

Report of: Executive Member for Health and Social Care

Meeting of:	Date:	Ward(s):
Executive	14 October 2021	All

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APPENDIX A TO THIS REPORT IS EXEMPT FROM PUBLICATION**SUBJECT: Contract Award for Mental Health Accommodation
Pathway****1. Synopsis**

This report seeks approval for the contract award in respect of the Mental Health Accommodation Pathway in accordance with Rule 2.7 of the Council's Procurement Rules.

The services are accommodation based specialist mental health supported living and residential care services for residents who experience a severe and enduring mental illness, such as psychosis and moderate/ severe depression. They enable people with eligible mental health needs to maximise their rehabilitation when moving along the pathway from hospital or other care setting to independent living in their own home. The redesign and procurement of the pathway proposed would enable people to be suitably accommodated closer to home within the least restrictive setting whilst preparing for independent living.

2. Recommendations

2.1 To approve the award of contracts for the Mental Health Accommodation Pathway Services as outlined in this report.

2.2 Table outlining contracts to be awarded, broken down by lot and provider.

Lot	Provider	Number of units	Annual value of contract	Total value of contract including all extensions
Lot 1 – Mental Health Residential Care	Rethink Mental Illness	12	£635,105.00	£4,445,735.00
	St Martin of Tours Housing Association	12	£527,994.24	£3,695,959.68
Lot 2 - High support supported living, fast track (self-contained or shared accommodation)	Look Ahead	22	£373,811.63	£2,616,681.41
	Peabody	7	£164,673.00	£1,152,711.00
	Peabody	10	£235,164.00	£1,646,148.00
	St Mungo's	21	£384,955.27	£2,694,686.89
	St Mungo's	12	£281,644.24	£1,971,509.68
	Richmond Fellowship	18	£356,522.37	£2,495,656.59
Lot 3 - High support supported living, fast track (self-contained accommodation, waking night cover)	St Martin of Tours Housing Association	12	£304,555.00	£2,131,885.00
Lot 4 - High support supported living, longer term (self-contained accommodation, waking night cover)	Look Ahead	17	£400,498.78	£2,803,491.46
Lot 5 - Medium support supported living (self-contained accommodation and shared accommodation)	Look Ahead	6	£53,039.99	£371,279.93
	Look Ahead	8	£70,719.61	£495,037.27
	Look Ahead	6	£53,040.38	£371,282.66
	St Martin of Tours Housing Association	7	£60,674.61	£424,722.27
	St Mungo's	6	£53,097.94	£371,685.58
	St Mungo's	7	£62,034.33	£434,240.31

3. Nature of the service

Mental health accommodation services house and support adults with severe and enduring mental ill health who are unable to live in their own home due to lack of skills or inability to live independently. Those entering the services originate from inpatient mental health wards, mental health rehabilitation wards, community rehabilitation units or are in mental health placements outside of the borough.

The services offer residents a clear and consistent pathway to independent living, providing them with an opportunity to reach their potential and enjoy a good quality of life. The combination of temporary accommodation, care and support, delivered closer to home rather than in and around hospital settings, or outside of Islington, enable people to learn or regain the skills and abilities necessary to live independently. The services empower residents to look after themselves, better manage their health, and build resilience. They provide residents with proactive and personalised support in a community setting, equipping them with the skills to live healthier for longer.

Islington currently block purchases 197 units via 17 contracts from 7 suppliers:

- 20 residential care places at a cost of £0.875m per annum (in borough)
- 177 supported living places at a cost of £3.271m per annum (in borough)

An additional £3.189m* is spent on spot purchased care packages. Out of this, £1.100m* is spent supporting 21 people in expensive spot purchased placements who could be supported in block contracts if there was additional capacity. The majority of the spot purchased placements are located out of borough.

**based on September 2020 forecasts*

Mental health accommodation services are funded by the Council and NHS North Central London CCG (NCL CCG).

