

Revised 16/10/23

Strategic Commissioning and Investment

222 Upper Street

London N1 1XR

Report of: Executive Member for Health and Social Care

Meeting of: Executive

Date: 19 October 2023

Ward(s): All

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## SUBJECT: Procurement Strategy for Mental Health Employment Support Service

### 1. Synopsis

- 1.1. This report seeks pre-tender approval for the procurement strategy in respect of Islington's Mental Health Employment Support Service in accordance with Rule 2.8 of the Council's Procurement Rules.
- 1.2. The Mental Health Employment Support Service will provide specialist support to residents with a mental illness in Islington to obtain and maintain paid employment.

### 2. Recommendations

- 2.1. To approve the procurement strategy for the Mental Health Employment Support Service as outlined in this report.
- 2.2. To delegate authority to award the contract to the Director for Adult Social Care following consultation with the Executive Member for Health and Social Care.

## 3. Background

- 3.1 North Central London (NCL) Integrated Care System (ICS) has the highest prevalence of Serious Mental Illness (SMI) compared to ICSs across London and England<sup>1</sup>. Diagnosed SMI prevalence is particularly high in Camden and Islington. SMI prevalence has been increasing in recent years, and if the current trajectory continues, we expect to have just over 4,000 individuals with diagnosed SMI in Islington by 2030, an increase of over 100 individuals.
- 3.2 A higher than average proportion of Islington's working age population claim sickness and disability benefits (13.1% in 2020) and more than half of those claims are due to mental ill health. Employment outcomes for those with complex mental health needs under the Care Programme Approach<sup>2</sup> in Islington is 6%, below the national average (9%) and London average (7%). Nationally, there is a significant gap in the number of those in employment between the general population and people with severe mental illness; people with severe mental illness have a 6% rate of employment versus 75% in the general population.<sup>3</sup>
- 3.3 The NHS Long-Term Plan recognises that employment is a major factor in maintaining good mental health and is an important outcome of recovery for people with a mental health problem. It stipulates the expansion of Individual Placement and Support (IPS) with the ambition to support an additional 35,000 people nationally with severe mental illnesses (SMI) by 2023/24, with a total of 55,000 people per year having access to IPS services. NHS England has provided significant additional investment to support implementation of the Long-Term Plan in meeting stretched IPS access targets by 2023/24 and beyond, across the five NCL boroughs.
- 3.4 Islington Council's vision is that by 2030 there is a sustainable, inclusive, and locally rooted economy in the borough. The council's commitment to promoting economic wellbeing for residents includes:
- Empowering residents, particularly those who face the most disadvantage, to secure and retain good quality jobs that are well paid;

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<sup>1</sup> North Central London Mental Health Strategic Review: Baseline Report, July 2021

<sup>2</sup> The Care Programme Approach (CPA) is a package of care for people with mental illness [www.nhs.uk](http://www.nhs.uk)

<sup>3</sup> National Health Service England (NHSE) : Individual Placement and Support (IPS) [www.england.nhs.uk/mental-health/adults/cmhs](http://www.england.nhs.uk/mental-health/adults/cmhs)

- Providing targeted employment support through the Islington Working Partnership;
- Actively promoting opportunities, such as volunteering, as a means of building skills and confidence for work.

3.5 The overarching aim of employment support for people with a mental illness is to:

1. Increase social and economic resilience within the target population
2. Reduced health inequalities for adults with mental ill-health
3. Increase independence for people with a mental illness
4. A wider range of employers offering opportunities for people with a history of mental illness.

3.6 The current Mental Health Employment Support contract ends on 31 March 2024. The council intends to competitively procure a new service offer from April 2024. The council conducted an in-depth review of the current mental health employment support offer to inform future commissioning intentions and the design and development of the new service, gathering learning and feedback from residents, voluntary sector and statutory health and social care partners around what currently works well, areas for development and opportunities to maximise employment outcomes for residents. The review highlighted a number of opportunities to further develop and improve the employment support offer for residents with mental ill- health, through redesign, collaboration and integration. Taking into consideration the unique strengths of in-house and externally commissioned VCS provision.

