



Key Decision Report of the Corporate Director for Housing and Adult Social Services

Officer Key Decision	Date: 6 December 2017	Ward(s): All
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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Contract Award for Mental Health Supported Housing Services – Lot C

1. Synopsis

- 1.1 This report summarises the outcome of a procurement process for a Mental Health Supported Housing Service – Lot C for homeless people with mental health needs, who are aged 18 years and above and require a high level of support. It is a preventative service, aiming to prevent people from needing residential care by providing enhanced support within the community and to mitigate the effects of harm to people who are homeless or at risk of becoming homeless. Over a period of time, residents are supported to step down to lower levels of support, with the eventual aim of living independently within the community.
- 1.2 The Executive agreed the procurement strategy for this tender in June 2016; the Corporate Director is now asked to agree the outcome of the procurement process.

2. Recommendation

- 2.1 To award the contract to Family Mosaic. The service will continue to be located at Southwood Smith project, N1 0YL and will support 10 adults. The new service will commence 1 February 2018, for a period of two years with the option of three 12-month extensions. The annual value is £167, 217. The total contract value including all extension periods is £836,085.

3. Date of decision

- 3.1 6 December 2017

4. Background

- 4.1 Islington's Joint Commissioning Strategy outlines the CCG and Council's focus on supporting residents to be healthy and well, to be connected, and be in control. As we work towards these priorities, we will seek to behave in a way which is person-centred, outcome-focused, and which delivers fair and effective use of public resources. We do this by ensuring that all of our services enable step-up where more intensive support is needed and supported to step-down to more independent living.
- 4.2 This service will provide a high level of support to adults with a mental health need who are unable to live independently. Individuals who use this service will be Care Act eligible in terms of their social care needs. Staff will be on-site 24 hours a day, 7 days a week and will provide support to service users as required.
- 4.3 The primary aim of the service is to support people to develop skills for independence and identify opportunities for move-on to appropriate shared or self-contained accommodation both within the pathway and to alternative housing options. Many of the residents will have spent long periods in hospital with long term mental health conditions.

The model of the service will be focused on supporting individuals to effectively step down to lower level supported accommodation, and supported to eventually obtain their own tenancy. The Service will work with the private sector and partner agencies to identify appropriate move-on accommodation.

The target length of stay will differ depending on individual needs, however, for the majority the maximum length of stay will be eighteen months. The prescribed support hours will be delivered through a mix of regular 1:1 sessions, as well as group sessions, as appropriate.

- 4.4 The outcomes that the service is required to deliver with service users are divided into six broad areas:
- **Planned exit / move-on from the service** – to ensure the service user is accessing services locally to support their independence and tenancy sustainment
 - **Economic wellbeing** – improving economic circumstances through access to education, employment and training opportunities
 - **Enjoy and Achieve** - develop skills and interests to maximise opportunities to achieve independence
 - **Improving/maintaining health and wellbeing** - through appropriate links to health services and community services
 - **Safety**: - through support to manage self-harming behaviours to the individual, harm to others and compliance with statutory orders
 - **Choice and Involvement** - to increase participation within the service to affect changes in service provision
- 4.5 The current service is delivered from Southwood Smith Street project, N1 0YL. The building is owned by Family Mosaic who will provide the support service which means that there will be no disruption to service users. TUPE will apply to this contract and the appropriate TUPE information was included in the tender documents.
- 4.6 As part of the development of the service specification for the re-commissioned services, service users were consulted through a series of meetings with commissioners. In addition, IBUG delivered a focus group with a small group of ex-service users to further inform the specification. A service user representative took part in the evaluation of the bids and therefore contributed to the selection of the newly commissioned services.

- 4.7 The original tender was advertised as “1617-0039 Mental Health Supported Housing Services (Lot A-K)”. The contract notice was published on OJEU and the London Tenders Portal. The tender was carried out using the open procedure.
- 4.8 Family Mosaic was the only organisation to submit a tender for this lot that initially met the minimum requirements. The quality submission met the requirements in order to be awarded a contract, however, the pricing submission was in excess of the advertised indicative maximum annual budget. The Council was unable to award a contract at this price and the original bid was therefore disqualified.