Mental health accommodation pathway - approach and ethos

The accommodation services are arranged as a pathway with three levels of support – residential care (24/7 staff and personal care), high support (24/7 support staff) and medium support (support staff onsite every week day). There is a strong focus on recovery. Residents move into the level of provision that best meets their needs and move through the pathway as they become more independent, before moving into their own home outside of the pathway. They need not access all levels before moving to an independent tenancy. Continuous resident move through and out of the pathway is required to create the ongoing capacity needed to accommodate new referrals from hospital, other settings, or out of borough. A pathway coordinator role sitting within the council provides a single common entry into supported living and a multidisciplinary panel acts as a common entry into residential care.

Those living in the pathway have complex needs and these cannot be addressed by accommodation services working in isolation. The success of the pathway is dependent on the accommodation services working together with a range of health, social care, housing and community services across Islington to support an individual's recovery. A strong mental health accommodation pathway works to shared goals, principles and ways of working, with residents central to developing and directing their own experience. This integration and partnership

approach is a collective responsibility to be embraced by all services. There are exciting examples of innovative integrated working across organisations in the pathway, and opportunities to build on this existing good practice.

Fundamental to the pathway is a focus on the whole person, underpinned by a strengths-based philosophy that uses the person's existing independent strengths and community networks in the provision of care and support. Services have made great progress in incorporating this approach into their operations and are working to fully embed strengths-based practice.

The pathway consists of two main accommodation types:

1. Specialist mental health residential care

Specialist mental health residential care offers personal care and support throughout the day and night for the small number of people with serious mental illness and physical health needs that require a residential care service. Staff with the skillset to work with people with a serious mental illness provide meals, help with washing, dressing and administer medication, where necessary. Although the residents have physical care needs, their primary need for care and support under the Care Act relates to mental health.

2. Supported living

Mental health supported living provides housing and support services to enable people to live as independently as possible in the community. Residents live in accommodation blocks with staff onsite who proactively support them to develop skills (such as managing their health and wellbeing, managing medication, managing finances, nutrition, staying safe and building social networks) to enable them to live independently. These services do not deliver personal care.

What problems does this procurement try to solve?

A considerable amount of work has taken place in recent years to integrate the mental health pathway, embed a person centred recovery ethos, and improve efficiency. Despite this, a recent review of the pathway has shown that the current provision is not always proactively maximising people's readiness for independent living and has not evolved in recent years to adapt and keep pace with changing demand, best practice and changes elsewhere in the system. In addition to this, some of the buildings within the pathway are below the standard expected of a modern mental health accommodation service.

In summary, the existing model and infrastructure includes inefficiencies and inconsistencies. These are outlined below.

a) Out of area placements

The pathway services should enable people to be suitably accommodated within the borough with minimal need to use out of borough placements. Evidence shows that being close to family, friends, a familiar health team and local community have a positive impact on recovery. Local placements also provide better value for money, enable closer monitoring of providers and provide more positive clinical outcomes. Currently there are 19 residents living out of borough who could return to Islington if the provision was available (an additional two residents have already moved back in borough this year). In particular, a lack of local specialist mental health residential care placements is preventing people from returning to borough.

b) Waiting list

The pathway should enable quick access to accommodation, care and support to ensure that people do not spend time in unstable accommodation with inadequate support, or do not spend longer than necessary in NHS care settings, our pathway currently meets this requirement and we expect to be able to continue to do so.

c) Move through the pathway

Despite much progress, the pathway is not always working as an integrated service system that meets the needs of people in a holistic way. The mental health accommodation pathway could better support recovery opportunities and enable people to achieve independent living sooner by ensuring each component of the pathway interlinks as a whole pathway.

d) Varying levels of investment

The amount the council and CCG pay mental health accommodation service providers varies, leading to variations in value for money across services. There is inconsistency in price and quality.

e) Personalisation, choice and control

There is good evidence to suggest a strong focus on personalisation and asset based support planning which supports people's recovery. The current mental health accommodation pathway service contracts do not maximise choice and flexibility in care and support. Services are always working to a strengths-based approach.

f) Buildings

Services currently operate from multiple locations in a mixture of purposely designed buildings and designated buildings, offering self-contained flats or rooms with shared facilities. The current mix of layout and design in some buildings is dated. There is a shortage of buildings that can accommodate residents with accessibility needs.

