

Report of: Executive Member for Health and Wellbeing

| Meeting of: | Date | Ward(s) |
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| Executive | 22 October 2015 | All |

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THE APPENDIX TO THIS REPORT IS NOT FOR PUBLICATION

SUBJECT: Contract Award for Alcohol Misuse Residential Care Service for Older Men

1. Synopsis

- 1.1 This report summarises the outcome of a procurement process in respect of a mental health residential care service for older men with alcohol misuse needs and recommends awarding the contract to St Mungo's Broadway
- 1.2 The service to be provided is a Care Quality Commission (CQC) registered residential care service for twelve older men with alcohol misuse needs, commencing 1 April 2016. It is a 3-year block contract with the option of three 12-month extensions. The annual value of the contract is £368,000.
- 1.3 The Council Executive agreed the procurement strategy in respect of this tender on 6 March 2014. The initial procurement was unsuccessful, and a waiver to negotiate the contract for a further year was agreed on 11 February 2015. The tender has since been repeated and the Executive is now asked to agree the outcome of the procurement process.

2. Recommendation

- 2.1 To agree the award of a contract to St Mungo's Broadway to deliver the Older Men Alcohol Misuse Residential Service, commencing 1 April 2016, for a period of three years with the option of three 12-month extensions, at an annual value of £368,000.

3. Background

- 3.1 The contract being awarded is for a CQC-registered residential care service for men over the age of 45

with a significant history of alcohol misuse and homelessness. The contract is for 12 placements. Most residents in the current service have alcohol-related dementia (Korsakoff's Syndrome). The average age of the twelve men in the existing service is 64, ranging from 50 to 73 years of age.

- 3.2 The current service is provided by St Mungo's Broadway and delivered from 2 Hilldrop Road, Islington N7 0JE. This contract expires on 31st March 2015. The building is owned by St. Mungo's Broadway, from which it operates a 29-unit residential care home for older men with a history of alcohol-misuse and homelessness. The service will continue to be provided from this location from the start of the new contract.
- 3.3 The contract being awarded is for a 3-year block contract with the option of three 12-month extensions for 12 placements (single rooms). The service must be registered with the CQC as a residential care home and meet all relevant regulations in the operation thereof, including building regulations.
- 3.4 The annual value of the contract is £368,000. The total value of the contract including all extensions is £2,208,000.
- 3.5 In 2014/15, a procurement took place for this service, with an annual contract value of £298,000. No bids were received and through communication with providers, it was ascertained that this was due to budget pressures. A waiver was approved on 11 February 2015, allowing for the extension of the current contract to March 2016 with an increased budget of £368,000 per annum. Funding has been identified to maintain the new contract at the revised price.
- 3.6 The current tender was carried out as a one-stage 'open' procedure. Five expressions of interest were received. One provider submitted a completed tender. Those who did not submit a tender cited budget pressures and property requirements as the reasons for not proceeding.
- 3.7 The tender submitted was evaluated to determine the Most Economically Advantageous Tender on the basis of 70% quality and 30% cost.
- 3.8 There are no TUPE implications associated with this contract. Islington Council's London Living Wage policy applies to this contract.

4. Implications

4.1 Financial implications

Islington Council and Islington Clinical Commissioning Group (ICCG) have a pooled budget agreement in place for the provision of commissioned services for Adults with Mental Health issues.

The Older Men's Alcohol Misuse Residential Care Service is currently funded through the Mental Health Commissioning Pool and the award of the contract for £368k p.a. to St Mungo's Broadway represents a total contract value of £2.2m over the maximum possible life of the contract.

This award should not create a pressure for the Council or for ICCG.

Providers will be required to ensure that all staff working on this contract are paid at least the London Living Wage.

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

4.2 Legal Implications

The Council has a duty to make arrangements for providing residential accommodation and care for persons who by reason of illness and disability are in need of care and attention which is not otherwise available to them (section 21 National Assistance Act 1948 (as amended)). The Council may discharge that duty by making arrangements with private providers of residential accommodation for those assessed to need it (section 26 of the 1948 Act). Accordingly the council may enter into a block contract with a provider(s) to secure the supply of a residential care service for older men with alcohol misuse needs (section 1 of the Local Government (Contracts) Act 1997). The procurement strategy for this

contract was approved by the Executive on 6 March 2014.

This contract was procured under the Public Contracts Regulations 2006. The threshold for application of the Public Contracts Regulations 2006 was £173,934. The value of the contract to be let is above this threshold. However the provision of residential accommodation and care is a Part B service within the Regulations. Part B services do not need to comply with the full requirements of the Regulations including publication of an advertisement in OJEU. However, there is a requirement under EU rules for part B services to be procured in compliance with the principles of equal treatment, non-discrimination and fair competition which, according to EU case law can only be satisfied by sufficient advertising. The council's Procurement Rules require contracts over the value of £100,000 to be subject to competitive tendering.

This contract has been procured in accordance with the Council's Procurement Rules and the Public Contracts Regulations 2006. Accordingly the Executive may approve the appointment of the contractor as recommended in the report. In making this decisions the Executive should have regard to the attached appendix and be satisfied as to the competence of the chosen tenderer and that the tender prices represent value for money for the Council.

4.3 **Environmental Implications**

An Environmental Impact Assessment was completed on 20 December 2013 prior to approval by the Executive for this procurement and is available upon request. The only significant environmental impact of the contract to be procured is the energy use of the residential home which will be affected by the energy efficiency of the property including insulation levels and type of heating system. The contractor shall have formal energy and environmental policies demonstrating good practice in the management of buildings used for delivering the contract.

4.4 **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.

4.5 An Equality Impact Assessment (EIA) was completed on 20 December 2013 prior to approval by the Executive for this procurement and is available on request.

4.6 The EIA identified potential adverse impacts based on age and gender because this tender is for older men. This decision was made because the service is for a particular group of residents with specific care needs. The impact on age is that the service is for those over the age of 45. The impact on gender is that this service is for men. This means that the service will care for men over the age of 45.

4.7 From a clinical care perspective, and for general safety and care provision reasons, it is better to create a male-only residential care service for this particular client group.

4.8 The men being placed in this residential service have entrenched behaviours related to alcohol-misuse coupled with a history of homelessness; they may present with challenging behaviours. Most will have a cognitive impairment (Korsakoff's Syndrome) as a result of lengthy periods of intense alcohol misuse. It would not be appropriate from a care perspective to have women placed in this same environment.

4.9 The impact relates only to age and gender; it does not relate to any of the other protected characteristics. Other residential care services are already commissioned for those not targeted for this particular residential care service. This means that for adults under the age of 45 or female, other specific treatment and residential care placements already exist.

5. Reasons for the recommendations / decision

- 5.1 The current contract for 12 placements for men over the age of 45 with a significant history of alcohol misuse and homelessness expires on 31 March 2016.
- 5.2 There continues to be a need in Islington for this type of residential care service. The Council has an obligation to meet the needs of those assessed as having eligible care needs under its eligibility criteria, which has been specified using the eligibility framework set out in the Care and Support (Eligibility Criteria) Regulations 2014.

Appendices

- Appendix A: Result of the Evaluation of Short Listed Tenders **[Exempt and not for publication]**

Final report clearance

Janet Burgess

Signed by: Executive Member for Health and Wellbeing

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Report Author: Natalie Arthur, Joint Commissioning Manager
Tel: 0207 527 8175
Email: Natalie.arthur@islington.gov.uk