

Cabinet Member Delegated Decision 27 December 2018

Report title: Contract extension request for Mental Health Adult Social care floating support; supported accommodation services and the Living Well Partnership (LWP)

Wards: All

Portfolio: Cabinet Member for Health & Adult Social Care: Cllr Edward Davie & Jacqui Dyer (Job share)

Report Authorised by: Fiona Connolly, Strategic Director, Children, Adults and Health

Contact for enquiries: Jonathan Goodall; Senior Integrated Commissioning Officer, Mental Health; T: 020 7926 4642; e: jgoodall@lambeth.gov.uk

Report summary

This report seeks the extension of Lambeth Council commissioned Adult Mental Health (MH) contracts for supported accommodation and community/floating support services which now fall under the Living Well Network Alliance (LWNA) since the Alliance Agreement went live on 01 July 2018. A parallel report has been approved the NHS Lambeth Clinical Commissioning Group (CCG) Governing Body.

The rationale for this extension is based on the time required for the LWNA members to (1) undertake a strategic needs analysis and service plan, (2) implement a framework agreement for MH supported accommodation and community support, and (3) undertake 'call off' exercises via a framework for Mental Health community support and supported accommodation, which should go live in October 2019, in order to successfully deliver the service plan.

The Council commissions a range of services with well-established providers for supported accommodation and floating/community support services, providing essential care and support services primarily for adults living with severe and enduring complex mental health needs. The Council also commissions (jointly with NHS Lambeth CCG) Mosaic Clubhouse, who host the Lambeth Living Well Partnership (LWP), which is a resource centre which provides a range of support to promote recovery and re-ablement for individuals living with severe and often enduring mental health problems, including an advice and information hub; vocational services and on-going support and activities coproduced with its members.

This report recommends the extension of Lambeth Council adult mental health contracts (see Table at 2.4 at p.3) referenced MH1 – MH8 by 18 months, from 1 April 2019 to 30 September 2020; contract referenced MH9 by 12 months from 1 April 2019 to 31 March 2020; and contract referenced MH10 by 12 months from 1 October 2019 to 30 September 2020. The total value of the recommended contract extensions is, £4,418,886.50.

Finance summary

The total value of these Council contracts (MH1-MH10) combined for extension is £4,418,886.50.

Of this total, the total contribution from the Supporting People Mental Health (SPMH) budget is £2,998,192.00. The Mental Health Adult Social Care Service budget continues to contribute a total of £728,250, and the CCG is expected to continue contributing £692,444.50.

Providers have not received an inflationary uplift for the lifetime of these contracts, which in the majority of cases is between 7-10 years. The LWNA intends to consider the need for inflationary uplifts for these contracts to ensure there is a sustainable provider market.

Recommendations

- (1) To waive Section 9.2 of the Council's Contract Standing Orders for the contracts referenced MH1-MH10, listed in Appendix 1.
- (2) To extend Lambeth Council adult mental health contracts (see Table at 2.4 at p.3) referenced MH1 – MH8 by 18 months, from 1 April 2019 to 30 September 2020; contract referenced MH9 by 12 months from 1 April 2019 to 31 March 2020; and contract referenced MH10 by 12 months from 1 October 2019 to 30 September 2020. The total value of the recommended contract extensions is, £4,418,886.50.

