



Key Decision Report of the Interim Corporate Director of Housing & Adult Social Services

Officer Key Decision	Date: 27 February 2019	Wards: All
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Delete as appropriate	Exempt	Non-exempt
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SUBJECT: Procurement Strategy for Forensic Mental Health Accommodation

1. Synopsis

- 1.1 This report seeks pre-tender approval for the procurement strategy in respect of Forensic Mental Health Accommodation Service in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2 This contract will provide a residential care service and step-down supported accommodation, for men aged 18-65 years with complex mental health needs, who have been in contact with the criminal justice system services as a result of their mental ill-health, and have had stays in a secure hospital or prison setting. The service delivers long term support, rehabilitation and recovery, enabling residents with long-term mental health problems to lead fulfilling lives in the community, maximising life opportunities and independence. Over a period of time, residents will be assisted in stepping down to lower levels of support, allowing greater levels of independence.

2. Recommendation

- 2.1 To approve the procurement strategy for Forensic Mental Health Accommodation as outlined in this report.

3. Date the decision is to be taken

27 February 2019.

4. Background

- 4.1 Nature of the service

- 4.1.1 This service will provide residential care and step down supported accommodation for adults with Care Act eligible mental health needs. Staff will be on-site 24 hours a day, seven days a week and will provide support to develop skills for independent living and to engage with the community. As the step down accommodation is an independent-living style project, staff are not expected to be physically on site 24 hours a day but should be able to be on site within five minutes of a call out being made traveling by foot only.
- 4.1.2 The existing services in scope of this procurement are eight forensic residential care units and three units of forensic step-down accommodation.
- 4.1.3 The borough continues to require the provision of forensic residential care and supported accommodation for people with mental ill health. Mental health services have been developed to provide a pathway for people experiencing severe and enduring mental health problems while leaving inpatient care.
- 4.1.4 The successful service provider shall be registered with the Care Quality Commission and have requisite experience with forensic services. This service aims to facilitate the transition out of hospital or prison back into the community through providing a supportive and safe setting from which residents can continue the process of rehabilitation. Residents would be supported to step down to less intensive support within the mental health accommodation pathway, or to alternative housing options, wherever possible.
- 4.1.5 The step-down accommodation service will support people who are stepping down from residential care towards independent living but still require support in order to maintain their tenancies, manage secondary diagnoses such as substance misuse, and prevent hospital relapse or re-offending and to live independently within the community.
- 4.1.6 Comprehensive support plans will be in place to ensure residents have the right support to maintain and/or enhance the skills they already possess including the following areas:
- Daily life skills for independent living
 - Engaging with social and/or recreational activities
 - Finance and budgeting
 - Maintaining health and wellbeing, including engaging with specialist mental health services and specialist substance misuse services
 - Medication management
 - Nutrition.
- 4.1.7 The contract will combine two current services: forensic residential care, and forensic step-down accommodation service.
- 4.1.8 Both services are currently delivered by the same provider who is also the landlord for both properties. Any new provider would need to provide their own property in order to deliver the service.
- 4.1.9 The Mental Health Commissioning Team will undertake engagement activity with current residents by February 2019 to develop the service specification, and service outcomes.

4.2 Estimated Value

- 4.2.1 The Forensic Residential Care service is currently funded from the Mental Health Commissioning Pooled Budget, to which both Islington Council and Islington CCG contribute. The Forensic Step-down Accommodation Service is currently funded through the Mental Health Spot Placements budget. The budget for that service would be transferred to the Mental Health Commissioning Pooled budget for the new contract.
- 4.2.2 The estimated annual spend for this contract, including both services, is anticipated to be £450,000 revenue. The council will match any increase in line with London Living Wage uplift throughout the life of the contract.
- 4.2.3 The proposed contract length is two years, plus two extensions of 12 months each, subject to performance and available funding. The total spend across the full contract period, including all extensions, is not expected to exceed £1,800,000.
- 4.2.4 The two services will be commissioned as one contract and will be funded through the Mental Health Commissioning Pooled Budget.

