

Adult Social Care  
222 Upper Street  
London N1 1XX

Report of: Corporate Director of Adult Social Care

Date: 15 February 2024

Ward(s): ALL

The appendix to this report is not for publication

## Subject: Contract award for Mental Health Employment Support Service

### 1. Synopsis

- 1.1. A procurement process has been concluded for the provision of a Mental Health Employment Support Service to provide specialist support to residents with a mental illness in Islington to obtain and maintain paid employment. The new mental health employment service contract will further develop an integrated pathway between specialist mental health employment support and the Council's adult employment service, iWork, to ensure clear Islington pathways and improved job outcomes for residents.
- 1.2. The contract will be for a period of up to six years at an annual value of £486,149. The maximum total contract value for the full duration of the contract is £2,916,894.
- 1.3. The authority to award this contract was delegated to the Corporate Director of Adult Social Care following consultation with the Executive Member for Health and Social Care in the procurement strategy, which was approved by the Executive on the 9<sup>th</sup> October 2023.

### 2. Recommendations

- 2.1. To approve the award of a contract for the provision of a Mental Health Employment Support Service to Hillside Clubhouse as outlined in this report.

### 3. Date the decision is to be taken:

3.1. 15 February 2024

## 4. Background

### 4.1. Nature of the service

Islington Council currently commissions a mental health employment service. The current contract ends on 31 March 2024. The new contract will start from 1 April 2024.

The service will meet a spectrum of needs by implementing a mixed-model approach to employment support made up of two components: Specialist mental health employment support (non-IPS) and Individual Placement Support (IPS).

IPS is the nationally recognised and evidence-based best practice model for supporting people with mental health problems and other long term conditions into employment.

The service will work in a strengths-based, personalised way, tailored to the need and preferences of the individual, to realise each individual's potential and move them toward their employment related goals.

The council conducted an in-depth review of the current mental health employment support pathway, gathering learning and feedback from residents, iWork the council's employment service, 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, taking into consideration the unique strengths of in-house services and externally commissioned VCS provision.

The commissioning review findings and resident feedback has informed the new service specification, ensuring Islington resident voices are reflected in the service design.

Key improvements to the specification include:

- a. Opportunities to develop a more integrated offer between the commissioned specialist mental health employment support and the council's in-house adult employment service (iWork). Working in partnership will ensure collective resources and different areas of expertise across partners are maximised.
- b. A requirement for the successful bidder to have premises available, to provide an inclusive welcoming community atmosphere for residents, and to support rehabilitation and recovery.
- c. Opportunities to increase service capacity and deliver on ambitious IPS target through embedding additional Employment Specialist roles within the new mental health Core Teams delivered by Camden and Islington NHS Foundation Trust.

d. A focus on supporting residents from Islington's diverse communities.

## 4.2 Estimated value

The service will be jointly funded by Islington Council and NCL Integrated Care Board (ICB), through the mental health commissioning pooled budget.

The winning tender came in within the advertised budget.

## 4.3. Options appraisal

Four procurement options were explored:

| Option  | Recommendation      |
|---|---------------------|
| Option 1: Do nothing and allow current contract to cease from 31 March 2024   | Not recommended.    |
| Option 2: In-house service delivery   | Not recommended.    |
| Option 3: Procure the non-IPS element of the service via a competitive tender and deliver the IPS element of the service in-house | Not recommended.    |
| Option 4: Procure an external provider to deliver the service via competitive tender.   | Recommended option. |

A more detailed options appraisal was included in the procurement strategy which was approved by the Executive on 19th October 2023

## 4.4 Procurement Process

- 4.4.1 The contract was advertised on Find a Tender service. The contract notice was published on 08 November 2023.
- 4.4.2 The contract was procured under the Light Touch regime under Section 7 Social and Other Specific Services of Part 2 of the Public Contracts Regulations 2015, via a process based on the open procedure.
- 4.4.3 Three providers submitted tenders, of which two met the minimum requirements of the suitability assessment and their method statements were evaluated against the published criteria. One of the two providers whose method statements were evaluated, obtained the minimum required score and their pricing schedule was evaluated. One provider is recommended for contract award.
- 4.4.4 Tenders were evaluated on the basis of price and ability to deliver the contract as set out in the evaluation criteria below. The contract award is made to the Most

Economically Advantageous Tender based on 80% quality (of which 20% was allocated to social value), and 20% cost.

## 4.5 Evaluation

The evaluation panel included representatives from the commissioning team and the Head of iWork. The evaluation panel also included four experts by experience for the evaluation of the question relating to engagement and coproduction. Experts by experience received training in advance to understand their role on the panel and were supported with reasonable adjustments in order to engage with the process. Scores allocated by the experts by experience were treated equally to those given by officers.

The criteria below were used to evaluate the tender submissions:

| <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>        |

The evaluation panel 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.

