

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE

12/12/2017

Subject:	Mental Health Accommodation and Support Pathways – Extension of Commissioned Mental Health Services		
Corporate Director(s)/ Director(s):	Katy Ball – Director of Commissioning and Procurement		
Portfolio Holder(s):	Councillor Nick McDonald, Portfolio Holder for Adults and Health		
Report author and contact details:	Rasool Gore, Lead Commissioning Manager rasool.gore@nottinghamcity.gov.uk Tel: 0115 876 2299		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision		<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Total value of the decision: £2,316,625			
Wards affected: All		Date of consultation with Portfolio Holder(s) Councillor McDonald 8 December 2017	
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input checked="" type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>This report seeks approval to fund the extensions of a number of contracts for Housing Related Support services for people with mental ill health (as outlined in Appendix 1). These services work to help adults with mental ill health to live independently or to recover more independent living arrangements and to help reduce the need for other more intensive forms of support.</p> <p>These services have been reviewed collaboratively through the first phase of the Mental Health Accommodation and Support Pathways Strategic Commissioning Review (SCR). Further work informed by this review has highlighted the need to consider these services alongside other assistance for people with mental ill-health (including assistance commissioned by NHS Nottingham City Clinical Commissioning Group) in order to ensure that resources are used efficiently and that effective pathways are in place to support vulnerable citizens.</p> <p>This report notes (recommendation 5) that more opportunities for using resources efficiently and delivering good outcomes for citizens are likely to be identified through a wider system view of support for people with mental ill health in collaboration with NHS Nottingham City Clinical Commissioning Group (CCG). A second phase of the Mental Health SCR will be undertaken with NHS CCG in order to prepare longer-term commissioning decisions in relation to these services.</p>			
Exempt Information:			
None			

Recommendation(s):	
1	To approve spend on services and agree to exercise the option to extend, as outlined in Appendix 1, table 1.
2	To approve dispensation from Contract Procedure Rules 5.1.1 and 5.1.2 in accordance with Financial Regulation 3.29 to allow for extensions and funding of services as outlined in Appendix 1, table 2.
3	To delegate authority to the Head of Contracting and Procurement to issue extensions to contracts up to the values noted in Appendix 1.
4	To note that the further delivery of Star - Hughenden is subject to agreement by NHS Nottingham City Clinical Commissioning Group to maintain joint funding.
5	To note that Phase 2 of the Mental Health SCR of wider support for citizens with mental ill health will be undertaken.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The services within the scope of this recommendation were reviewed recently within the first phase of the Mental Health SCR. The review concluded that these services are operating effectively in line with current requirements. These services also enable the Council to deliver against its statutory requirements under the Mental Health Act 1983 and the Care Act 2014.
- 1.2 The Head of Contracting and Procurement will ensure that the best value possible is obtained in respect of the ongoing delivery of these services through negotiations with providers prior to the extension of agreements. It is proposed to delegate authority to the Head of Contract and Procurement to issue the contract extensions and agree the corresponding contract values (up to the values noted in Appendix 1) subject to the outcome of this process.
- 1.3 Nottingham City Council (NCC) and NHS Nottingham City CCG fund Star – Hughenden, one of the supported accommodation services jointly. The further delivery of this service is subject to Nottingham City CCG maintaining its funding during the period of extension shown in Appendix 1.
- 1.4 The first phase of the Mental Health SCR has identified the need for further investigation of the wider arrangements in place to respond to the health and social care needs of citizens with mental ill health and to promote their independence (see section 2.3). A second phase of the Mental Health SCR with Nottingham City CCG will be undertaken. This will enable both organisations to identify opportunities to maximise resources and deliver improved outcomes for citizens through closer alignment and integration of commissioning.
- 1.5 The extension of current contracts is recommended in order to align the delivery of these services with the Council's commissioning activity for 2017/18. The extensions will allow for Phase 2 of the MH SCR to be completed. This will better inform longer-term commissioning decisions and allow sufficient time to procure future services. Procurement of services in advance of this work is also not being recommended on the basis that further

procurement may be necessary once Phase 2 of the MH SCR review has concluded. This would not only create uncertainty for vulnerable citizens and instability for providers, but would also not be a good use of the Council's resources.

- 1.6 The extension of current contracts is also being requested on the basis that it would not be practical or feasible to bring in a new provider and transition vulnerable citizens into the new services for a short period before the implementation of longer term commissioning decisions under phase 2.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 As part of the 2016/17 Strategic Commissioning Review plan and priorities set by the Health & Wellbeing Board (25 May 2016) a review into specialist secondary mental health services was initiated.
- 2.2 A project team comprising key internal and external stakeholders (with representation from other commissioners, provider organisations, NCC Adult Social Care and other partners) was set up to oversee the review. A range of engagement with stakeholders, including citizens accessing services, has been conducted to inform the review.
- 2.3 The first phase of the Mental Health SCR found that:
- the occurrence of serious mental health problems within the population of Nottingham City is increasing (see Appendix 2)
 - short term block commissioned supported accommodation services are effective for many citizens, but more consideration needs to be given to the role of these services within wider pathways of support
 - demand for supported accommodation services is outstripped by current supply
 - further consideration should be given to outcomes delivered and value for money offered across services that work to assist people with mental ill-health
 - uncertainty exists over the effectiveness of pathways between services, with evidence of movement between similar short-term services rather than a return to stable / settled living arrangements.
- 2.5 The review also noted the degree of overlap between citizens with mental ill health who have accessed both social care and health based support commissioned by NCC and by Nottingham City CCG. A second phase of the review has therefore been put forward in order to consider where resources available to both organisations can be put to best use to deliver positive outcomes for citizens and promote recovery and independence. This work will help to inform longer-term future commissioning intentions to meet shared commitments and to make efficient and effective use of resources. The second phase of this review will also seek to ensure that pathways between services are effective and promote recovery.
- 2.6 The extension of current contracts for temporary supported accommodation and Independent Living Support as detailed in Appendix 1 will allow for the completion of this work to inform longer-term commissioning decisions.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 To re-commission services now: This option is not recommended because further work is needed to ensure that services and pathways of support for citizens with mental ill health are effective. Procurement of services in advance of this work is not recommended on the basis that further procurement may be necessary once the review has concluded. This would not only create uncertainty for vulnerable citizens and instability for providers, but would also not be a good use of the Council's resources.