3.7 The following recommendations incorporate key findings from the review:

- a. Ensuring the mental health employment support offer in the borough is clear, raising the profile of specialist provision and the council's generic employment service and developing clearer referral pathways between employment support agencies, so that it is easier for residents, providers and referral agencies to navigate. The new service specification will cite the need to build and maintain specific relationships to achieve this, including with iWork, Islington Social Prescribers, Peer Coaches, GP's, higher education, ACL and other VCSE organisations.
- b. The procurement will provide an opportunity to develop a more integrated offer between commissioned specialist mental health employment support and the council's in-house adult employment service (iWork), developing the partnership approach to ensure the maximisation of collective resources in the borough and different areas of expertise across partners.

- c. The new mental health employment contract will provide tailored support for people with a mental illness. The specification for the new contract will require a successful bidder to have premises available, to provide an inclusive welcoming community atmosphere for residents, and to support rehabilitation and recovery.
- d. The council is committed to increasing the number of job outcomes for Islington residents, particularly groups that are most disadvantaged, such as those with a mental illness. The ambition for this contract is to develop a high-quality specialist employment support service for those with mental ill-health, that delivers a higher number of job outcomes, with stretched KPIs set locally and nationally (NHSE has set stretched access target year on year for IPS). Currently Islington (and the other NCL boroughs) are not meeting the national IPS access target and there is opportunity to expand reach through mobilisation of Mental Health Investment Standard (MHIS) growth funding, and to embed additional Employment Specialist roles within the new mental health Core Teams delivered by Camden and Islington NHS Foundation Trust, as part of the community mental health transformation programme.
- e. A key priority will be to ensure the service continues to reach, and supports residents from Islington's diverse communities, into employment.

The recommendations are being tested and the specification issued with the invitation to tender will be co-produced with providers, residents and wider stakeholders.

3.8 The service to be re-procured will comprise of two distinct components:

### **1. Individual Placement Support (IPS)**

IPS is an evidence based, National Institute for Health and Care Excellence (NICE) recommended approach to supporting people with severe mental illness referred from statutory mental health services to gain and sustain employment. The IPS model involves intensive individual support, a rapid job search followed by placement in paid employment, and time-unlimited in-work support for both the employee and the employer. In Islington, this element of the service is integrated with community mental health teams, with Employment Specialist workers currently embedded in Camden & Islington NHS Foundation Trust's (C&I) Rehabilitation and recovery Teams, Early Intervention Service and new posts are currently being rolled out into the new Core Teams. Referrals to the service are by self-referral or NHS clinician.

### **2. Specialist mental health employment support (non-IPS)**

Specialist mental health information, advice, and guidance that supports people into and to maintain education, training, paid employment, active volunteering or

work experience placements. The service will also provide opportunities to develop practical, professional and social skills (such as catering, admin, social media/website, creative skills, gardening) in an inclusive community-based setting.

The specialist mental health employment service will accept referrals from professionals as well as self-referrals from people not receiving statutory mental health services. The service and assessments are tailored to an individual's needs, providing opportunities for people who are economically excluded to move towards finding, securing and retaining work; thereby tackling inequality, promoting fairness, and improving economic wellbeing.

- 3.9 The council's Fairer Together vision seeks to ensure residents can access the right support for them, at the right time, and in the right place. Two partnership developments that are key to realising this vision are the Bright Lives Alliance which brings together VCS partners to help shape the early intervention and prevention space, and the newly developed Access Islington Hubs which bring together a range of statutory and VCS services, co-located together to offer wrap around support to local communities. The new Mental Health Employment Support Service will continue to build partnerships across the VCS sector to expand reach in the community, with opportunities to link into the Bright Lives Alliance and Access Islington Hubs, as a space for strengthening partnerships and referral routes, as well as potential for co-location. Key stakeholders from the Bright Lives Alliance will be involved in developing the new service specification.
- 3.10 The Mental Health Employment Support Service will work in partnership with, and complement, the council's in-house adult employment service, iWork, as well as being a key partner within the Islington Working Partnership, a network of organisations supporting residents into employment.
- 3.11 The iWork service is being re-modelled, with the following key developments:
- Greater focus on key employment sectors, supporting residents to employment for both iWork brokered roles and jobs in the open market.
  - Casework Officers with key sector specialisms, developing strong connections to employers in key sectors, enabling Officers to be better placed at negotiating adjustments to recruitment processes or job tasks and conditions.
  - Developing the partnership ethos of Islington Working partners, ensuring this approach is more strongly embedded.

