



Report of: Executive Member, Health and Social Care

Meeting of:	Date	Ward(s)
Executive	23 November 2017	All

Delete as appropriate	Exempt	Non-exempt

THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Contract Award for Mental Health Short-Term Crisis Accommodation

1. Synopsis

1.1 This report summarises the outcome of a procurement process for Mental Health Short-Term Crisis Accommodation and seeks approval for the award of a contract to deliver this service to Islington residents aged 18-65 who are at risk of, or who are experiencing, mental health crisis.

2. Recommendations

2.1 To approve the award of a contract to Look Ahead Care and Support to deliver Mental Health Short-Term Crisis Accommodation commencing 1 April 2018, for a period of two years with the option of three 12-month extensions.

2.2 To award a contract to the value of £3.6m over a maximum of five years based on an annual value of £720k.

3. Background

3.1 The procurement strategy for the Mental Health Intermediate Crisis Care Pathway was agreed by the Executive in November 2015.

This contract was previously advertised as part of the Pathway. The procurement process was halted to allow for further consultation. The Mental Health Short-Term Crisis Accommodation has been commissioned as a standalone contract; however, it is anticipated that this will form part of the Intermediate Crisis Care Pathway once the other services within the pathway have been procured.

- 3.2 The contract will provide short-term accommodation-based reablement and recovery support (Crisis Accommodation), available 24 hours a day, seven days a week. Staff will be on-site at all times and will provide support to service users as required.
- 3.3 The service includes an evening drop-in, which runs from 6-10pm, seven days a week from the same premises. The service is open access, and provides a safe place for people during the evening and at weekends, when experiencing feelings of anxiety, social isolation or deterioration in their mental health.

This service is included in the new contract, however, as other services within the Intermediate Crisis Pathway are procured and implemented, the location of the evening provision will change, and will be delivered under a separate contract to the Crisis Accommodation service.

- 3.4 The current service is delivered from 16-18 Highbury Grove, N5 2EA and is delivered by One Housing Group. The current cost of the service is £720k per year. Commissioners negotiated savings within the existing contract with One Housing Group in 2016/17 and £114k savings were delivered in 2016/17.

The building is owned by Islington Council and a new lease has been issued for the life of the new contract. The new contract will be delivered by from the current location and the contract price includes lease costs of £77,500 per annum.

- 3.5 The contract to be awarded is a 2-year block contract with the option of three 12-month extensions. The service will accommodate approximately 300 people per year.

The total annual value of the contract is £720k. The total contract value including all extension periods is £3.6m. The annual value of the new contract does not represent an increase on current expenditure.

- 3.6 The service will be funded from the existing MH Commissioning pooled budget arrangement between Islington Council and Islington Clinical Commissioning Group. Resources have been earmarked within the pool to meet the annual financial commitments for the delivery of this service and will not cause any financial pressure for either party.

4. Tender

- 4.1 The procurement followed a Restricted Procedure which means the process was conducted in two stages: Selection Questionnaire (SQ) stage and Invitation to Tender (ITT) stage. The tender was advertised on the Islington council website, the London Tenders Portal (the council's e-tendering system), Contracts Finder and OJEU (Official Journal of the European Union). Organisations that submitted an Expression of Interest (EOI) via the portal were given access to the tender documents and any relevant additional information. Questions received via the portal were responded to publicly, in order to ensure that all bidders had access to the same information.

Bidders were able to bid to deliver the service from the existing premises, or from non-Council

owned established buildings located in Islington. All of the shortlisted providers bid to deliver the service from the existing premises.

Thirteen organisations submitted tenders for this contract; of these, seven successfully passed the suitability assessment stage. Three providers submitted tenders in the second stage and were evaluated against the published criteria.

- 4.2 The contract has been awarded to the Most Economically Advantageous Tender based on the criteria of 70% quality and 30% cost, broken down as follows:

	Weighting
Cost	30%
<i>Unit Cost</i>	15%
<i>Contract Cost</i>	10%
<i>Direct/ Indirect Costs</i>	5%
Quality	70%
Proposed service model	25%
Management of evening service transition arrangements	5%
Proposed approach to quality management of performance and outcomes	15%
Proposed approach to co-production with service user and carers (part 1)	5%
Proposed approach to safeguarding and risk management	10%
PRESENTATION: Proposed approach to co-production with service users and carers (part 2)	10%
Total	100%

Bidders also had to achieve minimum quality standards to be successful. In order to be awarded a contract, the winning tenderer must score a minimum of 3 points out of 5 in each question.