# 5 Key considerations

## 5.1 Social Value

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

- 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, to run activities and Workshops. Working alongside partners to promote awareness of mental health in the community.
- 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. Increasing number of staff employed who identify as someone who experiences mental health problems. Staff and members celebrating diversity throughout the year, e.g. Black History Month and London Pride

- Environmental and bio-diversity considerations including reducing waste and limiting energy consumption.
- Payment of London Living Wage

We will work with the provider to develop targets for their social value commitments that are ambitious, whilst being realistic and achievable. We will monitor the provider's progress towards meeting these targets through regular contract monitoring.

## 5.2 Contract management

### 5.2.1 Timetable for implementation

|                                |                  |
|--------------------------------|------------------|
| Contract award                 | February 2024    |
| Implementation of new contract | Feb - March 2024 |
| Contract Start Date            | 1 April 2024     |

A performance framework will form the basis for reporting the outcomes of this service. 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 on the number of Islington residents who they recruit, as well as the number of Islington residents they support into employment outcomes.

The successful Provider cited in their proposal that as IPS is an evidence-based model, the IPS service will 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.

The service specification includes provisions to ensure the provider offers continuous improvement against delivery targets and works with commissioners and residents to co-produce a service where innovations can be quickly implemented.

### 5.2.2 Main risks and opportunities associated with the contract:

| Opportunities/risks for the contract                                | Mitigation/s   |
|---|--|
| A full Equalities Impact Assessment completed in August 2023, which | Robust contract monitoring framework is in place for the new contract. |

|  |   |
|--|---|
| indicated 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. |   |
| Performance on target against KPIs   | Ongoing contract monitoring with provider, including regular meetings and monitoring submissions from provider. |
| Integration with the Council's iWork service.  | Plans in place to involve iWork in the mobilisation and monitoring of the new contract.                         |

- 5.3 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.

## 6 Implications

### 6.1 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 additional investment of £224,115 will also be funded by the NCL ICB as part of the Mental Health Investment Standard commitments to IPS services.

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 total cost per annum for the new core contract will be £486,149.

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.

## **6.2 Legal Implications**

This report seeks approval for the award of a contract for the provision of mental health services to Hillside Clubhouse.

The Care Act 2014 (CA) sets out various provisions in relation to the care and support needs of adults. The council has duties (CA, section 18) as well as powers (CA, section 19) to meet the needs of adults for care and support. The council also has a duty to prevent or reduce the development of needs for care and support (CA, section 2). The council may meet needs that are identified by providing care and support at home or in the community (CA, section 8(1)) including by arranging for a person other than itself to provide a service (CA, section 8(2)). The council may enter into contracts with providers of mental health services under section 1 of the Local Government (Contracts) Act 1997.

The total value of the proposed contract with Hillside Clubhouse over the maximum six year contract period is £2,916,894 (£486,149 per year) which is above the statutory threshold for “light-touch” contracts, so the provisions of the Public Contracts Regulations 2015 (the Regulations) are engaged. Therefore, the tender required advertisement on the Find a Tender service and this Contract Award Report must be published. The council’s Procurement Rules require contracts for “light touch” services over the value of £500,000 revenue to be subject to competitive tender.

The contract will be in the name of the council as sole contracting party on behalf of both 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.

The contract has been procured by competitive tendering using a procurement process based on the Open Procedure (Regulation 76) in compliance with the Regulations and the council’s Procurement Rules. The tender was advertised on the Find a Tender service.

The tender bids were evaluated and the award decision was based on the most economically advantageous tender (MEAT). Therefore, the contract may be awarded to Hillside Clubhouse as recommended in this report.

The total contract value is above the delegated financial authority of Corporate Directors, which is £2m for revenue spend; and accordingly, it is the council’s Executive which has the power to make the decision to award the contract.

The Corporate Director for Adult Social Care may award this contract to the winning bidder, Hillside Clubhouse, 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 tender price represents value for money for the council.

### **6.3 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.

### **6.4 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 was completed on 24 August 2023. The main findings include:

- Ensuring that the new service effectively captures equalities data on residents accessing the service to inform ongoing equalities monitoring. Robust contract monitoring will be in place with the provider, including quarterly meetings and monitoring submissions from provider.
- The Provider to embed service user engagement and coproduction into ongoing service delivery as outlined in new service specification. To be monitored as part of ongoing contract monitoring arrangements.

The full Equalities Impact Assessment is appended.

## 7. Conclusion and reasons for the decision

This report recommends awarding a new contract to Hillside Clubhouse for the delivery of the Mental Health Employment Service for a period of three years and an option to extend the contract on one or more occasions for up to maximum of a further three years (total six years) from 1 April 2024.

Hillside Clubhouse was assessed as being the most economically advantageous tender in respect of both quality and price. The new Mental Health Employment Support Service contract 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 Islington residents.

## 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:

Date:

**Appendices:**

- End of Procurement exempt appendix form
- Equalities Impact Assessment [\(2021-10-18\) Full EQIA Template MH Employment August 2023 FINAL SIGNED.docx](#)

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