It is envisaged that iWork will function as a hub and spoke model, with iWork as the front door service for local job seekers, providing specialist brokerage support with

employers. iWork will refer outwards to other specialist employment support partners for tailored 1-1 support, including the Mental Health Employment Support Service, who will similarly refer clients to iWork for collaborative working where they are interested in the iWork key employment sectors.

The iWork Service has strategic oversight of local borough performance around employment outcomes, capturing and monitoring data from local suppliers. It will be a requirement of the new Mental Health Employment Support contract, that the provider will report regularly on the number of Islington residents who they recruit, as well as the number of Islington residents they support into employment outcomes.

- 3.12 There is an opportunity as part of this procurement to make improvements to integrate the externally commissioned and in-house provision more fully, in-line with the new iWork model.

### 3.6 Estimated value

The Specialist Mental Health Employment Support Service is jointly funded by Islington council (51% contribution) and NHS North Central London Integrated Care Board (NCL ICB) (49% contribution).

The annual value of the current contract is £ 262,034 for 2023/24, which includes an inflationary uplift of 2% applied in 2022/23. The ICB has committed additional recurrent investment of £224,115 for 2023-24 and 2024/25 (and beyond 24-25) for the IPS specific element, via Mental Health Investment Standard (MHIS) funding stream, to support Islington in meeting the stretched IPS access targets set by NHSE. The table below shows the investment split between the council and NCL ICB for the current and proposed new contract.

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

<b>Financial year</b>	<b>LBI annual contribution (via S75 Pool)</b>	<b>NCL ICB annual contribution (via S75 Pool)</b>	<b>Additional recurrent ICB contribution for IPS element (via MHIS funding)</b>	<b>Total annual investment</b>
<b>2022/23</b>	£133,637	£128,397	£0	£262,034

<b>2023/24</b>	£133,637	£128,397	£224,115	£486,149
<b>Projected costs for new contract from 2024/25</b>	£133,637	£128,397	£224,115	£486,149

The anticipated annual value of the new contract will be £486,149. The initial duration of the new contract will be for a period of 36 months from 1 April 2024, with break clause options at year one and year two of the contract, and an option to extend the contract on one or more occasions for up to maximum of a further 36 months (total 72 months). North Central London Integrated Care Board is currently going through an organisational change process. Break clause options have been built into the contract should the ICB change process have any potential impact on these contractual arrangements.

The maximum total contract value for the full duration of the contract is £2,916,894.

### 3.7 Timetable

Procurement timetable:

Tender document development and market engagement	August – October 2023
Procurement Strategy approved	October 2023
Invitation to Tender published	October 2023
Bid Evaluation	December 2023
Contract award	February 2024
Implementation of new contract	Feb - March 2024
Contract Start Date	1 April 2024

To inform this strategy, there has been engagement with a broad range of stakeholders which include:

- Islington Residents and Service users
- Mental Health Adult Social Care Lead (LBI)
- Heads of Service for Islington community mental health teams (Intensive Teams, Core Teams, Rehab and Recovery Teams and Mood Disorder Teams), Camden and Islington NHS Foundation Trust (C&I)
- Mental Health Social Work and Occupational Therapy Practitioners (C&I)
- NCL ICB Clinical Lead for Mental Health
- iWork Employment Service Management Team
- Voluntary and Community Sector Providers
- GPs
- Islington Pause Service
- Commissioning Leads in North Central London boroughs

### 3.8 Options appraisal

Four options have been explored. Due regard has been given to insourcing in accordance with Islington Council’s Progressive Procurement Strategy. **Option 4 is the recommended option.**

<b>Option 1: Do nothing and allow current contract to cease from 31 March 2024</b>	
<b>Pros</b>	This would release financial efficiencies for the council and NCL ICB.
<b>Cons</b>	<ul style="list-style-type: none"> <li>• NHS England mandates in the NHS Long Term Plan that all areas nationally will have IPS services in place that operate in line with fidelity to the established, evidence-based model. It is therefore a requirement that local areas commission an IPS offer that meets NHSE access targets.</li> <li>• A review of mental health employment support offer shows continuing demand and need for this type of provision.</li> <li>• Loss of specialist employment support provision that plays a key part in achieving Islington Council’s strategic commitments around creating a more equal future for residents, and community wealth building, ensuring that there is a sustainable, inclusive and locally rooted economy in Islington by 2030. This includes developing Islington borough as a place where people are supported into, and progress in, well-paid, secure jobs.</li> </ul>



