

Adult Social Care
222 Upper Street
London N1 1XX

Report of: Corporate Director of Adult Social Care

Date of Decision: 30 November 2022

Ward(s): All

Subject: Contract Award for Mental Health Crisis House Service

1. Synopsis

- 1.1. A procurement process has been concluded for the provision of a 12 bed residential Crisis House service to provide short-term (up to 14 days) 24-hour support and treatment in a community, home-like setting for adults who are experiencing, or at risk of moving into, mental health crisis.
- 1.2. An interim 24 month contract (until 25 March 2025) will enable the council to conduct a strategic commissioning review of mental health crisis services, to inform future commissioning intentions and the development of a comprehensive procurement strategy for future crisis prevention offer in the borough. The rationale for the review is set out in Section 4.1 of this report.

2. Recommendations

- 2.1. To approve the contract award to Hestia Housing and Support to provide a Mental Health Crisis House Service as outlined in this report.
- 2.2. The contract will be for period of 24 months at an annual value of £731,867. The total value for the entire duration of the contract is £1,463,734.

3. Date the decision is to be taken

- 3.1. 30 November 2022

4. Background

4.1. Nature of the service

4.1.1. Islington's Adult Social Care vision is to help people live healthy, independent lives, with access to good-quality care and support when they need it; including the availability of high quality, accessible mental health care and support for all.

4.1.2. Islington Council currently commissions a 12-bed crisis house service, where people can stay for up to 14 days. The current service is delivered by a voluntary sector provider who sub-contract Camden and Islington NHS Foundation Trust (C&I) to deliver clinical input. The current contract was issued on 26 March 2018 and ends on 25 March 2023.

4.1.3. The service ensures safety and supports recovery by offering:

- timely skilled assessment, treatment, psychosocial interventions, and practical support to address health and social care needs for those in crisis, or at risk of moving into crisis
- structured support planning and crisis planning that promotes access to mental health and universal services that support resilience building, self-management on discharge, maintenance of wellbeing and prevent future crisis
- identification and support for carers

The service allows early and quick access and management of a mental health crisis or relapse. The crisis house is an alternative care pathway to hospital which provides a more flexible response, in the least restrictive setting, for those who can be managed in a community setting.

4.1.4. This Crisis House is part of the mental health community crisis pathway in Islington. The mental health crisis prevention pathway provides a vital role in providing urgent mental health support to prevent a mental health crisis developing or preventing escalation of mental health problems in order to avoid distressing A&E presentations and/or an inpatient admission, and the maintenance of a person's wellbeing to prevent future crisis. In preventing crisis escalation and supporting residents to maintain and develop personal independence and resilience skills, the Crisis House also reduces the burden on adult social care services by preventing the need for social care involvement to manage escalating crises in the community.

4.1.5. Considerable work has taken place in recent years to deliver an range of services to address mental health crisis prevention, drawing on the strengths of both the Voluntary and Community Sector (VCS) and NHS mental health services. However, the investment and development of crisis prevention services has taken place in a piecemeal way as evidence developed and funding became available.

There is an opportunity to review the elements what improvements can be made to integrate these services more fully. Therefore this contract has been procured for a period of two years commencing 26 March 2023 to 25 March 2025 to allow for a strategic commissioning review of the crisis services, undertaken in partnership with North Central London Integrated Care board (NCL ICB), to inform future commissioning intentions and develop a comprehensive procurement strategy for future crisis offer. An in-depth review is required to ensure investment and resources are being distributed correctly across the crisis pathway, ensuring we have a fully integrated model that supports Islington residents at home, at the right time and in the most effective way.

4.2. **Estimated value**

- 4.2.1. The service will be joint funded by Islington Council and NCL Integrated Care Board (ICB), through the pooled mental health budget.
- 4.2.2. The current contract has been compared, based on quality and price, to similar contracts and contract awards in London boroughs and other areas in England. The new contract targets a fair market price for a good quality service.
- 4.2.3. The duration of the contract will be for a period of two years with a one year break clause.
- 4.2.4. The annual value of the contract is £731,867. The total contract value for the full duration of the contract is £1,463,734. The new contract value is a reduction on the current annual budget of £15,626 which will contribute to Adult Social Care savings as part of the Council's Medium Term Financial Strategy.

4.3. **Options appraisal**

Four procurement options were explored:

Option	Recommendation
Option 1 - Do not reprocure crisis house provision, allow the contract to expire on 25 March 2023 and cease commissioning the service.	Not recommended.
Option 2 - Deliver service in-house.	Not recommended.
Option 3 - Procure an external provider to deliver crisis house provision with a contract for up to five years	Not recommended.
Option 4 - Procure an external provider to deliver crisis house provision for a shorter-term contract	Recommended option.

