

COMMISSIONING AND PROCUREMENT SUB-COMMITTEE – 14/01/20

Subject:	Mental Health Accommodation and Support Pathways		
Corporate Director(s)/ Director(s):	Catherine Underwood – Corporate Director of People Katy Ball – Director of Commissioning and Procurement		
Portfolio Holder(s):	Councillor Adele Williams, Portfolio Holder for Adult Care and Local Transport		
Report author and contact details:	Claire Labdon-West, Lead Commissioning Manager claire.labdon-west@nottinghamcity.gov.uk Tele: 0115 8764804		
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: £14,355,216 for new contracts (on 3+2+2+2 year basis) plus £797,512 for potential 6 month extension period: Total Value up to: £15,152,728			
Wards affected: All	Date of consultation with Portfolio Holder(s): 17 th December 2019		
Relevant Council Plan Key Theme:			
Nottingham People			<input checked="" type="checkbox"/>
Living in Nottingham			<input type="checkbox"/>
Growing Nottingham			<input type="checkbox"/>
Respect for Nottingham			<input type="checkbox"/>
Serving Nottingham Better			<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
<p>This report seeks approval to commission four Housing Related Support Services and two Independent Living Support Services for people with mental ill health (as outlined in appendix 1). These services support adults with mental ill health to live independently or to recover sufficiently to move to more independent living arrangements and to help reduce the need for other more intensive forms of support.</p> <p>These services have been reviewed as part of the Mental Health Accommodation and Support Pathways Strategic Commissioning Review (SCR).</p>			
Exempt information: None			
Recommendation(s):			
1 To approve the commissioning of a Mental Health Reablement service, which will replace the current Independent Living Support Service for which the contract ends on the 31st of March 2020.			
2 To approve to undertake a tender process for a Mental Health Reablement service, four-accommodation based Housing Related Support (HRS) services and the Forensic Outreach Service for a contract period of 3+2+2+2 years. This will be for an annual contractual value of up to £1,595,024.			
3 To delegate authority to the Head of Service for Contracting and Procurement to approve and sign off the outcome of the tender process for the four HRS services, the Mental Health Reablement service and the Forensic Outreach Service and to award a contract.			
4. To note that one of the HRS services –Hughenden Lodge is subject to agreement by NHS Greater Nottingham Clinical Commissioning Partnership to maintain joint funding. Discussions with NHS Greater Nottingham Clinical Commissioning Partnership suggests that they may change the method of payment from a block fund arrangement to a S117 and			

	continuing healthcare arrangement. NCC should receive confirmation by the latest February 2020 as to how they will pay for the service.
5	To approve the spend associated with this decision in recommendation (£14,355,216) for a potential contract period of nine years.
6	To approve an extension of six months from 1 st of April 2020 in relation to the current contracts (as outlined in Appendix 1). This will be required if there is a change in provider and a longer implementation period is required or for some other reason. This will be up to a total value of £797,512 .
7	To approve dispensation from Contract Procedure Rules 5.1.1 and 5.1.2 in accordance with Financial regulations 3.29 to allow for 6 month extensions as outlined in recommendation 6 and for the funding of services for the 6 month period as outlined in Appendix 1.
8.	To delegate authority to the Head of Contracting and Procurement to issue extensions to contracts up to the values noted in Appendix 1.

1 REASONS FOR RECOMMENDATIONS

- 1.1 The services within the scope of this report (see appendix 1) have been reviewed recently. The review concluded that these services are generally operating effectively in line with current requirements. These services enable the Council to deliver against its statutory requirements under the Mental Health Act 1983 and the Care Act 2014.
- 1.2 Approval is sought to procure six services; a Mental Health Reablement service, four-accommodation based HRS services and the Forensic Outreach Service which will support people with mental ill health. A competitive tender process will be undertaken which will deliver value for money.
- 1.3 The recent review suggests that the current HRS services provide value for money when compared against other provision within the mental health pathway such as residential care or accommodation based Care Support and Enablement.
- 1.4 It is proposed to delegate authority to the Head of Contract and Procurement to issue the contracts and agree the corresponding contract values (up to the values noted in Appendix 1) subject to the outcome of the procurement process.
- 1.5 Nottingham City Council (NCC) and NHS Greater Nottingham Clinical Commissioning Partnership jointly fund Hughenden, one of the existing HRS services. The further delivery of this service is subject to NHS Greater Nottingham Clinical Commissioning Partnership maintaining its funding during the period of the contract as outlined in Appendix 1.
- 1.6 Longer contract periods are being recommended for the services outlined in Appendix 1, as this will support opportunity for providers to innovate during the contract life and respond to any necessary and permitted contractual changes.
- 1.7 The provision to extend the current contracts for a period of up to six months is recommended to provide sufficient time for implementation should a new provider successfully bid for the contract. It will allow potential new providers to support services users with transition arrangements. If the existing provider is successful in the tender process then an extension should not be required.