Our Goals and Objectives

The overarching aim of the mental health accommodation procurement is to ensure that the provision of mental health accommodation services proactively work to ensure residents are equipped with the skills and capacity to live happier, healthier and more independent lives.

System goals and objectives

- People live healthy, independent lives, with access to good quality care and support when they need it
- People have the skills they need to access and sustain decent housing closer to Home
- People feel connected and have as much social contact as they want and opportunities to progress in employment
- People not able to live independently are supported to live well

Resident goals and objectives

- Residents experience the pathway's shared vision and way of doing things, and it meets their individual needs
- Residents' autonomy is maximised, they are able to thrive and contribute
- Residents are proactively supported to gain the skills necessary to move to an independent tenancy quickly, thereby minimising the time spent living in a mental health accommodation service setting
- People are supported to lead the life they want to live whilst accessing support from the

wider network of community offers, friends and family.

Recommendations

An in depth review of the mental health accommodation pathway was completed in 2019. The following recommendations incorporate the findings from that review, as well as the outcome of ninety-nine individual strengths-based reviews completed with residents out of borough or living in services affected by the proposal. They reflect current and emerging need. The recommendations have been tested and further developed with our providers, residents and other stakeholders, and were made explicit through this procurement and associated partnership working.

We have redesigned the pathway and intend to embed new ways of working - such as a strength based approach and partnership working - and procure new specialist mental health accommodation services to meet current and future needs. Residents will not be required to live out of borough when they could be accommodated in the local pathway.

The proposed future configuration of the pathway is as follows:

- Specialist mental health residential care - 24 units (increase of 4 units, compared with current provision)
- Mental health supported living - 159 units; 119 high support, 40 medium support (decrease of 15 units, compared with maximum units we set out in the procurement strategy).

The Procurement Strategy report stated a minimum of 174 supported living units would be purchased and we are recommending the award of 159 units. Commissioners undertook extensive market engagement and engaged with Registered Social Landlords. As a result, we received a positive response to the tender, however, fewer providers passed the quality requirements, resulting in a reduction in the number of places purchased.

In comparison to other London boroughs, Islington invests heavily in its NHS rehabilitation pathway and supported living pathways. Islington will still continue to provide a high number of places in the supported living pathway, and will therefore be able to absorb the reduction in the number of units. Colleagues from Camden and Islington NHS Foundation Trust and LBI Housing have reviewed the change in number of units being procured and are confident that resident needs can be met within the capacity of the pathway. They have also reported that some of the other improvements over the past few months, including taking a more strength-based approach and more collaboration between organisations/services, has seen an increased rate in the number of people who have stepped down to more independent living, we expect this trend to continue.

The underspend resulting from fewer supported living units being purchased will be held within the joint LBI/CCG pooled budget as contingency funds, should any future procurements be required due to the reduce number of units.

The pathway redesign and new mental health residential care and supported living service contracts will incorporate the recommendations from the 2019 review and resident strength based reviews in the following interlinked ways:

a) Improving efficiency of supported living

We will create additional capacity in supported living through improving efficiency. We will achieve this by creating a fundamental shift in approach in the pathway, encouraging

partnership working so services are working to shared goals and principles, as well as making use of Islington’s collective resources to ensure residents are proactively enabled to live independently. The coordinated and whole system approach to recovery and rehabilitation will reduce ongoing demand.

b) Reducing the need for out of borough placements

We will commission additional local mental health residential care places and ensure residents are proactively supported to move to independent living sooner by further embedding new ways of working, such as a strengths-based approach. These changes will ensure people are better supported closer to home.