(two years maximum with break clause available at the end of year one).	
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A more detailed options appraisal was included in the procurement strategy, approved by the Director of Adult Social Care on 1 August 2022.

4.4. **Key Considerations**

Social Value

The successful provider outlined in their tender a range of commitments regarding contributing to towards social value:

- Providing workplace benefits that enhance quality of life and wellbeing and promote good mental health of staff.
- Achieving community-based actions, such as partnership working with other local community services, VCS organisations, community groups/resources, and making use of shared spaces within the crisis house building.
- Contribution to developing skills and tackling unemployment amongst Islington residents including excluded communities, commitments around training and upskilling of staff, and voluntary/peer support opportunities within the service for people with lived experience.
- Environmental and bio-diversity considerations including reducing waste and limiting energy consumption.

London Living Wage

LLW will be a condition of the contract.

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 the provider will submit information on the service 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.

4.5. **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 tender was 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.

Four providers submitted tenders, of which three met the minimum requirements of the suitability assessment and their method statements were evaluated against the published criteria. All three providers whose method statements were evaluated, obtained the required scores and their pricing schedules were evaluated. One provider is recommended for contract award.

Tenders were evaluated on the basis of the price and ability to deliver the contract as set out in the evaluation criteria below. The contract award is based on the Most Economically Advantageous Tender based on 80% quality (of which 20% was allocated to social value), and 20% cost.

Award criteria	Weighting %
Cost	20%
Quality	80%
Proposed approach to delivery of the service model	30%
Proposed approach to Social Value	20%
Proposed approach to Safeguarding and Risk Management	10%
Proposed approach to Service User Engagement and Co-production	10%
Proposed approach to Partnership Working	5%
Proposed approach to Service Implementation	5%

4.4.4 This report recommends awarding the contract to the organisation that had the highest combined score for cost and quality. The results of the tender evaluation are set out in the Exempt Appendix A.

4.6. Business Risks

Risk	Mitigation/s
Service users unhappy with short-term commitment to continuing the crisis house model	Engagement with people who have used/may use the service, has included seeking their views on the crisis house offer and communicating a commitment to ensure we are making the best use of the resources. Communication to service users is clear that no decisions have been made and further

	<p>engagement will take place over the coming two years.</p> <p>Commissioners engaged with people who have accessed the service regarding the proposed re-procurement and the proposed service model.</p> <p>Service users will be kept up to date with the procurement as it progresses.</p>
<p>Risks in transition to the new service provider</p>	<p>Sufficient time for contract mobilisation has been built into the procurement process to allow for a smooth handover from the current to the new service provider.</p> <p>The new provider will implement a robust mobilisation plan and risk log, and will meet regularly with Commissioners to monitor progress against this plan and resolve any key risks/issues.</p> <p>The transition to the new service provider will need to be carefully managed to ensure continuity of support to people accessing the crisis house service during the mobilisation period and to manage any service user anxieties arising from the changes in support provider.</p> <p>The transition to the new service provider will be carried out in conjunction with service users, the Crisis Resolution Team, and carers and family (where appropriate).</p>

- 4.7. 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. All tenders were assessed as being compliant with the above legislation.

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

Relevant information	Information/section in report
1. Nature of the service	<p>The Crisis House provides short-term (up to 14 days) 24-hour support and treatment in a community, home-like setting to those who perceive themselves to be in, or are at risk of moving into, mental health crisis.</p> <p>See section 4.1</p>
2. Estimated value	<p>The annual value of the contract is £731,867. The total contract value for the full duration of the contract is £1,463,734.</p> <p>The agreement is proposed to run for a period of two years with a break clause option to terminate the contract after year one.</p> <p>See section 4.2.</p>
3. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>An options appraisal was included in the procurement strategy, approved by the Director of Adult Social Care on 1 August 2022.</p> <p>The recommended option was to re-procure via competitive tender and issue a contract for two years, with a break clause option to terminate the contract after year one.</p> <p>See section 4.3</p>
<p>4. Consideration of:</p> <ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	<ul style="list-style-type: none"> • The successful provider outlined in their tender a range of commitments regarding contributing to towards social value • LLW will be a condition of the contract. • 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 to the contract.

	See section 4.4.
5. Award criteria	<p>The contract has been awarded to the Most Economically Advantageous Tender based on the criteria of 80% quality and 20% cost. The award criteria price/quality breakdown is more particularly described within the report.</p> <p>See section 4.5</p>
6. Any business risks associated with entering the contract	<ul style="list-style-type: none"> • Residents unhappy with short-term commitment to continuing the crisis house model • TUPE implications – TUPE may apply <p>See section 4.6</p>
7. Any other relevant financial, legal or other considerations.	See section 6.