	<ul style="list-style-type: none"> <li>• Loss of valuable provision to some of Islington’s more vulnerable residents, many of whom are receiving support and treatment from statutory mental health services and whose mental health and wellbeing would be negatively impacted by not being able to access this support.</li> <li>• Risk of negative impact on the financial stability of highly valued local VCS partners, which in turn also poses a reputational risk to the council.</li> <li>• Risk to further developing and implementing a more holistic, joined up approach to employment support across partners within the borough, where there are opportunities to address gaps and equity of access to provision.</li> </ul>
<b>Outcome</b>	<b><i>Not recommended</i></b>
<b>Option 2: In-house service delivery</b>	
<p>Comparable services delivered across the other NCL boroughs are all delivered by a Voluntary and Community Sector organisation. The impact of this option on quality and resident outcomes, therefore, has not been tested locally and is unknown.</p> <p>Islington residents have benefited from having multiple employment support options available in the borough delivered by in-house provision and specialist partners through the Islington Working Partnership, ensuring personalised support that is tailored to different needs.</p> <p>Two recent studies have highlighted the importance of the wrap around support this type of contract provides; a deep dive into the experiences of disabled people in the borough conducted by London Metropolitan University (LMU) (2019) in conjunction with Islington Council, and research carried out across central London by CLF (2022). Both studies concluded that there is a place for wrap around support services that work holistically with individuals on their health and wellbeing, employment and related needs, and that the existing mental health employment support service in Islington, works well as this type of holistic model. The LMU study recommended that the council should continue to work with partner services to further develop wrap-around, integrated employment support and related services targeting those groups which have particular high levels of unemployment and/or experience barriers to accessing employment including people with mental health conditions and should be rolled out more widely to support other groups of people with disabilities, impairments and long-term health conditions. This research shows that it is vital to maintain a vibrant provider market that ensures residents have choice in order to get the wide range of wrap around support people</p>	

need to obtain and sustain employment, and delivering this service in-house would limit our ability to do this. iWork do not have the specialism or capacity to offer this essential, wider support.

In-sourcing mental health employment support provision does not support the council's priority of developing and maintaining a strong VCS offer in the borough and does not meet the council's market shaping duty of providing choice and personalised support to residents.

Specialist mental health employment support provision is best placed to be delivered by a specialist VCS provider who have significant knowledge and experience of supporting individuals with mental ill-health into work and the complexities that this client group experiences. Delivery of the IPS service element, in particular, requires adherence to a strict service model and service processes and procedures have to adhere to this, managed by experts in the field. The council's internal employment service holds none of the relevant experience or processes in place and would need to go out to recruitment to meet the requirements both for the IPS and non-IPS elements of the service; it would take a significant amount of time and resource to develop this specialist status in-house. TUPE requirements may lead to increased expenses and lower outcomes for residents as the service would need to be reduced to fit within the financial envelope. The council would also be unable to replicate some of the unique aspects of the non-IPS service model delivered by the Voluntary and Community Sector which has proved so successful to date, in particular the strong community links that ensure residents get a wide range of wrap around support that helps them prepare for and maintain work.

A VCS provider is able to bring additional innovation thanks to these community connections and added value, which would reap social value benefits, including activity funded through fundraising and grants programmes that the VCS can access.

<p><b>Pros</b></p>	<ul style="list-style-type: none"> <li>• Specialist employment support provision for adults with mental illness would be maintained within the borough.</li> <li>• Provides opportunities for local recruitment, with good terms and conditions for the workforce.</li> <li>• Ensures the service shares Islington's vision and works in close collaboration with Islington's in-house employment support service.</li> <li>• Enables full utilisation and leverage of the council's local knowledge and brokering employment opportunities with employers.</li> <li>• Council controls service strategy and retains full control to drive efficiencies / economies of scale and retains flexibility to change it.</li> <li>• In-sourcing contributes to the council's drive for quality services and value for money, including environmental and community wealth building priorities.</li> </ul>
<p><b>Cons</b></p>	<ul style="list-style-type: none"> <li>• The council would not be able to establish management and staff capacity, expertise and specialisms quickly enough to replicate the</li> </ul>