c) Evidence based practice and values

We will embed into pathway services a more personalised approach that draws on the skills, experiences, strengths and resources of residents to help them find new and creative ways to manage their recovery. Central to this is the introduction of Individual Service Funds (ISFs) to the supported living contracts. An ISF is a sum of money managed by the support provider on behalf of the resident. The money is used to help the person achieve the outcomes set out in their support plan. It enables the providers to flexibly support each resident.

d) Buildings

Improved building stock has been sourced from which services can operate, thereby providing residents with a higher quality and homely environment. This includes a new 17 unit accommodation block consisting of self-contained flats within the Islington Council New Homes Initiative for use by the mental health pathway by Spring 2022.

e) Efficient and effective use of resources

The tender ensured consistency in price and quality across pathway services.

4. Estimated Value

The current services in the scope of this procurement are jointly funded by the council and NHS North Central London CCG (NCL CCG).

Table 1: Islington’s investment in mental health accommodation block contracts

	CCG	Council	Places	Total
Residential care block contracts	£ 428,920	£ 446,427	20	£ 875,347
Supported living block contracts	£ 1,499,846	£ 1,797,381	178	£ 3,297,227
Total	£ 1,928,766	£ 2,243,808	198	£ 4,172,574

In addition Islington Council spends £3,189,790 on spot purchased placements*, bringing the Council’s total investment in accommodation services (block and spot) to £5,433,598. Therefore the total amount spent on accommodation services across Health and Social Care amounts to £7,336,374.

The current contracts have been compared, based on quality and price, to similar contracts and contract awards to comparative London boroughs. The new contracts target fair market prices for good quality services.

The initial duration of the new contracts will be for a period of five years with the option to

extend up to a further two years (5+2).

The total annual value of the contracts is £4,017,530. Of this, £1,163,099 will be spent on residential care and £2,854,431 will fund supported living. The total contract value including all extension periods is £28,122,710.

The new contract value is a reduction on the current annual budget of £155,044 which will be held within the pooled commissioning budget as contingency.

Table 2 Islington Council’s agreed contribution from this Mental Health Accommodation Review as part of the Medium Term Financial Plan. These savings are to be achieved by reducing the number of out of area spot placements, moving residents back into the borough.

	2021-22 £000	2022-23 £000	Total £000
Mental Health (ASC03)	200	350	550
Total Saving	200	350	550

5. Options appraisal

Four procurement options were explored. These are set out below. **Option 4 was the recommended option that was implemented.**

Procurement Option 1: Re-procure services in their current form

Benchmarking All current contracts in scope will have ended within 15 months with no provision to extend. Existing services could be re-procured without any significant change in model. Benchmarking suggests the new contracts would cost more than the cost of the current contracts. Islington’s current contracts cost less than similar contracts in other boroughs.

Pros

- Deliverable by August 2021 with no disruption for residents.

Cons

- Full transformation to a strengths-based approach deferred to the next round of procurement, delaying improved outcomes for residents.
- Missed opportunity to incorporate new high quality buildings into the pathway.
- Missed opportunity to deliver financial savings by reducing high cost out of area spot placements.
- Continued shortage of in-borough mental health residential care.

Financial assessment This option does not represent value for money as it would not deliver the changes in practice or service provision needed to increase efficiency and enable residents to return from out of borough placements.

Outcome

Not recommended

Procurement Option 2: In-house service delivery

Benchmarking Nationally, the vast majority of supported living is externally commissioned.

From the Local Authorities consulted for this project, no example was identified of in-house provision. The impact of this option on quality and resident outcomes, therefore, is unknown.

