They encourage their employees to use “green transport”, with cycle to work initiatives.
- 7.2.3 The preferred provider encourages the use of recycling systems in all their offices; they promote the use of electronic communications to encourage paperless offices and conserve electricity through smart use and proper equipment shut-down. The preferred provider supports their employees to use Smart phones with mobile applications such as HR applications, and SharePoint to reduce paperwork through file sharing.

7.3 Procuring for a Better Society

- 7.3.1 The PRIMAS highlighted the positive impact these contracts will have on the local economy. They provide safe and appropriate housing for Hackney residents. The proposed bidder states that they will generate meaningful employment for people using their services, and specifically, training to empower and engage clients in work-related activities.
- 7.3.2 The preferred provider has a community centre located in Hackney, delivering added value through youth work, employment and training, parenting advice, specialist housing team, and a range of surgeries, including community psychologists. They offer dedicated Community Development Officer, Employment Coach, and Volunteer Co-ordinator roles in Hackney to support people to become part of their community and make a positive contribution. Working with community and commercial organisations they match fund/match programmes, creating further local involvement opportunities.

8. TENDER EVALUATION

8.1 These services are classified as Schedule 3 services under the Public Contracts Regulations 2015, and therefore are procured under the *Light Touch Regime* (LTR).

8.2 ASC Commissioning/Procurement had published the original Invitation to Tender (ITT) in December 2018. Upon the arrival of a new Strategic Commissioner for Mental Health and Preventative services, it was felt that the specification needed to be more outcomes focused, with more specificity around housing stock. The decision to cancel the ITT was made and implemented in January 2019, and subsequently re-issued upon amendments made to the specifications.

8.3 A single-stage procurement process consisting of two parts was used for this tender. There were two separate sections contained in the same tender, a Selection Questionnaire (SQ) and a quality and cost questionnaire. Bidders had to return responses to both sections and pass all questions under the SQ in order to be considered for the tender.

8.4 A full specification and set of tender documents were available with the advert, following an OJEU notice being published. Cabinet Procurement Committee approved the Business Case and granted permission to go out to tender at the meeting in September 2018. An advert was placed on the Council website and additionally the *Contracts Finder* website.

8.5 One submission was received for Lot 1 - High Level Support. Three submissions were received for Lot 2 - Medium Level Support. Following full assessments of the SQ, all three submissions had passed all the related questions. The SQ also assessed technical ability, financial standing, and insurance criteria, in line with the Crown Commercial Service format of the SQ.

8.6 There were three core members of the tender panel who evaluated all of the questions: two from LBH Commissioning, and one clinical lead from East London Foundation Trust. Two members from LBH Finance evaluated the price.

Tender Evaluation Panel:

Strategic Commissioner Mental Health and Prevention
Operational Lead/ Occupational Therapist City and Hackney Rehabilitation and Recovery Service
Mental Health Commissioning Officer
Group Accountant Public Health and HRS Services

Financial Advisor (Projects)

- 8.7 An 'Expert by Experience', someone with lived experience of accessing mental health accommodation based provision, joined the core panel to critique a response given by the bidders in a 15 minute presentation. The evaluation panel and subsequent moderation session was supervised by a Senior Procurement Officer.

The tender was evaluated as two lots - both lots were evaluated on the following criteria:

Scoring Criteria	Score	Broken down into:
Quality	70%	100% total
Equality and Partnership Working (part 1)		8%
Equality and Partnership Working (part 2)		8%
Service User Involvement (part 1)		10%
Service User Involvement (part 2)		10%
Service Delivery, Quality and Performance (part 1)		5%
Service Delivery, Quality and Performance (part 2)		5%
Service Delivery, Quality and Performance (part 3)		10%
Service Delivery, Quality and Performance (part 4)		5%
Service Delivery, Quality and Performance (part 5)		5%
Service Delivery, Quality and Performance (part 6)		10%
Mobilisation and Transition		10%
Availability and suitability of the property to meet requirements of the specification		10%
Social Value		4%

Price	30%	
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Responses to method statements were scored using the following scoring mechanism:

Score	Rating	Criteria for Awarding Score
0	Unacceptable	No response to the question or the response is highly inaccurate
1	Poor	Limited response provided or a response that is inadequate, substantially irrelevant, inaccurate or misleading
2	Below expectations	Response only partially addresses the question

3	Satisfactory	An acceptable response submitted in terms of level of detail, accuracy and relevance. The response is good but there are either some omissions of important factors or negative indications that reduce the extent to which the project aims will be achieved
4	Good	A comprehensive response submitted in terms of detail and relevance and clearly meets the project aims with no negative indicators or inconsistencies
5	Excellent	A more than comprehensive response submitted in terms of detail and relevance with no negative indications or inconsistencies

The price score was evaluated on the average annual cost of the contract over the initial contract period of five years.