The Council’s Procurement Rules allow for a negotiated procedure to be used in accordance with the Public Contracts Regulations where no suitable tenders are received. Permission was sought and granted to enter into a negotiated procedure with Family Mosaic as per the Procurement Rules. Family Mosaic’s price was satisfactory to the Council and the quality of their bid met the minimum requirements in three of the award criteria and exceeded in three of the award criteria set out below.

- 4.9 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>Cost Allocation</i>	5%
Quality	70%
<p><i>Proposed approach to mobilisation and implementation / change management</i></p> <p>Bidders were asked to describe how they intended to implement and commence delivery of the service by 01 December 2017. Bidders were asked to set out a delivery plan to include but not limited to:</p> <ul style="list-style-type: none"> • service development and staff recruitment time that would be necessary prior to delivery including TUPE • negotiations with landlords where applicable • communication with service users • supporting service users through the transition and involving them wherever possible/appropriate • proposed delivery location • any repairs or refurbishments required • risk log <p>Bidders were also asked to include a project plan.</p>	15%
<p><i>Proposed approach to service model</i></p> <p>Bidders were asked to describe the service model they would establish in order to deliver the outcomes outlined in the service specification with specific reference to but not limited to:</p> <ul style="list-style-type: none"> • how the service will work collaboratively with service users to promote rehabilitation and recovery • risk assessment and risk management strategy including safeguarding, how the organisation’s policies will ensure services are safely run and safeguarding concerns are identified and appropriately addressed, and details of health and safety provision where the service will be delivered from (e.g. details of 	15%

<p>assessments, security systems on site, and any planned preventative maintenance).</p> <ul style="list-style-type: none"> • how the building supports services users who have a physical impairment • encourage and support independence, maximising life opportunities to achieve a successful move-on from the service within 18 months • approach to supporting and promoting independent and responsible self-medication, including assisted self-medication, including a copy of the organisation's current policy and procedures in relation to this. • challenges to secure move-on accommodation and how the service will manage these challenges <p>how the service will work to address the range of complex care needs including moderate to severe mental health, physical health, challenging behaviour and in some cases substance misuse</p>	
<p><i>Proposed approach to workforce management</i></p> <p>Bidders were asked to describe how they would ensure that staff will provide a high quality service to people with mental health support needs, including but not be limited to:</p> <ul style="list-style-type: none"> • what systems the service will use to ensure quality assurance • working in a person centred and respectful way • safeguarding, and staff training in local procedures • staff training in health and safety • safe sharing of information • training and supervision • business continuity • how service user involvement contributes to quality assurance • how the service will ensure safer recruitment and ensure the continued suitability of workers once employed. <p>Bidders were also asked to submit a structure chart.</p>	10%
<p><i>Proposed approach to partnership working</i></p> <p>Bidders were asked to describe their approach to partnership working to achieve service and individual outcomes in the following areas, including their understanding of the barriers, the approach they would take and the impact partnership working would have on their outcomes:</p> <ul style="list-style-type: none"> • service users with mental health support needs • substance misusers • chaotic service users who may be more difficult to engage with • service users with complex needs, for example dual diagnosis, mental health, learning disabilities, personality disorder, autism. <p>service users with physical health needs</p>	10%
<p><i>Proposed approach to managing performance and outcomes</i></p> <p>Bidders were asked to describe how they would meet the key aims and objectives in the service specification, including but not be limited to:</p> <ul style="list-style-type: none"> • a description of the risks to the performance of the contract and how the service will work to meet the service aims • how the service will use performance and outcomes data to improve and develop services <p>how the service will manage void turnaround and utilisation move-on</p>	10%
<p><i>Proposed approach to client engagement and involvement</i></p>	10%

Bidders were asked to describe their organisation's approach to service user engagement and involvement giving examples of meaningful engagement at different levels within their organisation and how they would apply this to delivery of the new service. The response needed to describe how the organisation conducts service user engagement in: <ul style="list-style-type: none"> • all aspects of care and support planning • service user feedback to improve services enabling service users and their carers to voice complaints, give compliments, as well as feedback of any issues or concerns	
Total	100%

4.10 The 2016-17 overall budget for Housing Related Support services was £1,769,275, a £106,000 saving target was applied resulting in a revised budget of £1,663,257. Total contract value to date including Lot C is £1,394,014, noting that a further two lots are still due to be awarded, should these achieve the indicative price the cost would be £1,528,035. This particular contract (lot C) does not attract a saving, however many of the other lots have and the total value of savings from this tender exercise is likely to be £241,240 which is equivalent to 13%.