Pros	Cons
<ul style="list-style-type: none"> • Ensures services share Islington’s vision and take a strengths-based approach to transform outcomes. • Enables full utilisation of the council’s local knowledge and relationships to improve community participation. • Council controls service strategy and retains flexibility to change it. • Ability to have greater control of social value. • Council retains full control to drive efficiencies/economies of scale. 	<ul style="list-style-type: none"> • Management capacity, expertise and specialisms could not be established quickly enough to maintain service quality and prevent disruption for residents. • The Council would have to source appropriate properties for all places. • Cannot benefit from the innovation offered by the specialist providers in this area. • Set-up costs and staff costs are much higher than current costs, negatively impacting on value for money.
<p>Financial assessment This option does not represent value for money due to high set-up and staff costs. It would not provide the expertise quickly enough to deliver the pathway improvements needed to enable residents to return from out of borough.</p>	
Outcome	Not recommended

Procurement Option 3: Re-procure with another borough

Benchmarking Benchmarking did not identify an instance of two boroughs re-procuring their accommodation pathways together

Pros	Cons
<ul style="list-style-type: none"> • Opportunity to share best practice and learning. • Opportunity to commission more specialist services and agree reciprocal arrangements for referral into these services. • Potential for increased value for money, achieved via economies of scale. 	<ul style="list-style-type: none"> • Timescales for procurement do not match up with those of other boroughs. • Less direct influence on service design and configuration. • Not guaranteed to meaningfully change the marketplace of providers and landlords available in the borough. • Reciprocal arrangements onerous to set up and maintain due to complexity.
<p>Financial assessment This option may deliver additional savings, the impact is not known. The council would relinquish some influence over the service design and configuration</p>	
Outcome	Not recommended

Procurement Option 4: Re-procure via competitive procedure with negotiation

Benchmarking This approach has been successfully adopted in Islington previously and by other boroughs

Pros	Cons
<ul style="list-style-type: none"> • Full transformation to a strengths-based approach leading to improved outcomes for 	<ul style="list-style-type: none"> • Shared values/priorities reliant on developing strong relationships with

residents. • Advertised procurement likely to deliver competitive prices. • Opportunity to invigorate this service area with new providers. • Recognises the strategic value of the buildings. • Presents an opportunity to bundle contracts to achieve greater efficiencies	providers. • Providers will price market risk into their bids; however, this will not likely outweigh financial benefits.
Financial assessment Modelling, based on rates identified in benchmarking, suggests that this option will achieve the most savings and deliver required outcomes	
Outcome	<i>Recommended</i>

6. Key Considerations

Social value

In addition to the local economic benefits of the service being provided in Islington, these services will provide the following additional social value to Islington borough and residents:

- The services will be part of the fabric of the local community, supporting and encouraging residents to make use of local universal health and social support services;
- The services will contribute to developing skills and tackling unemployment amongst Islington residents including excluded communities;
- Providers will deliver sound employment practice and employment rights through: evidencing progression and training opportunities for staff; implementation of equality and diversity policies; enabling security of employment for the workforce; local recruitment, including working with iWork.
- Achieving community based actions, building local relationships and partnerships, and improving equality of access through engaging a range of communities within the borough;
- Delivering the services in a way that reduces its environmental impact;
- Developing peer support opportunities, including peer support training and direct or seconded employment opportunities for peer workers.

In the tender, providers identified additional opportunities for social value that will be undertaken as part of the new contracts and some of these are highlighted below:

- A commitment to recruit a specified number of paid staff from socially/economically disadvantaged groups, including those who are NEET, ex-offenders, and those with lived experience;
- Supporting and promoting purchasing from the local supply chain where possible;
- Co-producing community events with local residents;
- Having a graduated pathway of progression for residents to move from volunteer peer support roles into paid positions, including having dedicated Peer Support Coordinators to develop these opportunities and delivering accredited training for residents.

London Living Wage

LLW will be a condition of these contracts.

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 KPIs, outcomes in the service specification and individual support plans. Expenditure against the service budget will also be required. Regular contract monitoring reviews will take place and providers will submit information on services on a quarterly basis. This process allows for continuous improvement and service development. The service specification includes provisions to ensure the provider offers continuous improvement against delivery targets, and works with commissioners and service users to co-produce a service where innovations can be quickly implemented. A new Mental Health Accommodation Pathway Provider Forum of multiple partners across the pathway, including experts by experience, housing and mental health trust colleagues, meets every two months to support shared pathway goals and principles, and improve collaboration to create additional capacity to meet ongoing demand.

