

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

<b>Officer Decision</b>	<b>Date: 20 April 2018</b>	<b>Wards: All</b>
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<b>Delete as appropriate</b>	<b>Exempt</b>	<b>Non-exempt</b>
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**SUBJECT: Award of contract extension for Community Mental Health Services****1. Synopsis**

- 1.1 This report recommends the extension of the Community Mental Health Services contract, currently delivered by Islington Mind. This services provides support during the day at three day centre venues to adults in Islington with a mental health need, and who are experiencing social isolation. The service is recovery focused, supporting individuals through person-centered recovery plans, group support and also seeks to improve overall access to community mental helath resources.
- 1.2 The extension is required to enable the re-procurement of this service as part of the tender for a newly developed Intermediate Crisis Care Pathway. The new contract is expected to begin on 1 May 2019.

**2. Recommendation**

- 2.1 To approve the award of the contract extension for the Community Mental Health Services contract from 1 April 2018 to 30 April 2019.

**3. Date the decision is to be taken**

The decision is to be taken on 20 April 2018.

**4. Background**

- 4.1 The Community Mental Health Service delivers support during the day to adults in Islington with a mental health need, and who are experiencing social isolation. The service is recovery focused, supporting individuals through person-centered recovery plans, group support and also seeks to improve overall access to community mental health resources. A mixture of both preventative and

targeted services are delivered. Examples of services delivered includes training, education and employment opportunities, together with community leisure and social activities that enable service users to live a full and enriching life. As well as a wide range of social and therapeutic interventions, there is also a drop-in service which service users can access each week, alongside the option of a low-cost hot lunch.

4.2 The value of the contract extension is £764,296 for a period of 1 year. Attempts were made to reduce the contract value for 2018/19, this however has not been possible as any changes would have affected service delivery and required co-production with service users which was not possible at this juncture. The contracts are currently funded by Adult Social Services and the extension will have no impact on the department's budget.

4.3 The joint mental health commissioning team have been working to develop an Intermediate Crisis Care Pathway (ICCP), which includes the mental health Reablement Service and Isledon Road Day Service. Procurement of the pathway began in January 2016, however, the process was suspended in order to carry out further consultation with people who use the Isledon Road day service who had expressed concern about the proposed changes to the service. Service users communicated strongly that the Mental Health Community Support Service delivered by Islington Mind is an important part of the recovery pathway. Commissioners have considered this feedback and have taken the decision to now include the Islington Mind service within the ICCP tender.

In preparation for the new ICCP tender, commissioners are required to undertake further consultation with service users of Isledon Road and Islington Mind day services as it will involve significant changes to services and venues. We will also need to work with service users to develop the new service specifications. Due to the local election, we're not able to undertake further consultation activity until after purdah ends.

4.4 This contract extension is an interim measure to ensure commissioners have sufficient time to undertake the required consultation with service users, to complete engagement with the local market, and to undertake a public competitive tender process for the ICCP. This will ensure we are commissioning the most effective service that will achieve value for money and sustainable outcomes.

The timescales for the ICCP tender are as follows:

- Complete consultation and co-production activity – May- July 2018
- Tender advert published – October-November 2018
- Contract awarded – December 2018
- New contract starts – May 2019.

4.5 The Community Mental Health Service has been running for a number of years, and is well established in the borough. Any significant change to service delivery is likely to generate public and local political interest, and therefore must be managed carefully. The alternative option of re-procuring the service for an interim period whilst we re-tender the service as part of the ICCP is likely to cause a significant amount of distress to local residents, particularly if there was a change in provider, and would require additional consultation, therefore this is not considered to be the recommended approach.

Extending the current contract will ensure there is no disruption to the service whilst we re-tender and will provide added stability for service users as the current provider will continue until the new contract starts in 2019.

4.6 London Living Wage currently applies to this service and will continue to apply for any future contract. A full LLW consideration report will be prepared as part of the procurement strategy for the new commissioning round.

4.7 This service is an essential component in the delivery of a whole system approach to recovery from mental ill health. The service plays a vital role in supporting residents with mental health issues to live more independently in the community and enable them to live fulfilling lives. The service helps to reduce social isolation by improving access to a range of social and therapeutic interventions and

community resources. This includes community leisure and social activities, training, educational and employment opportunities.

- 4.8 Extending the current contract will have no impact on staff as they will continue in their current roles until the new contract is awarded.

## **5. Implications**

### **5.1 Financial implications**

The cost of the Mental Health Community Support Service is £706k, which includes the contract with Islington Mind and £81k internally recharged Corporate rent charges for use of Council buildings. Therefore, over the proposed duration of thirteen months, the total cost of the waiver is £764k.

The Mental Health Community Support Service contract with Islington Mind is funded from Adult Social services base budget and the proposed thirteen-month extension will not result in a budget pressure for the department.

### **5.2 Legal Implications**

The current contract with Islington Mind expired on 31 March 2018 and there is no provision in the contract enabling it to be extended further beyond that date. The proposed extension of the current contract for a further period of 13 months is outside the modifications permitted by regulation 72 of the Public Contracts Regulations 2015 and therefore amounts in law to a new contract for which a procurement exercise would normally be required. The contract is subject to the light touch regime (Light Touch Services) 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 £615,278. The value of the contract extension exceeds this threshold. Accordingly, the contract would normally have to be advertised in OJEU and a competitive tendering exercise undertaken.

The existing community mental health service has been reviewed and changes to the service are proposed which are presently subject to consultation with service users. A procurement timetable for the new contract has been drawn up and the procurement will commence once the present consultation exercise has been completed.

In my view, the special circumstances set out within the body of the report would justify waiving the requirement for competitive tendering to be undertaken. However, there is a low to medium risk of challenge for breach of the requirements of the Public Contracts Regulations given the value of the proposed contract. This risk is mitigated by the fact that the Council has clear operational reasons for waiving the requirements of its Procurement Rules on this occasion and the fact that the duration of the Waiver is restricted to enable a procurement process that is fully compliant with the Regulations to be undertaken and concluded.

The decision to grant a waiver and extend the contract will be a key decision as the value exceeds £500k revenue but may be taken by the Corporate Director under delegated authority.

### **5.3 Environmental Implications**

The day centre buildings will have several moderate environmental impacts, including energy use, water use and waste generation. In addition to the general waste, it is possible that some of the clients will have a dual diagnosis and misuse drugs resulting in the need for services to provide sharps boxes. This would all be monitored during contract reviews. The Provider will be required to have contracts with energy suppliers to conduct annual safety checks, regular water tests including temperature and to ensure that general waste is collected as per local authority agreements.