5. Implications

5.1 Financial implications:

The existing Mental Health Housing Related Support services contracts are funded from the Adult Social Services base budget.

The proposed contract award to Family Mosaic, for the delivery of supported accommodation for homeless people with mental health needs at Southwood Smith, is part of a wider procurement of mental health supported accommodation services across twelve low, medium and high support Lots, which is expected to achieve £106k annual savings. This will contribute to the departments Medium Term Financial Strategy (MTFS).

The proposed contract value for Lot C is 16% more than the indicative published contract price. However, the maximum annual contract value across all twelve Lots is £1,663k and several Lots were awarded at less than the indicative published contract price.

The contract is for an initial period of two years with the option to extend for a further three years (of separate twelve month periods). The total annual contract value for Lot C is £167k and the total value over the maximum five-year contract term is £836k, which 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 a duty to make arrangements for providing residential accommodation and care for persons who by reason of illness and disability are in need of care and attention which is not otherwise available to them (section 21 National Assistance Act 1948 (as amended) and Secretary of State Directions (Appendix 1 to Department of Health Circular No. LAC (93)10)). The Council may discharge that duty by making arrangements with private providers of residential accommodation for those assessed to need it (section 26 of the 1948 Act). Accordingly, the council may enter into contracts with provider(s) to secure the provision of mental health supported housing services for Islington residents (section 1 of the Local Government (Contracts) Act 1997).

The proposed contract is a contract for services. The threshold for application of the Public Contracts Regulations 2015 is currently £589,148,000.00 (for light touch services). The value of the contract to be let is above this threshold. The council's Procurement Rules require contracts for light touch services over the value of £500,000.00 to be subject to competitive tender. In accordance with the requirements of the Regulations and the Council's Procurement Rules the contract has been procured with advertisement in the Official Journal of the European Union.

Only a single bid was received that met the minimum quality standards. This bid from Family Mosaic was subsequently negotiated to reduce the price so that it fell within the indicative maximum annual budget for this contract. The Public Contracts Regulations 2015 permit negotiation where no suitable tenders are received in response to a restricted procedure provided that the initial conditions of the contract are not substantially altered (Regulation 32(2)(a)) as is the case in this instance. Therefore, the contract may be awarded to Family Mosaic as recommended in the report. In deciding whether to award the contract as recommended 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 prices represent value for money for the Council. Regard must also be had to the information set out in the attached appendix.

5.3 Environmental implications:

An environmental impact assessment was carried out on 21 April 2016.

There are several environmental implications of a supported accommodation service. These include energy use in the building for heating, cooking and appliances, water use in the bathroom and kitchen facilities and waste generation by residents.

These can be mitigated by ensuring the building is well-insulated and uses an efficient heating system, that appliances in the building have a good energy rating, that bathroom and kitchen fittings are water efficient, and that recyclable or compostable waste is separated and disposed of appropriately.

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 on 21 April 2016 and identified that vulnerable residents in the borough would be negatively affected if the level of housing related support provision were reduced.

6. Reasons for the recommendations / decision:

- 6.1 Housing support services for vulnerable adults with mental health issues are preventative services that aim to mitigate the effects of harm to people who are homeless or at risk of becoming homeless. The service will support Islington residents to achieve greater independence, improve their health and well-being through effective engagement with community mental health services and individualised support; prevent homelessness and support individuals to be more active participants in the wider community. Additionally, this service will support the Council to create a fairer Islington, tackling poverty and inequalities faced by many Islington residents by working with partners and local people to achieve lasting improvements.

6.2 The existing Housing Related Support Service for homeless people with a mental health need will end on 31st January 2018. The need for this type of service continues and therefore the recommendation is to award the new contract as per the above.

Signed by:



Date 06/12/2017

**Corporate Director of Housing and Adult
Social Services**

Appendices

16/17-0039 Mental Health Supported Housing Service Appendix A_Lot C - EXEMPT

Background papers:

None

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