Economic, social and environmental sustainability

The service will help people lead healthier, fulfilling lives in the community, reducing social isolation and maximising life opportunities and independence. An environmental impact assessment was completed during the preparation stage.

Staffing implications

TUPE may apply. If TUPE applies, this may have financial implications for successful providers.

7. Evaluation

This procurement was conducted in accordance with the Public Contracts Regulations 2015, under Chapter 3 Section 7 Social and Other Specific Services (known as the light-touch regime). Under Regulation 76 the council is free to establish a procedure, provided that the procedure is sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators (service providers). The procedure was based on a one stage tender, allowing for negotiation if deemed appropriate. As per the open procedure, any interested economic operator (service provider) could submit a tender in response to the advertisement.

Tenders were evaluated on the basis of the price and ability to deliver the contract as set out in the evaluation criteria below. The evaluation panel included an Expert by Experience representative.

Thirty-one organisations submitted tenders; of these, seventeen successfully passed the suitability assessment stage and their tenders were evaluated against the published criteria. Thirteen organisations obtained the required scores on the written method statements and were invited to the presentation stage; of those invited to present eleven met the minimum quality criteria at the presentation stage. Out of eleven providers, six are recommended for contract award.

Contracts have been awarded to the Most Economically Advantageous Tenders based on the criteria of 80% quality and 20% cost, broken down as follows:

	Weighting %
Cost	20%
Quality	80%
<p><i>Proposed approach to service model and delivery (Part 1)</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.</p>	25%
<p><i>PRESENTATION: Proposed approach to service model and delivery (Part 2)</i></p> <p><i>Only those bidders who scored a minimum of three (3) for each of the questions requiring a written response (1.1 and 1.3, and 3.1 to 3.3) were invited to give a presentation.</i></p> <p>Bidders were asked to prepare a presentation that described:</p> <ul style="list-style-type: none"> • their understanding of how women’s needs are often expressed differently and require their needs to be met in different ways to men • how they would embed approaches and practices within their work to ensure the needs of women are met. 	5%
<p><i>Proposed approach to workforce management and contract implementation (Part 1)</i></p> <p>Bidders were asked to describe their staffing and management arrangements. Bidders were asked to submit a diagram of the workforce establishment and a sample fortnightly staff rota.</p>	8%
<p><i>Proposed approach to workforce management and contract implementation (Part 2)</i></p> <p>Bidders were asked to describe how they intend to implement and commence delivery of the service during the first six months of the contract. Bidders were asked to include a project plan and risk log.</p>	2%
<p><i>Proposed approach to safeguarding and risk management (Part 1)</i></p> <p>Bidders were asked to describe how they will manage risk effectively within the service/s.</p>	5%
<p><i>Proposed approach to safeguarding and risk management (Part 2)</i></p> <p>Bidders were presented with three scenarios and were asked to explain for each scenario:</p> <ul style="list-style-type: none"> • What actual or potential safeguarding concern(s) could be arising in each of these scenarios e.g. financial, sexual, etc. • How they would respond and who they would involve. 	5%

<i>Proposed approach to service user engagement and involvement/co-production</i>	10%
Bidders were asked to describe how service user engagement and involvement/co-production will be used to shape each element of the service.	
<i>Proposed approach to social value</i>	20%
Bidders were asked to describe their proposed approach to demonstrating social value in delivery of the contract, to improve the economic, social and environmental impact on the borough of Islington.	
Total	100%

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

The appropriate TUPE information was included in the tender documents. As the recommendation includes the award of contracts to four incumbent providers, TUPE implications will only need to be considered for a proportion of the staff roles identified in the TUPE information.

8. Business Risks

Risks in transition to the new service delivery model

The transition to the new services will need to be carefully managed to ensure continuity of support and to manage any resident anxieties arising from any changes in support provider and service location. Consequently, the transition to the new services will be carried out in conjunction with residents, care coordinators, and carers and family (where appropriate). Commissioners undertook robust engagement activity with residents and their families around the changes pre-tender and in the development of the new service specification; this level of engagement will continue post-contract award and throughout the implementation phase.