	<p>full service offer, maintain service quality and prevent disruption to residents, to enable delivery from April 2024.</p> <ul style="list-style-type: none"> <li>• Skill mapping and staff development to accomplish ‘specialist’ status, is not achievable within the timeframes of the procurement/award process.</li> <li>• Risk losing the mental health specialist nature of the service.</li> <li>• The service will require identification of a service base in borough with good transport links. The current service environment is also unique to the VCS sector and would be difficult to replicate in-house.</li> <li>• Cannot benefit to the same extent from the experience and connections of VCS providers within the borough.</li> <li>• Would not be able to take full advantage of benefits from social value via partnerships with VCS.</li> <li>• In-house service delivery could alienate and stigmatise residents who have had negative experiences/trauma of dealing the Council or who may not wish to be perceived as Council ‘service users’ and would therefore rather seek support from the VCS.</li> <li>• Staff development costs to commence the contract would be in addition to the TUPE costs for moving staff from the current provider.</li> <li>• Establishing in-house provision would have financial and resource implications in an already challenging financial context. There would be a cost pressure in staffing costs of approx. an additional £61,726 per annum to the council if in-sourcing the full service, which does not include ‘other’ costs such as recruitment, training, management, and building/ office costs.</li> <li>• Reduces opportunities for developing long term relationships and opportunities for collaboration with specialist providers, including VCS sector partners, to meet council priorities.</li> <li>• Cannot benefit from the innovation and potential added value from fundraising and grants VCS providers are able to access.</li> <li>• Risk of not meeting the Council’s market shaping duty to provide a wide range of choice to ensure residents can have access to personalised support.</li> </ul>
<b>Outcome</b>	<b><i>Not recommended</i></b>

**Option 3: Procure the non-IPS element of the service via a competitive tender and deliver the IPS element of the service in-house.**

**Benchmarking**

None of the IPS services delivered across the other four NCL boroughs are delivered in-house, all are delivered by a VCS organisation. There is therefore no local evidence of impact on quality and resident outcomes should the IPS service be delivered inhouse.

<p><b>Pros</b></p>	<ul style="list-style-type: none"> <li>• IPS can be delivered from different settings.</li> <li>• Provides opportunities for local recruitment, with good terms and conditions for the workforce.</li> <li>• Ensures the service shares Islington’s vision and works in close collaboration with Islington’s in-house employment support service.</li> <li>• Enables fuller utilisation and leverage of the council’s local knowledge and brokering employment opportunities with employers.</li> <li>• Council controls service strategy and drive efficiencies / economies of scale and retains flexibility to change it.</li> <li>• In-sourcing contributes to the council’s drive for quality services and value for money, including environmental and community wealth building priorities.</li> </ul>
<p><b>Cons</b></p>	<ul style="list-style-type: none"> <li>• Establishing Council in house IPS provision would have financial and resource implications in an already challenging financial context.</li> <li>• The council would not be able to establish management and staff capacity, expertise and specialisms quickly enough to replicate the full-service offer, maintain service quality and prevent disruption to residents, to enable delivery from April 2024.</li> <li>• Skill mapping and staff development to accomplish ‘specialist’ status, is not achievable within the timeframes of the procurement/award process.</li> <li>• In-house service delivery could alienate and stigmatise residents who have had negative experiences of the Council or who may not wish to be perceived as Council ‘service users’.</li> </ul>