- 4.3 The results of the tender evaluation are set out in the Exempt Appendix A, showing Look Ahead Care and Support as the Most Economically Advantageous Tender.
- 4.4 TUPE will apply to this contract and the appropriate TUPE information was included in the tender documents.

5. Implications

5.1 Financial implications

The existing Mental Health Short-Term Crisis Accommodation Service is funded from the Mental Health Commissioning Pooled budget between Islington Council and Islington Clinical Commissioning Group and the current budget and contract value is £722k.

Commissioners negotiated efficiencies within the existing contract with One Housing Group in 2016/17 which delivered annual savings of £114k and contributed to the departments Medium Term Financial Strategy (MTFS) savings.

The maximum annual contract value is £720k for an initial period of two years, with the option to extend for a further three years (of separate twelve month periods) and the total value over the maximum five-year contract term is £3.6m. Therefore, the proposed contract award to Look Ahead Care and Support will not result in a budget pressure for the department.

Payment of the London living Wage is a requirement of the contract and will not result in any additional costs. Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

5.2 Legal Implications

The Council has power to provide services in respect of Mental Health Short-Term Crisis Accommodation under the Mental Health Act 1983, section 117 and the National Assistance Act 1948, S21(1). The Council has power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The services that have been procured are subject to the light touch regime set out in Regulations 74 to 77 of the Public Contracts Regulations 2015 (the Regulations). The threshold for application of this light touch regime is currently £589,148.00. The value of this contract is above this threshold. It therefore needs to be advertised in the Official Journal of the European Union (OJEU). There are no prescribed procurement processes under the light touch regime, but there is a requirement for the procurement of such services to comply with the principles of equal treatment, non-discrimination and fair competition. The council's Procurement Rules require contracts over the value of £500,000 to be subject to competitive tender. In compliance with the requirements of the Regulations and the council's Procurement Rules a competitive tendering procedure with advertisement in OJEU has been used.

Bids were subject to evaluation in accordance with the tender evaluation model. Look Ahead Care and Support gained the highest evaluation score and may therefore be awarded the contract. In deciding whether to award the contract to the recommended service provider the Corporate Director for Housing and Adult Social Services should be satisfied as to the competence of the supplier to provide the services and that the tender price represents value for money for the Council. In considering the recommendations in this report the Corporate Director for Housing and Adult Social Services must take into account the information contained in the exempt appendix to the report.

5.3 Environmental Implications

An environmental impact assessment was carried out in November 2014.

The main environmental impacts of this procurement will be associated with the management of the building, including energy used for heating, hot water and appliances, water use and waste generation. The provider will be asked to minimise energy and water usage, as well as maximising recycling and ensuring compliance with waste legislation.

5.4 Resident Impact Assessment

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to

take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment was completed in October 2014 and identified that inequalities associated with socio-economic disadvantage can be reduced through the Intermediate Crisis Care Pathway services.

6. Reasons for the recommendations

- 6.1 The Mental Health Short-Term Crisis Accommodation Service will support Islington residents who are at risk of entering, or who are experiencing a mental health crisis. As well as improving outcomes for these residents, the service also aims to reduce the significant pressure faced by acute mental health crisis and inpatient services in Islington. This will be achieved by strengthening community capacity to reach and support people to recover, remain well and manage mental crises, as far as possible within their communities. Support will also be provided for carers of people entering, or at risk of entering a mental health crisis.
- 6.2 The existing Mental Health Short-Term Crisis Accommodation Service ends on 31st March 2018. The need for this type of service continues and therefore the recommendation is to award the new contract as per the above.

Appendices: • Mental Health Short-Term Crisis Accommodation Contract Award Appendix A (Lot A) - EXEMPT

Background papers: None

Signed by:

Janet Burgess

Executive Member, Health and Social Care

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Report Author: Rosanna Ryan, Joint Commissioning Officer, Mental Health
Tel: 020 7527 7804
Email: rosanna.ryan@islington.gov.uk

Legal Implications Author: Ramani Chelliah, Chief Contracts Lawyer
Tel: 0207 527 3084
Email: ramani.chelliah@islington.gov.uk

Financial Implications Author: Mark Ruddy, Finance Manager
Tel: 020 7527 8182
Email: mark.ruddy@islington.gov.uk