- 1.8 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).
- 1.9 The recommendations above are based on current budgetary projections of NCC and partners. The contracts will allow commissioners to review services in the context of budgetary pressures as well as managing any changes required due to a shift in policy and legislative changes.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 There is a legal requirement to procure these services, as the current contracts are due to end on the 31st of March 2020.

2.2 A Mental Health Board comprising of internal stakeholders was set up to oversee the review. A range of engagement activities have taken place with stakeholders, including with citizens who access existing services, to inform the review.

2.3 With regard to the HRS services the review found that:

- Accommodation based HRS services are effective for many citizens; enabling service users to recover from their mental ill health and move onto a greater level of independence. These services provide support for a maximum period of two years.
- HRS services deliver value for money. Costs vary across provision due to the different levels of support they provide. The costs range from £176.80 per service user per week to £396.85 per service user per week. The higher cost provision tends to support service users whose journey to better health is further away.
- A high proportion of those in HRS provision successfully move into independent living with little input from social care. For example, out of the current 93 service users 50 were deemed able to move into independent living (self-contained provision) and 16 were identified as requiring longer term intervention, for example residential care or Care Support and Enablement. At the time the remaining 27 required further assessment before an appropriate long term option could be identified. This compares well with previous years where a similar number of service users moved onto successful independent living.
- HRS services are a crucial response from NCC to avoid delayed discharges from the specialist hospital wards.
- There is good partnership working between the individual services and provision and the Adult Social Care Mental Health teams; both valuing the input of each other.
- HRS services are currently mixed provision. The review suggested however that there was a low take up from women. Further exploration of this found that it can be a challenge for providers to support women safely in mixed provision. It also found that some women with mental ill health have been physically and/or sexually abused and therefore will not access this type of mixed provision. The review identified that the options for women were often longer-term, for example residential Care, Care Support and Enablement or Aidan House which a service for women with complex needs. There appears to be a gap for women who require short-term specialist mental health support but there is not currently the evidence base to determine what the specific need is. This will be monitored during the life of the contract and a new service developed when appropriate, subject to usual decision making processes. The contract for the HRS services

will make allowances for the development of a female only service during the life of the contract should this be required.

- The HRS services are in demand but the current providers did not think there was a need for additional provision. The rationale for this was that specialist clinical support from the NHS if provided quickly would speed up recovery journeys. The other issue was identifying and securing appropriate and safe accommodation for service users to move into. The monitoring arrangements in the new contracts will be designed in order to ensure that there is sufficient supply to meet demand.
- There is a need for clear expectations around outcomes for citizens to ensure timely move on into independent accommodation. This will be incorporated into the new service specifications and monitored as part of the ongoing contract management arrangements.

2.4 The Independent Living Support Service (ILSS) is split into two contracts. The larger financial contract (refer to appendix 1) delivers specialist mental health support and the smaller financial contract supports a small number of service users (14 at any one time) who are in the care of the NHS and Social Care Forensic Team.

2.5 The current specialist mental health service has two key elements to it. These are:

- Outreach support within the mental health wards- patients are supported with discharge to appropriate provision, support and care.
- Outreach support in the community - supports service users within independent settings or transition from supported living into independent living.

2.6 The forensic contract provides specialist forensic outreach provision within secure units. The workers for this provision support fourteen individuals at any given time and work alongside the forensic social care team. The service supports the social care team in enabling citizens leave a secure hospital environment and move into independent living with dedicated floating outreach support. The support lasts as long as the citizen requires it and the service is successful in moving people on who no longer require their intervention. Like the new reablement service, this service will help with a range of practical things such as housing issues, budgeting, and welfare advice. The service is also able to support them to manage their mental ill health.

2.7 The review of the current pathway found inconsistencies in the support citizens were provided with. Due to the lack of a clear pathway, the support offered was often dependent on several factors including the knowledge of the allocated worker and which service was available on the day. A lack of a highly focused time limited reablement service was also highlighted and this is a model of support which is available to citizens who utilise other Adult Social Care Pathways.

Though the current specialist support service was found to work well, analysis highlighted that the length of support it offers (maximum two years, on average ten months) may create unnecessary dependency or a delay in being referred into appropriate longer-term support.

Because of these factors a reablement service is being recommended.

The Mental Health Reablement service will focus on identifying barriers to independent living and then working collaboratively with the citizen to develop a personalised support plan which will support them towards independence in

a time limited period. Citizens who require a longer term service will progress through the pathway as per appendix 2. The Reablement service will maintain the two key elements of the current service; working with the mental health wards as well as outreach within the community. The Reablement service will also be available to citizens who have been supported by other service, where the allocated worker feels that a period of reablement would be of benefit.

2.8 The procurement of these services are as detailed in Appendix 1, will enable the Council to meet its statutory obligations under procurement law.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 The option not to procure but to directly award the services to current providers was considered however this was discounted as it would mean that NCC were not meeting its legal obligations under procurement law.