	<ul style="list-style-type: none"> <li>• Cannot benefit to the same extent from the experience and connections of VCS providers within the borough.</li> <li>• Would not be able to take full advantage of benefits from social value via partnerships with VCS.</li> <li>• Cannot benefit from the innovation and potential added value from fundraising and grants VCS providers are able to access.</li> <li>• Risk of not meeting the Council’s market shaping duty to provide a wide range of choice to ensure residents can have access to personalised support.</li> </ul>
<b>Outcome</b>	<b><i>Not recommended</i></b>
<b>Option 4: Procure an external provider to deliver the service via competitive tender</b>	
<b>Benchmarking</b>	
<p>This approach has been successfully adopted in Islington previously and by the other four NCL boroughs. Modelling, based on rates identified in benchmarking, suggests that this option could achieve the desired outcomes and contract flexibility required.</p>	
<b>Pros</b>	<ul style="list-style-type: none"> <li>• Management and staff capacity, expertise and specialisms are likely to be established quickly enough to replicate the full service offer, maintain service quality and prevent disruption to residents.</li> <li>• The Council would benefit from a provider who has experience of delivering specialist mental health employment support and have the necessary expertise and experience of working with this cohort.</li> <li>• Residents may have had negative experiences of the council or not wish to be considered a Council ‘service user.’ It is easier to offer support in less stigmatising ways through a VCS organisation or an organisation independent to the council and based in the community, and thus also supports reducing inequalities through greater reach, supporting residents from Islington’s diverse communities.</li> <li>• This option is financially more viable than insourcing.</li> <li>• External organisations are agile, flexible and able to establish relationships with other partners which may be harder for the council.</li> <li>• Benefit from the innovation offered by VCS providers in this area.</li> <li>• Enables the benefits of a mixed model that balances the in-house iWork service’s expertise including brokering jobs in key sectors and relationship-building across those key employment sectors, and the</li> </ul>

	<p>expertise of specialist providers with expertise in delivering support tailored to those with mental illness. This is in-line with the new employment front-door model to be rolled out by iWork.</p> <ul style="list-style-type: none"> <li>• Opportunity to benefit from the innovation and potential added value from fundraising and grants VCS providers are able to access.</li> <li>• Provides opportunity to further develop robust partnership working between iWork and externally commissioned specialist employment support providers, as part of the new adult employment front door model.</li> <li>• Enables the opportunity to continue to expand the IPS offer to meet NHSE stretched targets, through growing the IPS workforce and continuing to embed Employment Specialists within community mental health teams.</li> <li>• External procurement can promote inclusive economy and social value priorities through a specification that stipulates measures such as payment of the London Living Wage and advertising jobs locally through iWork as well as a tender process that gives 20% weighting to social value.</li> </ul>
<b>Cons</b>	<ul style="list-style-type: none"> <li>• Shared values/priorities are reliant on developing strong relationships with providers (although it is noted strong partnership relationships are already in place between external providers and the council).</li> <li>• Council holds less control over service model and quality, and efficiencies/economies of scale. Relies on a strong specification, and robust contract management, quality assurance oversight and relationships with the provider.</li> <li>• Full utilisation and leverage of the council's local knowledge and brokering employment opportunities with employers is reliant on strong relationship/ integration with iWork. It is noted that strong working relationships currently exist and are being further developed.</li> </ul>
<b>Outcome</b>	<b><i>Recommended</i></b>

### 3.9 Key Considerations

#### Social value

In addition to the social benefits delivered through this contract, social value will be a priority, and providers will be expected to deliver social value including clear, specific,

measures for monitoring this in their tenders. This will ensure the council is able to effectively monitor to assess progress and hold the provider to account. 20% of the tender award criteria will be allocated to social value. Examples of the types of social value we will expect to see in provider's tenders are set out below.

- Equalities, diversity, and inclusion – e.g., supporting local VCS organisations that specialise in supporting minority groups to develop plans to support organisational growth and financial security.
- Commitment from the provider to support and promote local employment opportunities in the borough, working in partnership with the Council's iWork Service and advertising all jobs on the Council's Islington Working job search website;
- Supporting diverse recruitment, ensuring the workforce reflects, and is able to support, the diverse communities within the local Islington population;
- Training and upskilling staff, including via apprenticeship and formal qualifications;
- Using local suppliers where possible in any sub-contracting supply chains;
- Community engagement commitments from the provider;
- Provision of peer support/volunteering opportunities for people with lived experience;
- Supporting staff wellbeing and mental health, for example via adoption of specific workplace health initiatives and employee assistance programmes;
- Delivering environmental and bio-diversity improvements within the service, including reducing waste, recycling, encouraging energy efficiency and water consumption.

#### London Living Wage

LLW (London Living Wage) will be a condition of this contract where permitted by law.

#### TUPE/Staffing

TUPE regulations may apply to staff currently employed by the incumbent provider.