8.8 Recommendation:

- 8.8.1 The tender panel recommends that **Bidder A** is awarded the contract for Mental Health Accommodation-based Housing Related Support, Lots 1 and 2. Bidder A demonstrated that they would be able to meet the full requirements of the specification and that they understood the model.
- 8.8.2 The panel scored the quality bid and the panel acknowledged that bidders may have experienced challenges in procuring suitable accommodation, which could have reflected why more bids were not received.
- 8.8.3 The successful bidder demonstrated high levels of awareness of the needs of this client cohort, highlighting their experience of delivering the model in other London boroughs, and showcasing the success they have achieved in supporting clients to obtain positive outcomes.
- 8.8.4 The chosen bidder presented a detailed and relevant mobilisation plan alongside a realistic risk assessment with moderations, giving the commissioners reassurance that this provider will be able to manage the significant service model and their obligations to this contract.

Lot 1 High Level Support

Tender Results			
	Quality	Price	Total Score
Bidder A:	48.58%	30%	78.58%

Lot 2 Medium Level Support

Tender Results			
	Quality	Price	Total Score

Bidder A:	48.58%	29.17%	77.75%
Bidder B	23.10%	30%	53.10%
Bidder C	21.70%	23.86%	45.56%

9. CONTRACT MANAGEMENT ARRANGEMENTS

9.1 Resources and Project Management (Roles and Responsibilities):

9.1.2 The contract will be managed by the Strategic Commissioner for Mental Health and Prevention, a role that sits within the Adult Services Commissioning Team.

9.1.3 Contract performance meetings will be held at least once per quarter. The Adult Services Commissioning Team has systems for performance monitoring, data collection, analysis, reporting and invoicing; these systems are led by the Quality Assurance Team, and this will all be set up as standard for this contract.

9.1.4 This service will also be steered by the Mental Health Supported Accommodation Panel, facilitated by the Rehabilitation Team that sits within ELFT, and is responsible for coordinating referrals across the Mental Health Accommodation Pathway. The Panel members comprise representatives from LB Hackney Housing Needs, ELFT Rehab Team, LBH Adult Commissioning

9.2 Key Performance Indicators:

Person Centred Outcomes KPI Targets	Monitoring
1. Service Utilisation - 90%	<ul style="list-style-type: none"> Quarterly performance workbook Quarterly contract monitoring meeting
2. Economic Well-Being <ul style="list-style-type: none"> Client eligibility for benefits assessed - 100% Clients with budgeting plans - customer budgeting plans Evicted for arrears - less than 1% 	<ul style="list-style-type: none"> Quarterly performance workbook Quarterly contract monitoring meeting

<ul style="list-style-type: none"> • Obtaining paid employment %TBA 	
<p>3. Enjoy & Achieve</p> <ul style="list-style-type: none"> • Client participation in training activities - %TBA • Client participation in volunteering - %TBA • Clients attending CPA review meeting - 100% • Clients reconnect/establish contact with family and friends - %TBA 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>4. Be Healthy</p> <ul style="list-style-type: none"> • Clients registered with GP/Dentist/Optician - 100% • Client better managing their mental health - %TBA • No. of clients with no re-admission - TBA • Successfully maintain accommodation - 100% 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>5. Stay Safe</p> <ul style="list-style-type: none"> • No. of clients supported to avoid eviction - TBA • Clients comply with statutory orders/Probation meetings - %TBA • Clients improve management of self-harm - %TBA 	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>Sustainability Outcomes - Key Performance Indicators (TBA)*</p>	
<p>Procuring Fair Delivery</p>	<ul style="list-style-type: none"> • Quarterly performance workbook • Quarterly contract monitoring meeting
<p>Procuring Green</p>	<ul style="list-style-type: none"> • Quarterly performance workbook