4.3 Timetable

- 4.3.1 Both current contracts within scope of this procurement end on 31 March 2019 and contract extensions are being implemented with an expiry of 31 July 2019.
- 4.3.2 The following deadlines must be reached:

Corporate Director approval of procurement strategy	27 February 2019
Advert and ITT Published	March 2019
ITT Evaluation	April 2019
Corporate Director approval of Contract award	29 May 2019
Anticipated contract start	1 August 2019

4.4 Options appraisal

- 4.4.1 The following procurement routes have been considered:
- Utilising an existing framework agreement
 - A competitive tender using a two stage restricted procedure
 - A competitive tender using the open procedure
 - Collaboration
- 4.4.2 We do not have any existing framework agreements for mental health residential care or supported accommodation in the borough, and so this option has been discounted.
- 4.4.3 The preferred procurement route is a competitive tender through the open procedure. This was deemed to be most appropriate as there are anticipated to be a smaller number of organisations within the market, who could deliver this type of service and provide buildings.
- 4.4.4 The requirement for the provider to have a suitable property in-borough is a challenge due to the lack of available buildings in Islington. The value of the contract means there is a requirement to advertise this contract opportunity on the Official Journal of the European Union (OJEU). The contract will also be advertised on the London Tenders Portal, Contracts Finder, and the council's website.

4.4.5 Collaboration through a joint procurement with a neighbouring borough was considered, as this service has been previously joint commissioned, however other parties were not interested in carrying out a joint procurement at this time.

4.5 Key Considerations – References to social value and impact on staff

4.5.1 Social value

In addition to the local economic benefits of the service being provided in Islington, social benefits of the service place an emphasis on the following:

- the service being part of the fabric of the local community, supporting and encouraging service users to make use of local health and social support services;
- engagement with relevant third sector services;
- supporting service users to sustain local links with family and friends and;
- making better use of community resources to support good mental health, coping strategies, and living skills.

The following additional opportunities for social value have been identified and will be undertaken as part of the new contract:

- Support and promote purchasing from the local supply chain where possible.
- Support and encourage the adoption of specific workplace health initiatives.
- Building relationships and partnerships with the local neighbourhood and enabling inclusion of vulnerable adults within their local community, through community-based activities and taking a proactive approach to managing and reducing anti-social behaviour within the local area.
- Reducing the environmental impact of the service, where possible, including monitoring energy and water usage, as well as maximising recycling and ensuring compliance with waste legislation.

4.5.2 London Living Wage

London Living wage (LLW) currently applies to all commissioned services and successful bidders will be contractually obliged to pay LLW or above.

4.5.3 Best value

The service will implement a robust performance monitoring framework so that value for money, quality, outcomes and cost effectiveness can be assessed. The monitoring framework will include activity levels, evidence of outcomes achieved, as measured against the desired service KPI outcomes in the service specification and individual support plans. Expenditure against the service budget will also be required. Service user feedback and use of resources will be monitored by commissioners on a scheduled basis and as required. Regular contract monitoring reviews will take place and the provider will, quarterly, submit information on the service provided. This process allows for continuous improvement and service development.

4.5.4 Economic, social and environmental sustainability

The service will promote social inclusion and reduce social isolation, supporting people to lead healthier, fulfilling lives in the community, maximising life opportunities and independence. The service will support income maximisation, maintenance of tenancies and access to

training and employment. An environmental impact assessment will be completed during the preparation stage.

4.6 Evaluation

4.6.1 The tender will be conducted in one stage, known as the Open Procedure, as the tender is 'open' to all organisations who express an interest. The Open Procedure includes minimum requirements which organisations must meet before the rest of their tender is evaluated.

4.6.2 The contract will be awarded to the Most Economically Advantageous Tender (MEAT), based on 30% cost and 70% quality with the following award criteria:

	Weighting %
Cost	30%
Quality – made up of:	70%
Proposed approach to service model and delivery	30%
Proposed approach to service user engagement and involvement and social value	15%
Proposed approach to workforce management and contract mobilisation	10%
Proposed approach to safeguarding and risk management	15%
Total	100%

4.7 Business Risks

4.7.1 Tender Failure

There is a risk that the quality of tenders may not be suitable, or that costs may exceed the allocated budget. In addition to this, potential providers may not be able to provide an appropriate property for the service to take place.

4.7.2 Risks in the transition to the new service delivery model

If there is a change in provider the transition to any new service will need to be carefully managed to ensure continuity of support and to manage any service user anxieties arising from a change in support provider. Consequently, the transition to a new service would be carried out in conjunction with service users, carers and family members (where appropriate).