#### Best Value

The quality and impact of the service will be monitored through a robust performance-monitoring framework with a focus on value for money, service quality, outcome measures, and financial activity. The monitoring framework will include activity levels, evidence of outcomes achieved, as measured against the desired service KPIs (Key Performance Indicators) set out in the service specification. Contract management will also include analysis of whether the service is reaching the borough's diverse communities and achieving equitable outcome for all groups. This process allows for continuous improvement and service development.

Providers will be expected to cite in their proposal how they will deliver quality assurance. IPS is an evidence-based model and the IPS service will need to be assessed against the national IPS fidelity model to measure the level of implementation

and quality of the IPS model every two years – with guided self-assessments produced in interim years.

IPS Grow<sup>4</sup> (the implementation support package for IPS provided by the voluntary, community and social enterprise social finance) delivers all fidelity reviews. High-fidelity services can achieve the IPS Grow quality mark (good or exemplary). Evidence shows higher fidelity is linked to better outcomes.

The service specification will include 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.

### 3.10 Evaluation

This contract is being procured under the Light Touch regime under Section 7 Social and Other Specific Services of Part 2 of the Public Contracts Regulations 2015. Under Regulation 76 the Council is free to establish a procedure, provided that procedure is sufficient to ensure compliance with the principles of transparency and equal treatment of economic operators (service providers) and is initiated by a contract notice. The process that the Council has designed is based on the open procedure.

The council reserves the right to not award the contract if the received tenders do not offer value for money.

Tenders will be evaluated based on the price and ability to deliver the contract as set out in the evaluation criteria below. The evaluation panel will include service user/family carer representatives.

<b>Award Criteria</b>	<b>Weighting %</b>
<b>Quality – made up of method statement questions:</b>	<b>80%</b>
Proposed approach to service delivery model	30%
Proposed approach to social value	20%
Proposed approach to engagement and coproduction	15%
Proposed approach to partnerships	15%
<b>Cost</b>	<b>20%</b>
<b>Total</b>	<b>100%</b>

### 3.11 Business risks

<b>Risk</b>	<b>Mitigation/s</b>
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<sup>4</sup> [Story of IPS Grow - IPS Grow](#)



<p>Potential risk of lack of interest from the Voluntary and Community Sector provider market as the potential pool of providers is limited, which could result in a failed tender process.</p>	<p>A Prior Information Notice (PIN) will be issued in advance of the Invitation to Tender in summer 2023 to inform the market about future intentions for the service and upcoming procurement. The new contract value proposed takes into account feedback from soft market intelligence and benchmarking, ensuring that the service will be financially viable and sustainable for a provider to deliver. Commissioners will consult with providers on service development to secure market buy-in.</p>
<p>In the event of a transition to a new service provider this could have a detrimental impact on resident wellbeing and mental health.</p>	<p>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).</p> <p>As part of the mobilisation process providers will be required to develop a robust implementation plan to implement transition arrangements and continuity plans.</p>
<p>TUPE implications may apply which may impact on the timescale required to mobilise a new contract.</p>	<p>TUPE information will be published as part of the tender documentation to ensure transparency. Time has been factored into the mobilisation period to take this into account.</p>

3.12 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.

3.13 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	See paragraph 3.5
2. Estimated value	<p>The estimated value per year is £486,149.</p> <p>The maximum total contract value for the full duration of the contract is £2,916,894.</p> <p>The agreement is proposed to run for a period of 3 years with the option of three further extensions of up to one (1) year.</p> <p>See paragraph 3.6</p>
3. Timetable	<ul style="list-style-type: none"> <li>• 19 October 2023      Strategy approval</li> <li>• October 2023        Contract Advert</li> <li>• December 2023     Evaluation</li> <li>• February 2024      Contract award</li> <li>• 1 April 2024        Start date for new contract</li> </ul> <p>See paragraph 3.7</p>
4. Options appraisal for tender procedure including consideration of collaboration opportunities	<p>Details as described within the report. See paragraph 3.8</p> <p>Procurement Option 2 is the recommended option to continue to outsource all Mental Health Employment Support Service. To procure via a competitive tender</p>
5. Consideration of: <ul style="list-style-type: none"> <li>• Social benefit clauses;</li> </ul>	See paragraph 3.9

<ul style="list-style-type: none"> <li>• London Living Wage;</li> <li>• Best value;</li> <li>• TUPE, pensions and other staffing implications</li> </ul>	
6. Award criteria	<p>The award criteria 20% cost/ 80% quality breakdown is more particularly described within the report.</p> <p>See paragraph 3.10</p>
7. Any business risks associated with entering the contract	See paragraph 3.11
8. Any other relevant financial, legal or other considerations.	See paragraph 4

## 4 Implications

### 4.1 Financial Implications

The Mental Health Employment 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 £133,637 (51%) and the ICB contribute £128,397(49%). The budget for this service for 2023-24 is £262,034.