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

4.1 This decision seeks approval for the procurement of a new Adult Social Care (ASC) Enablement Service, to replace the current Independent Living Support Service (ILSS) for the provision of Housing Related Support Services for citizens with mental ill health.

4.2 This decision results in an annual contract value of **£1.595m** and a total contract value of **£14.355m** over the maximum contract period of **9 years** outlined in this decision (on a 3+2+2+2 year basis). This cost will be funded from existing ASC service budgets included within the Council's Medium Term Financial Plan (MTFP).

4.3 One contract, included in the contract values above and outlined in **Appendix 1**, is currently jointly funded with NHS Greater Nottingham Clinical Commissioning Partnership (GNCCP) and the continuation of this funding is still subject to agreement for the proposed contract period outlined in this decision. If the NHS funding of £0.185m per annum (or £1.665m over the maximum contract period) is not maintained, action will need to be taken to ensure the shortfall in funding is mitigated from existing ASC service budgets included within the Council's MTFP. However, it should be noted that this is unlikely to happen as the review found that GNCCP is also statutorily responsible for the cohort within these services. Therefore, they will be financially liable for at least the level they currently fund. The issue that remains to be resolved is the method that the GNCCP funds the services as they have indicated that they may move to a S117 and continuing health care model of funding rather than block funding. The GNCCP would have to give notice to NCC as to the method of payment and this does correlate with our notice period of three months.

4.4 This report also seeks approval to extend the current contracts, for a period of 6 months, if required, from 01 April 2020 to support an adequate transition and implementation phase for the new contracts. The total value of the 6 month extension would be **£0.798m** and this cost would also be funded from existing ASC service budgets included within the Council's MTFP.

- 4.5 These services are crucial for NCC to enable timely discharge from specialist hospital wards. Value for money will be achieved through the recommendations in this report by supporting vulnerable citizens through a range of services preventing the need for more intensive support.

The proposed maximum contract values detailed in **Appendix 1** have demonstrated value for money through the review undertaken by the internal Mental Health Board. The review found that alternative suitable provision within the pathway cost significantly higher with costs often remaining longer term (care support enablement, residential). This provision has a good record of supporting a significant amount of service users into independent living after an average stay of ten months. The review highlighted areas for clearer outcomes in relation to the cluster part of the accommodation based services to ensure quicker move on. This will be incorporated in to revised service specifications and monitored closely throughout the contract period.

- 4.6 In order to extend the current contracts outlined in **Appendix 1**, this decision seeks dispensation from Contract Procedure Rule 5.1.1 and 5.1.2 in accordance with Financial Regulations 3.29, Operational Issues, and for reasons outlined by the report author, this is deemed appropriate in these circumstances.

Hayley Mason, Strategic Finance Business Partner
24 December 2019

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

- 5.1 The procurement of Mental Health Accommodation and Support Services proposed in this report will be undertaken by the Procurement Team in compliance with the requirements of EU and UK Procurement Regulations (Light Touch Regime).

The extension of the current contracts will enable Commissioning and Procurement to ensure that there is an adequate transition period to the new arrangements by 1st September 2020. Therefore, approval to dispense with Contract Procedure Rule 5.1.1 and 5.1.2 (as applicable) in accordance with Financial Regulation (3.29) (Operational Issues) with regard to extending the current contracts outlined in Appendix 1 Table 2 for up to 6 months from 1st April 2020 are supported from a procurement perspective, and is allowed under Reg 72 of the Public Contracts Regulations 2015. (Julie Herrod, Lead Procurement Officer 11/12/19).

- 5.2 The review that was commissioned in relation to these services has been undertaken and has now been concluded.

The review determined the best way to re-procure the services which will be by way of a complaint EU tender process for a combined collection of services.

Due to the complexity of the services and the need to ensure a smooth transition for citizens, an interim extension of the existing contract is required prior to the new contract commencing.

The short term extension is deemed a permitted modification under regulation 72(1) (b) of the Public Contract Regulations 2015 and is supported on the basis that for technical and economic reasons, it would be impracticable and cause significant inconvenience and duplication of costs to re-tender the contract immediately. In addition, there is not deemed to be sufficient time to retender the contract without an extension nor sufficient time to enable tenders to be received and a reasonable transition period applied.

It should be noted that now that the review has been concluded, work for the re-tender should be commenced as soon as practically possible to ensure no further delay occurs.

Legal services will support procurement colleagues in the re-tender of the newly modelled service. (Dionne Screamon – Solicitor – 02/01/2020).

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE (STRATEGIC REGENERATION COMMITTEE REPORTS ONLY)

- 6.1 Not applicable as the report does not relate to any property assets or property infrastructure.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 The contracts listed in appendix 1 provide assistance to improve the health and wellbeing of vulnerable adults with mental ill health. These services will also be procured with the requirement for providers to deliver additional social value. For example, recruiting local people, developing skills within the local communities, raising awareness of mental ill health with other professionals etc.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 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.

9 EQUALITY IMPACT ASSESSMENT (EIA)

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

No

Yes

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

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

10.1 None.

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None