Risks in contract mobilisation delays

There is currently a reported delay to the completion date for the Beaumont Rise supported living development – the exact timeframes are currently unknown but it is estimated to be complete in Spring 2022. This would have an impact on the ability to mobilise the service by the 1 February 2022, and may impact on the start dates for other pathway services, although this is yet to be determined.

This risk is outside of commissioners' control, however, members of the commissioning team attend monthly meetings with the Beaumont Rise new build team and building contractors, where risks and mitigations are discussed.

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.

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
2 Recommendations	See table in 2.2
3 Nature of the service	<p>Mental health accommodation services house and support adults with severe and enduring mental ill health who are unable to live in their own home due to lack of skills or inability to live independently.</p> <p>See section 3.</p>
4 Estimated value	<p>The total annual value of the contracts is £4,017,530.39. Of this, £1,163,099.24 will be spent on residential care and £2,854,431.15 will fund supported living</p> <p>The agreement is proposed to run for a period of 5 years with an optional extension of up to 2 years.</p> <p>See section 4.</p>
5 Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Option 4 was the recommended option that was implemented: Re-procure via competitive procedure with negotiation</p> <p>See section 5.</p>
6 Consideration of: Social benefit clauses; London Living Wage; Best value; TUPE, pensions and other staffing implications	<ul style="list-style-type: none"> • In addition to the local economic benefits of the service being provided in Islington, social benefits clauses will be in place (outlined in the report). • LLW will be a condition of these contracts where permitted by law. • The service will implement a robust performance-monitoring framework so that value for money, quality, outcomes and cost effectiveness can be assessed. • TUPE may apply. If TUPE applies, this may have financial implications for successful providers. This is being further explored with the current

	providers See section 6.
7 Award criteria	Contracts have been awarded to the Most Economically Advantageous Tenders based on the criteria of 80% quality and 20% cost. The award criteria price/quality breakdown is more particularly described within the report. See section 7.
8 Any business risks associated with entering the contract	<ul style="list-style-type: none"> • Risks in transition to the new service delivery model. • Risk in delay to service implementation due to Beaumont Rise build delays. See section 8.
9 Any other relevant financial, legal or other considerations.	See section 9.

9. Implications

Financial implications:

The Mental Health Accommodation Review project brings together contracts from across various budgets.

Area Block Contracts	Total Budget	LBI	CCG
Hanley Gardens & Caledonian Road	£1.135m	-	£1.135m
Mental Health Housing Related Support	£1.515m	£1.468m	£0.047m
Mental Health Commissioning Pool – Residential & Supported Accom	£1.523m	£0.777m	£0.746m

Islington Council also spends £3.189m on Residential and Supported Accommodation spot purchased care packages.

It was anticipated that the Mental Health Accommodation Review would contribute £0.550m efficiency and commissioning saving to the Medium Term Financial Plan.

The current expenditure budgets for all of the contracts within the Accommodation Pathway Review amount to £4.173m. The proposed new annual contract values amount to £4.018m. This creates an underspend of £0.155m which will be held in the Mental Health Commissioning Section 75 Pooled Budget for future procurements.

As part of this review process, individuals have been identified as being ready to move on from the pathway in this financial year, and others in spot purchased out of borough care packages

have been identified as suitable for these places. Savings will also be made through the improved flow in the Mental Health Accommodation Pathway which will enable residents to be discharged quicker than they currently are. This will result in a saving of £0.550m.

Finance attend regular project progress meetings and the Project Steering Group and will continue to monitor and report progress on any costs and savings involved.

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 tender will need to be met by existing resources outlined above.