	<ul style="list-style-type: none"> Quarterly contract monitoring meeting
Procuring for a Better Society	<ul style="list-style-type: none"> Quarterly performance workbook Quarterly contract monitoring meeting

*KPIs and targets will be agreed during the implementation of the service

10.0 COMMENTS OF THE GROUP DIRECTOR OF FINANCE AND CORPORATE RESOURCES

10.1 The recommendation of this report is to award contracts for High (Lot 1) and Medium (Lot 2) Level Support for Mental Health accommodation based Housing Related Support services. The contract will be for a period of five years with the option to extend for a further two years (5+1+1), and will commence in January 2020. The cost of both Lot 1 and 2 over the five year life of the contract is £4.95m. Funding for each year of the contract is outlined in the table below:

MH Support Service Type	Year 1	Year 2	Year 3	Year 4	Year 5	Total Contract Value
	£	£	£	£	£	£
High Support	284,295	291,321	298,990	299,289	299,687	1,473,582
Medium Support	684,332	691,364	699,022	699,932	699,932	3,474,582
Contract Value	968,627	982,685	998,012	999,221	999,619	4,948,164

10.2 The service will provide innovative and evidence based support to people with mental health and complex needs to develop their independent living skills and work towards fulfilling personal goals, aspirations and wellbeing. The new pathway will result in cost avoidance, as it will enable people to access the right service at the right time and will encourage people to achieve independence and step down to low level support.

10.3 No savings are expected from the new contract, however the Provider is required to contain annual cost inflation increases within the price over the five year contract. Funding for the duration of the contract is contained within the Housing Related Support budget. Given the lack of clarity around Adult Social Care funding in future years, there is a risk that services may need to be re-negotiated with Providers if funding reduces beyond current levels. The option to extend the contract beyond the five year period will be subject to review of key performance indicators and the Council's financial position.

11. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

11.1 The public services contract in this Report is of a value higher than £2m and therefore under paragraph 2.5.3 of Contract Standing Orders the award of contract will need to be approved by Cabinet Procurement Committee.

11.2 Details of the procurement process undertaken by officers are set out in this Report. The proposed award to Bidder A follows a procurement process in respect of services which are classified as Social and other Specific Services under Schedule 3 of the Public Contracts Regulations 2015.

11.3 Part of the services proposed to be delivered are to be subcontracted to a different party, Provider D. The Council is satisfied that this arrangement is appropriate but it will be important to ensure that service provision is monitored closely.

12. COMMENTS OF THE PROCUREMENT CATEGORY LEAD

12.1 Following review of the service provision and best practice in neighbouring boroughs the procurement plan for this provision was further developed since Business Case approval. The service went out in two lots, based on high needs and medium needs with partnership arrangements promoted through market engagement. The need for negotiation was not considered necessary and so the tender largely followed the open procedure and this was fully explained in tender documentation.

12.2 There were not the number of bidders anticipated in the Business Case and it seems that many providers were deterred from bidding as they did not have the accommodation stock that was required. Nevertheless, the service area is pleased to have secured a range of accommodation which will be used to support the full range of needs for people with adverse mental health in Hackney. 74 as opposed to the aim of 76 units have been secured, and the team will need to monitor usage closely to avoid paying for voids through the block contracting arrangements which will be used.

12.3 This procurement complements other contracting activity that is still being developed, and forms part of a bigger picture of support for some of our vulnerable residents. STAs are still pending as outlined in 6.1 and the Young People's Accommodation Pathway is currently being developed and this should be coming to CPC for recommendations relating to procurement too.

APPENDICES

Appendix A - Exempt

EXEMPT

Exempt Appendix A: Shortlist, Longlist and Scoring Tables

By Virtue of Paragraph(s) 3 Part 1 of schedule 12A of the Local Government Act 1972 this report and/or appendix is exempt because it contains Information relating to the financial or business affairs of any particular person (including the authority holding the information) and it is considered that the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

CONFIDENTIAL

No

BACKGROUND PAPERS

In accordance with The Local Authorities (Executive Arrangements) (Meetings and Access to Information) England Regulations 2012 publication of Background Papers used in the preparation of reports is required

Description of document (or None)

None.

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