6. Implications

6.1. Financial Implications

- 6.1.1. The Mental Health Crisis House Service budget sits within the Mental Health Commissioning Pool within the Adult Social Care Budget. This is a S75 arrangement between the London Borough of Islington and NCL ICB. The Council contributes £381,221 (51%) and the ICB contribute £366,272 (49%). The budget for this service for 2022-23 is £747,493
- 6.1.2. The new contract value will be £731,867, which is a reduction on the current annual budget of £15,626 which will contribute to Adult Social Care savings as part of the Council's Medium Term Financial Strategy
- 6.1.3. The length of the contract is two years with a break clause option for the council to terminate the contract after year one. The maximum cost of the contract over the full two year period will be £1,463,734.
- 6.1.4. Payment of London Living Wage is already a requirement of the contract and should not result in any additional costs.

6.1.5. Any TUPE cost implications that may arise from this tender will have to be met by existing resources outlined above.

6.2. **Legal Implications**

6.2.1 This report seeks approval of the contract award for a 2 year contract (with break clause option to terminate the contract after year one) for a Mental Health Crisis House Service for adults.

6.2.2 The services referred to in the body of this Report are provided pursuant to the council's statutory duties under the Mental Health Act 1983, the Health and Social Care Act 2012 and the Care Act 2014.

6.2.3 The Local Government Act 1999, requires the council to make arrangements to achieve Best Value in the exercise of its functions when considering a service provision, which includes the services detailed in the body of the report.

6.2.4 The value of the contract for the Mental Health Crisis House Service for adults is £1,494,986 (£747,493 per year) and is subject to the light touch regime set out in Regulations 74 to 76 of the Public Contracts Regulations 2015 (as amended) (PCR). The threshold for the light touch regime is currently £663,540 therefore the value of the proposed contract is above this threshold.

6.2.5 The Transfer of Undertaking Protection of Employment Regulations 2006 (TUPE) apply where service provision changes from one contractor to a new contractor and the activities being transferred are fundamentally the same as the activities being carried out by the previous contractor. Where TUPE apply the council will need to ensure that it complies with TUPE regulations.

6.2.6 The procurement complied with the council's Procurement Rules. Procurement Rule, 1.7 band (iv) (b) requires "a formal tender process with a minimum of five (5) written competitive tenders". The open procurement procedure has been used.

6.2.7 Procurement Rule 24.2 states that all contracts over £24,999 will need formal conditions prepared or agreed by the Legal Services Team. Legal Services will provide advice and support on the form of contract.

6.2.8 Under Procurement Rule 18, Corporate Directors have the power to procure and award the contracts using revenue spend of up to £2,000,000.

6.2.9 The decision maker can approve the recommendation in this report provided they are satisfied with the contents of the report and the recommendation represents best value for the council.

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

- 6.3.1. The re-procurement of the Mental Health Crisis House Service for adults will have a negligible impact on the current existing levels of carbon emissions and will not produce any additional Environmental Implications.
- 6.3.2. As a commissioned service, it will be delivered in-line with London Borough of Islington's net zero carbon policy.
- 6.3.3. As the service is accommodated in a Council building, any equipment supplied and used will be as energy efficient as possible, subject to the acquisition and provision by Facilities and Digital Services, who will help to minimise energy consumption and maximise the use of renewable energy.
- 6.3.4. There will be no generation of hazardous waste and the service will comply with the Council's policy and procedures for waste minimisation and recycling.
- 6.3.5. The Council is committed to engaging residents and partner health sector organisations in their drive to meet emission reductions as part of the Net Zero Carbon 2030 Programme – recommended environmental improvements to the Service will be introduced, where feasible.

6.4. Equalities Impact Assessment

- 6.4.1. 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.
- 6.4.2. An Equalities Impact Assessment is not required in relation to this report, because an Equalities Impact Screening Tool was completed in March 2022, which indicated that the impact on residents across all protected characteristics would be neutral or positive and therefore a full EQIA is not required.

7. Conclusion and reasons for the decision

This report recommends awarding a new contract to Hestia Housing and Support for the delivery of the Mental Health Crisis House Service for up to two years from 26 March 2023. Hestia were assessed as being the most economically advantageous tender in respect of both quality and price. This will enable

residents to continue to access support and treatment quickly and easily during early crisis and/or relapse phase. During the contract term, a full review of the service will be completed within the context of the wider crisis pathway, including exploration of building options and balance of investment in the crisis alternative and prevention services.

8. Record of the decision

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

Signed by:

Director of Adult Social Care

Date: November 2022

Appendices:

- Appendix A: Exempt appendix
- Appendix B: EQIA Screening Tool

Background papers:

- N/A

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