4 FINANCE COLLEAGUE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 Budget is currently allocated within the Medium Term Financial Plan to support the extension of these contracts and the approval of this report will not impact on the current MTFP assumptions.
- 4.2 A strategic commissioning review is required of Mental Health services before the end of this extension period to ensure the most appropriate value for money service/provision is being provided that aligns to the requirements and financial delivery of the Adult's Big Ticket.

Ceri Walters, Head of Commercial Finance 28 November 2017

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

5.1 Procurement Observations

- 5.1.1 The proposed contract extensions detailed in Table 1 (Appendix 1) of this report are in accordance with extension provisions contained in the original contracts awarded; therefore do not present any procurement implications.
- 5.1.2 The proposals within Table 2 (Appendix 1) require dispensation from the Council's Contract Procedure Rules (5.1.1 and 5.1.2) in accordance with Financial Regulations (3.29), to allow for extensions beyond their initial term without undertaking a tender process. The proposed extensions are considered permitted under Regulation 72 of the Public Contracts Regulations for the reasons presented in the report.
- 5.1.3 The Forensic Independent Living Support Service contract represents a small modification to the original contract and the Mental Health Independent Living Support Service contract is supported on the basis that to ensure continued service delivery to vulnerable citizens, it would be impracticable and costly to retender the contract for the period proposed.
- 5.1.4 The proposals are therefore supported from a procurement perspective provided best value for money be secured during the extension period. The proposed extensions will allow for the completion of a commissioning review to inform longer term commissioning decisions, which will be undertaken in partnership with Nottingham City CCG to maximise the use of resources through the integration of

commissioning. The commissioning review should be completed in time for a compliant procurement process to be undertaken for future services.

Jo Pettifor, Category Manager (Strategy and People) 27 November 2017

5.2 Legal Observations

5.2.1 The proposals in this report are split into two separate recommendations- 1) those seeking permission to exercise options to extend within the existing contract remits and approval for funding to do so and 2) those that are seeking dispensation from Contract Procedure Rule 5.1.1 and 5.1.2 in accordance with Financial Regulation 3.29 to allow extensions to existing contracts without carrying out a quotation process and tender process, respectively.

5.2.2 The Contracts mentioned within Table 1 raise no legal issues as the requested extensions are deemed modifications as permitted under Regulation 72 of the Public Contracts Regulations as they were included as extension options within the initial procurement documents.

5.2.3 The Contracts mentioned within Table 2 require dispensation from Contract Procedure Rule 5.1.1 and 5.1.2 in accordance with Financial Regulation 3.29 to enable the Council to extend the Contracts beyond their initial term until March 2020.

5.2.4 These extensions are also deemed modifications as permitted under Regulation 72 of the Public Contracts Regulations and for the reasons provided within the report, dispensation is supported. The Forensic Support Service Contract which requires an extension representing a low value increase is considered as a 'de-minimis' amendment which is minimal and supported.

5.2.5 The extension to the Independent Living Support Services Contract is supported on the basis that for technical and economic reasons and to ensure continued service delivery to vulnerable citizens. It would be impracticable, would cause significant inconvenience and substantial duplication of costs to retender the contract at this time.

5.2.6 The extensions will allow the services to be considered under a collective strategic commissioning review of all Mental Health Accommodation and Support services with the view for the long term commissioning decision in relation to these services to be taken and appropriate procurement processes commenced.

5.2.7 This decision also requests allocation of funding for the extension periods, which was not, previously approved which raises no legal issues.

Dionne Screatton, Solicitor 28 November 2017

6 SOCIAL VALUE CONSIDERATIONS

6.1 The contracts listed in Appendix 1 provide assistance to improve the health and wellbeing of vulnerable adults with mental ill health. These services have also been commissioned with the requirement for providers to deliver additional social value.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 Local Authorities have a statutory duty to have regard to the NHS Constitution when exercising their public health functions under the NHS Act 2006. In making decisions relating to public health, functions we consider the NHS Constitution where appropriate and take into account how it can be applied in order to commission services to improve health and wellbeing.

8 EQUALITY IMPACT ASSESSMENT (EIA)

- 8.1 Has the equality impact of the proposals in this report been assessed?

No

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Yes

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Attached, as Appendix 3 and due regard will be given to any implications identified in it.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

- 9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

- 10.1 Mental Health Accommodation and Support Pathways – Health & Well-Being Board Commissioning Executive Group – 14 December 2016.

- 10.2 Health and Wellbeing Board – 25 May 2016 - Minute 9