The length of the contract is for three years with an option for the council to extend the contract on one or more occasions for up to a maximum of a further three years. The cost per annum for the new core contract will be £486,149.

The additional costs of £224,115 to the new contract will be funded by the NCL ICB as part of the Mental Health Investment Standard.

Therefore, the maximum estimated total cost of the new core contract for delivery of this service will be £2,916,894.

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

## **4.2 Legal Implications**

- a) This Report recommends the Open Competitive Procurement Procedure to procure a contract of up to 6 years (3 years plus optional council extensions of up to a further 3 years in total).
- b) The total contract value over the maximum 6-year contract is £2,916,894 which is above the statutory threshold for “light-touch” contracts, therefore the provisions of the Public Contracts Regulations 2015 are engaged. The tender must be published on Find a Tender service and in due course a Contract Award Report must be published.
- c) Officers must ensure that the tender documents include a requirement for the winning bidder to provide the premises from which the contract services are to be delivered, if that is the case.
- d) The contract will be in the name of the council as sole contracting party on behalf of the council and North Central London Integrated Care Board, as funding is provided 51% and 49% respectively under a Section 75 agreement under the NHS Act 2006.
- e) The council has power to procure and enter into this contract pursuant to Section 111 of the Local Government Act 1972, Section 1 of the Local Government (Contracts) Act 1997 and Section 1 of the Localism Act 2011.
- f) The Open Competitive Procurement Procedure is compliant with the Public Contracts Regulations 2015 and with the council’s Procurement Rules for a contract of this value.
- g) The total contract value is above the delegated financial authority of Corporate Directors, which is £2m for revenue spend; accordingly, it is the council’s Executive which has power to make the decisions recommended at paragraphs 2.1 and 2.2 of this Report.
- h) The Corporate Director for Adult Social Care may award this contract to the winning bidder in due course following consultation with the Executive Member for Health and Social Care, subject to being satisfied that the winning bidder has capacity to deliver the contracted services and that the contract represents value for money for the council.

## **4.3 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030**

The re-procurement of the Mental Health Employment Support Service will have a negligible impact on the current existing levels of carbon emissions.

As a commissioned service, it will be delivered in-line with London Borough of Islington's net zero carbon policy.

There are some environmental implications arising from the delivery of a specialist mental health employment service. These include energy use in the building for heating, and appliances, water use and kitchen facilities and waste generation by service users and staff.

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

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.

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. The provider will be asked to demonstrate in the tender how they intend to minimise the environmental impact of the service and recommended environmental improvements that will be introduced, where feasible.

The Council will encourage measures that mitigate environmental impact and promote the council's ambitions, assessed as part of the 20% social value evaluation criteria.

#### **5.4 Equalities 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.

An Equalities Impact Assessment Screening Tool was completed in June 2023 and full Equalities Impact Assessment completed in August 2023, which indicated that the service will have a positive impact on adults aged over 18 in the borough and people with disabilities (people with a mental illness) and neutral impact on

residents across other protected characteristic groups. Data suggests that the service is reaching residents from diverse community groups however there is potential for further targeted community engagement to increase reach and uptake of services from minority groups.

## 5.5 **Conclusion and reasons for recommendations**

This report recommends re-commissioning a Mental Health Employment Support Service, which will be procured through a competitive tender. This approach will secure best value for money and maximises opportunities to benefit Islington residents. The new specification will further develop an integrated pathway between specialist mental health employment support and the Council's adult employment service to ensure clearer pathways and improved job outcomes for residents. Commissioning review findings and resident feedback will inform the service specification development to ensure the resident voice is reflected in service design.

### **Appendices:**

- Equality Impact Assessment

### **Background papers:**

- None

### **Final report clearance:**

Authorised by:

Executive Member for Health and Social Care

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