Legal Implications:

- a) The council has power to enter into these proposed Mental Health Accommodation Pathways contracts pursuant to the discharge of its statutory duties under the Care Act 2014 and section 1 of the Local Government (Contracts) Act 1997.
- b) The estimated total value of the procurement (c£28m) is above the current financial threshold for services contracts under the Public Contracts Regulations 2015. Accordingly, the contracts have been advertised and procured via a legally compliant route, namely the Open Procedure combined with negotiation. It will be necessary to publish the requisite public Contract Award Notices.
- c) The contracts have an estimated value which exceeds the delegated authority of the Corporate Director as set out in Procurement Rule 18 (£2 Revenue spend); these Contract Awards will therefore be approved by the Executive.

Environmental Implications and contribution to achieving a net zero carbon Islington by 2030:

There are several environmental implications of supported accommodation services. 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. As well as carbon emissions from staff travel.

These can be mitigated by ensuring the building is well-insulated and uses an efficient heating system, ensuring 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.

The successful providers demonstrated in the tender how they intend to minimise the environmental impact of the service/s, and have in place Environmental Sustainability Policies to support Islington in becoming a zero-carbon borough. Additional mitigations put forward by providers include:

- Setting specific environmental KPIs and targets for staff and residents to meet.
- Using economy settings on dishwasher appliances, installing more water-efficient washing machines, and installing energy-saving printers and photocopier devices.

- Operating a paperless service, using online systems rather than printing.
- Using low energy lightbulbs.
- Encouraging staff to use public transport and promoting a cycle to work scheme.
- Keeping neighbourhoods safe, clean and tidy by proactively managing neighbourhood issues and litter picks.

9.4 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 initially completed on 19th October 2020. A re-refresh of the RIA was undertaken in August 2021, following further engagement with residents and family members. The revised RIA is appended and a summary included below.

Potential impact on equality of opportunity for people with protected characteristics

People with a disability - mental health

The transition to new accommodation may impact on some residents' health and wellbeing.

Mitigation: We will work with current and new service providers and community mental health teams to ensure service users are supported throughout the procurement process and particularly leading up to and immediately following the transition to the new service. A robust process and methodology was followed for evaluating and assessing tender submissions, to ensure the new provider/s meet quality requirements, and there was an expert by experience representative on the evaluation panel. Where there is a change in provider some staff may transfer to the new service and this would bring continuity of care and support.

Opportunities for advancing equality of opportunity

People with a disability - mental health

We need to redesign and modernise our mental health supported living and residential care services so they are more flexible, scalable, and efficient. We want to develop services that are designed to support people in a strengths-based way, focussing on individuals' strengths and aspirations, and improving outcomes for people who use services, effectively supporting recovery and move on.

The new services will improve the standard of accommodation for vulnerable residents with long-term mental health conditions that:

- Offers high quality environments, are not institutionalised and that meet needs with a strength-based approach
- Meets different levels of need, including physical health needs
- Provides buildings that are more accessible with some ground floor accessible units and accessible en-suite bathroom facilities, which current services cannot offer.
- Provides more modern home environments, driving up the standard of people's homes and

improving dignity and privacy.

The new services will support people with severe and enduring mental illness to improve social inclusion and ensure that they make meaningful use of their time in order to achieve more independence and feel part of a community. This may include support to: access education, training or employment; identifying and accessing leisure, cultural, faith, and informal learning activities; and contacting external services, groups, friends and family.

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

10. Reason for recommendations

This report recommends awarding new contracts as part of the redesign of the accommodation pathway, which includes embedding new ways of working - such as a strength based approach and partnership working - and procuring new specialist mental health accommodation services to meet current and future needs. The redesign includes additional investment in local mental health residential care. It will enable people currently placed in expensive out of area residential care placements to return to borough.

The changes to supported living services will also ensure people are better supported closer to home. The holistic, coordinated and whole system approach to recovery and rehabilitation will reduce ongoing demand and crisis access to health, housing and social care services. It will also increase efficiency within the pathway.

Appendices

- Appendix A - Mental Health Accommodation Pathway Services Contract Award - **EXEMPT**
- Appendix B – Resident Impact Assessment

Background papers: None

Final report clearance:

Signed by:



30 September 2021

Executive Member for Health and Social Care Date

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