



Report of: Executive Member for Health and Wellbeing

Meeting of:	Date	Ward(s)
Executive	14 January 2016	All

Delete as appropriate	Exempt	Non-exempt
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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Contract Award for Mental Health Supported Accommodation

1. Synopsis

- 1.1 This report summarises the outcome of a procurement process for a Mental Health Supported Accommodation Service for men and women who live with long-term severe mental illness.
- 1.2 People who use the service will be over the age of 18 and will be planning to return to independent living in their community following a period of rehabilitation in hospital or residential care.
- 1.3 The Executive agreed the procurement strategy for this tender on 12 February 2015 and is now asked to agree the outcome of the procurement process.

2. Recommendations

- 2.1
 - i. To approve the award of a contract to Peter Bedford Housing Association to deliver **Lot 1 - Turtle Road** N4 3LZ, for six 6 units. The new service will commence 1 April 2016, for a period of three years with the option of three 12-month extensions. The annual value is £147,354. The total contract value including all extension periods is £884,124.
 - ii. To approve the award of a contract to St Martin of Tours to deliver **Lot 2 - Caledonian Rd**, N7 9SJ, for 7 units. The new service will commence 1 April 2016, for a period of three years with the option of three 12-month extensions. The annual value is £171,113. The total contract value including all extension periods is £1,026,678
 - iii. To approve the award of a contract to St Martin of Tours to deliver **Lot 3 - Davenant Road** N19 3NN, for 12 units. The new service will commence 1 April 2016, for a period of three years with the option of three 12-month extensions. The annual value is £304,140 per year. The total contract value including all extension periods is £1,824,840.

3. Background

- 3.1 The contracts being awarded are for a Mental Health Supported Accommodation Service for men and women living with long-term severe mental illness. People who use the service will be over the age of 18. They will be planning to return to independent living in the community following rehabilitation in hospital or residential care. The service will be staffed 24 hours per day and provide the onsite support to enable people who use the service to develop their community living skills. The service culture will focus on rehabilitation and recovery. The service will encourage people to live as independently as possible with the goal of eventually acquiring their own tenancy.
- 3.2 The current Mental Health Supported Accommodation service is delivered as follows: :
- **Turle Road (Tollington Ward)**, contains 6 units. Islington Council owns the building and it is leased to the current provider (Family Mosaic). The lease expires when the current contract expires. The current contract is valued at £152,643 per year, will end 31 March 2016. The new service will continue to be delivered from this location, by Peter Bedford Housing Association.
 - **Cloudesley Road (Barnsbury Ward)**, contains 7 units. The building is owned by the current provider (Family Mosaic). This service was jointly procured with the Turle Road service. The current contract, valued at £178,083 per year, will end 31 March 2016. The new service will be delivered by St Martin of Tours from new premises at Caledonian Rd.
 - **Davenant Road (Tollington Ward)**, contains 12 units. The building is owned by the current provider (St Martin of Tours). The current contract, valued at £359,000 per year, will end 31 March 2016. The new service will continue to be delivered by St Martin of Tours from these premises.
- 3.3 It should be noted that the contract for Lot 2 will require that service users are transferred from their current residence at Cloudesley Rd. to new premises at 558 Caledonian Rd. There is a risk that some service users may initially find this transition difficult. The new provider will be expected to work closely with the current provider, and service users, to ensure that appropriate support is in place, both during the implementation period and beyond, to help service users manage the transition to the new premises.
- 3.4 The contracts to be awarded are three 3-year block contracts with the option of three 12-month extensions. A total of 25 placements will be available across all three contracts.
- 3.5 The total annual value of the three contracts is £622,607. The total value of all three contracts, including all extensions is £3,735,642. The annual value of the new contracts represents a 10% efficiency.
- 3.6 The current tender was carried out as a restricted procedure. Initially, nine organisations submitted PQQs. The PQQ stage was extended, in line with Procurement rules, due to an error in the published specification which stated that CQC registration was required in order to deliver the service. Following amendment to the specification, an additional six organisations submitted PQQs, amounting to 15 in total. Nine organisations met the minimum requirements at PQQ and were invited to tender. Of these, four submitted a completed tender. Those who did not submit a tender cited property requirements and not being able to deliver as the reason for not proceeding.
- 3.7 The tenders submitted were evaluated to determine the Most Economically Advantageous Tender on the basis of 70% quality and 30% cost.
- 3.7.1 The tender for Mental Health Supported Accommodation comprised of three Lots. Organisations were able to tender for any or all Lots.
- 3.7.2 Each contract has been awarded to the Most Economically Advantageous Tender based on the criteria of 70% quality and 30% cost, broken down as follows:

Tender award criteria	Weighting
Cost:	30%
Each price measured against the lowest sustainably priced tender submitted. The lowest priced tender will achieve the maximum score	30%
Quality:	70%
2.1 Proposed model of care Bidders were asked to describe their service model for the proposed delivery of service, The objectives and outcomes of the service outlined in the service specification. Bidders were asked to explain how the model they had proposed would lead to the delivery of the required outcomes. Commissioners, highlighted, bidders should describe how they would work collaboratively with service users to promote rehabilitation and recovery; encourage and support independence for as long as possible, and maximise life opportunities for service users. Bidders were also asked to describe how there model of care would address the needs of individuals that have a range of complex care needs including moderate to severe mental health, physical health, challenging behaviour, and in some cases substance misuse.	25%
2.2 Proposed Support Plan Bidders were asked to submit templates of their organisations support plans	5%
2.3 Proposed approach to quality management of performance and outcomes Bidders were asked to describe how they would measure and use performance outcomes information to improve and develop the service both in terms of their work with service users and the development of staff.	20%
2.4 Proposed approach to service user engagement and activities Bidders were asked to describe how they had conducted service user engagement in all aspects of their care and support provision, and how their service user feedback would be used to improve existing service provision.	5%
2.5 Proposed approach to service user engagement and activities Bidders were asked to describe how the systems they have in place, would enable service users and their carers to voice complaints, and give compliments as well as provide feedback of any issues of concern.	5%
2.6 Proposed approach to safeguarding and risk management Bidders were asked to describe how their policies would ensure services were safely run, and safeguarding concerns get identified and are appropriately addressed. Bidders were asked to give examples of how these policies would be implemented. As part of the bidders response to the question, commissioners were looking for bidders to include details of health and safety provision, where the service will be delivered from (e.g. details of assessments, security systems on site, and any planned preventative maintenance).	10%
Total	100%
	100%

The results of the tender evaluation are set out in the Exempt appendix.

- 3.8 TUPE will apply to this contract and the appropriate TUPE information was included in the tender documents.

4. Implications

4.1 Financial implications

Islington Council and Islington Clinical Commissioning Group (CCG) contribute to a Mental Health Commissioning Pooled budget for the joint provision of services for people with mental health.

The recommendations of the report are to award Lot 1 to Peter Bedford Housing Association, and Lot 2 & 3 to St Martin of Tours. The current services are funded from the pooled budget and the new contracts will not result in a financial pressure for either party.

The annual current cost of these services is £689,726, and the new services will cost £622,607 per annum. This represents a saving of £67,119 per annum which will go towards the department's Medium Term Financial Strategy (MTFS) savings plan. It is planned that this will result in reduction to the Council's contribution to the pooled budget but will not produce a reduction to the CCG contribution from 1st April 2016. The contract is to be awarded for three years, with the option of a further 3 year extension (on a year by year basis). The saving over the maximum length of the contract will be £402,714.

Any TUPE cost implications that may arise from the contracts will be met from existing resources.

4.2 Legal Implications

The council has power to provide mental health supported accommodation services 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 mental health supported accommodation services under section 1 of the Local Government (Contracts) Act 1997.

These services were procured under the Public Contracts Regulations 2006 (the 2006 Regulations) and the Procurement Strategy was approved by the Executive at its meeting on 12th February 2015. The threshold for application of the 2006 Regulations was £172,514. The value of the procured contracts was above this threshold. These services fall within Part B of the 2006 Regulations. Although Part B services do not need to strictly comply with the provisions of the 2006 Regulations, there is a requirement under EU rules for part B 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 £100,000 to be subject to competitive tender. In compliance with the principles underpinning the 2006 Regulations and the council's Procurement Rules the contracts were advertised with a call for competition and procured using a competitive tender process. Bids were subject to evaluation in accordance with the tender evaluation model. The highest scoring tenderers were Peter Bedford Housing Association for Lot 1 and St Martin of Tours for Lot 2. In relation to Lot 3 only a single tender was received from St Martin of Tours and it met the requirements for the council. Accordingly the contracts may be awarded to these service providers as recommended in the report.

In deciding whether to award the contracts to the recommended service providers the Executive should be satisfied as to the competence of the suppliers to provide the services and that the tender prices represent value for money for the Council. In considering the recommendations in this report members must take into account the information contained in the exempt appendix to the report.

4.3 Environmental Implications

An environmental impact assessment was carried out on 1 December 2014. The main environmental impacts of this procurement are associated with the management of the buildings, including energy used for heating, hot water and appliances, water use and waste generation. Where the sites have garden areas, consideration should also be given to improving biodiversity habitats.

4.4 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 (RIA) was completed on 2 December 2014.

The Resident Impact Assessment identified that there would be no differential impacts. This decision was made because the service being re-tendered would have no disproportionate impact on any of the equality groups accessing the mental health supported accommodation service or working in the service.

5. Conclusion

5.1 The existing mental health supported accommodation services will end 31 March 2016.

5.2 There continues to be a need in Islington for this type of service. The Council has an obligation to meet the needs of those assessed as having eligible care needs under its eligibility criteria, which has been specified using the eligibility framework set out in the Care and Support (Eligibility Criteria) Regulations 2014

Appendices

Appendix 1 - Contract Award for Mental Health Supported Accommodation - Exempt

Final report clearance



Signed by: Executive Member for Health and Wellbeing

Date: 8 December 2015

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