4.8 The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.

4.9 The following relevant information is required to be specifically approved by the Executive in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1 Nature of the service	Residential care and step-down accommodation service in Islington for adults with severe and enduring mental health needs who have been engaged in the Criminal Justice System. See paragraph 4.1
2 Estimated value	The estimated annual value is £450,000. The agreement is proposed to run for a period of two years with an optional extension for a further two years (of separate 12-month periods) The estimated total value is £1,800,000 See paragraphs 4.2.1 – 4.2.4
3 Timetable	See paragraph 4.3
4 Options appraisal for tender procedure including consideration of collaboration opportunities	The preferred procurement route is a competitive tender using the open procedure through the Council processes. See paragraph 4.4
5 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	See paragraph 4.5
6 Award criteria	Cost 30% Quality 70% The award criteria price/quality breakdown is described further within the report. See paragraph 4.6.2
7 Any business risks associated with entering the contract	Key risks are: tender failure and potential risks in the transition to a new service. See paragraph 4.7
8 Any other relevant financial, legal or other considerations.	N/A

5. Implications

5.1 **Financial implications**

The Forensic Residential Care service is currently funded from the Mental Health Commissioning Pooled Budget, to which both Islington Council and Islington CCG contribute. The Forensic Step-down Accommodation Service is currently funded through the Mental Health Spot Placements budget. The budget for that service would be transferred to the Mental Health Commissioning Pooled budget for the new contract.

The two services will be commissioned as one contract and will be funded through the Mental Health Commissioning Pooled Budget.

The current contracts have a total value of £430,000, and due to inflationary pressures that have arisen from the London Living Wage, the new contract is anticipated to cost £450,000. This will result in additional costs of £20,000 which will be funded within the Adult Social Care budget.

The proposed contract length is two years, plus two extensions of 12 months each, subject to performance and available funding. The total spend across the full contract period, including all extensions, is not expected to exceed £1,800,000.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

Any TUPE cost implications that may arise from this procurement 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)). The Care Act 2014 also provides the council with duties and powers to meet the needs for care and support of eligible adults (sections 18 and 19). The Council has power to enter into contracts with providers of such services under section 1 of the Local Government (Contracts) Act 1997.

The social care services being procured are 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 £615,278.00. The value of the proposed contract is above this threshold. The council's Procurement Rules for Light Touch Services require competitive tendering for contracts over the value of £500,000. The proposed procurement strategy, to advertise a call for competition and procure the service using a competitive tender process, is in compliance with the principles underpinning the Regulations and the council's Procurement Rules.

On completion of the procurement process the contract may be awarded to the highest scoring tenderer subject to the tender providing value for money for the council.

5.3 **Environmental Implications**

The main environmental impacts of this procurement will be associated with the management of the buildings used for the accommodation service. These include energy used for heating,

cooking and appliances, water use in the bathroom and kitchen facilities and waste generation by residents.

These can be mitigated by the provider ensuring the following:

- the building is well-insulated and uses an efficient heating system
- appliances in the building have a good energy rating
- bathroom and kitchen fittings are water efficient
- maximising recycling and ensuring compliance with waste legislation

5.4 **Resident Impact Assessment**

5.4.1 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.

5.4.2 A Resident Impact Assessment was completed in June 2018 and refreshed on 23 January 2019; the summary is included below. The complete Resident Impact Assessment is attached as Appendix 1.

Potential impact on equality of opportunity for people with protected characteristics

People with a disability (mental health)

There is a risk of breakdown in service users' mental health as a result in a potential change to service provider. There will be a clear and appropriate communications plan in place for engaging with service users and their family members prior to, during and after the completion of the procurement process. We will work with the current service provider and the mental health community team to ensure service users are supported throughout the procurement process, particularly leading up to and immediately following the transition to the new contract, should there be a change of provider.

A robust process and methodology will be in place for evaluating and assessing tender submissions, to ensure the new provider meets quality requirements.

Opportunities for advancing equality of opportunity

The new service will deliver person-centred care and support for vulnerable adults with enduring mental-illness, promoting and enabling recovery, self-care and independence.

The service will support people to improve social inclusion and ensure they make meaningful use of their time in order to support recovery, achieve greater independence and feel part of the wider community. This will include support to: access education, training or employment opportunities; identifying and accessing leisure, cultural, faith, informal learning activities; contacting external services, groups, friends and family.

Overall the proposed service will have a positive impact on vulnerable adults in Islington.

6. **Reasons for the decision**

6.1 Mental health supported accommodation services are an essential component in the delivery of a whole system approach to recovery from mental ill health and in particular, the process of rehabilitation for individuals who have had in-patient stays. These services play a vital role in supporting residents with complex mental health needs to achieve greater independence, improve their health and well-being through effective engagement with community mental health services and individualised support; and support individuals to be more active participants in the wider community.

7. Record of the decision

7.1 I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:

Interim Corporate Director of Housing & Adult Social Services **Date:** 19/2/19

Appendices

- Appendix 1 – Forensic Mental Health Accommodation Resident Impact Assessment

Background papers: none

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