1. Context

- 2.1 NHS Lambeth Clinical Commissioning Group (Lambeth CCG) and London Borough of Lambeth (Lambeth Council) as Commissioners, along with South London and Maudsley NHS Foundation Trust, Thames Reach and Certitude as Provider Members, have established the Living Well Network Alliance (LWNA) which went live on 1 July 2018. The LWNA is responsible for strategically overseeing the large majority of adult mental health services in Lambeth – including management of the overall budget for these services – with a view to delivering an agreed set of outcomes for people. Alliance Members are jointly responsible for service performance and share financial risk in relation to the included budgets. A principle aim of the LWNA is to shift investment into flexible and personalised community and home-based services, with the intention to prevent and reduce the onset of mental health crises which can lead to more institutionalised, restrictive and generally costlier forms of care.
- 2.2 The Council contracts and services subject to this recommendation to extend are now included within the scope of the LWNA envelope. They include 334 units of supported accommodation services for adults with mental health needs, providing a range of specialist supported accommodation, ranging from low visiting support to 24-hour support. Floating support is also provided to support 80 adults living with mental illness to sustain their tenancy and remain living within their own homes. These services have been extensively reviewed and monitored to ensure that a good and effective service is being delivered.
- 2.3 Additionally, the Living Well Partnership (LWP), hosted by Mosaic Clubhouse is based at the site of the refurbished Effra Day Centre. As host provider of the LWP, Mosaic Clubhouse, is an integral partner in the network, providing 12-week enablement packages of support, borough-wide information and advice, peer support, vocational services and in-reach into local inpatient wards. Since the service commenced it has achieved significant outcomes for those people it supports through the increase in peer support opportunities, transitional employment placements in addition to effective information and advice. As part of the LWNA, the LWP will be part of the Living Well Network Front Door which will integrate and align all key services that provide assessment, early intervention and crises support.
- 2.4 The table below summarises these contracts:

Ref.	Contract Description	Supplier	Annual Contract value	Length of Contract Extension and Proposed Expiry Date	Total Contract Value for Extension
MH1	Adults with mental health needs in Accommodation Based and Floating Support SP Services MDO Project	Penrose Housing Association	£166,888	18 Months to 30 September 2020	£250,332
MH2	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Riverside English Churches	£405,596	18 Months to 30 September 2020	£608,394

Ref.	Contract Description	Supplier	Annual Contract value	Length of Contract Extension and Proposed Expiry Date	Total Contract Value for Extension
	Supported housing for people with mental health needs requiring 24-hour support.				
MH3	Adults with mental health needs in Accommodation Based and Floating Support SP Services Low Level MH Service	Sanctuary Supported Living	£177,937	18 Months to 30 September 2020	£266,905.50
MH4	Adults with mental health needs in Accommodation Based and Floating Support SP Services Long-term Patch A	Peabody	£436,435	18 Months to 30 September 2020	£654,652.50
MH5	Supported Housing Dual Diagnosis Service	Peabody	£165,672	18 Months to 30 September 2020	£248,508
MH6	Adults with mental health needs in Accommodation Based and Floating Support SP Services Long-term Patch B	Look Ahead Housing & Care Ltd	£496,868	18 Months to 30 September 2020	£745,302
MH7	Adults with mental health needs in Accommodation Based and Floating Support SP Services Mental Health Floating Support Service	Look Ahead Housing & Care Ltd	£253,475	18 Months to 30 September 2020	£380,212.50
MH8	Adults with mental health needs Day Service	Mosaic Clubhouse Living Well Partnership	£563,000 (Annually, the Council contributes £400,830 and CCG £162,170)	18 Months to 30 September 2020	£844,500
MH9	Adults with mental health needs in Accommodation Based and Floating Support SP Services	Vietnamese Mental Health Services	£40,000	12 Months to 31 March 2020	£40,000

Ref.	Contract Description	Supplier	Annual Contract value	Length of Contract Extension and Proposed Expiry Date	Total Contract Value for Extension
MH10	24/7 Supported accommodation and visiting support	London Cyrenians	£380,080	12 months to 30 September 2020	£380,080
				Total Value of Contract Extensions	£4,418,886.50

- 2.5 Considering block contracted supported accommodation services, an audit (November 2017) was carried out with supporting housing providers where they were asked how many people could step down to less supported accommodation. They identified, from a pool of approximately 260 people that 20% could step down within 6 months, 46% within 12 months. This requires further assessment from clinicians, social workers and clarification from providers. Providers identified that key barriers to move on include the fear that people will not engage with a more independent offer and the fear of relapse due to substance misuse and complex mental health difficulties. Providers highlighted that the largest barrier for those who could be stepped down is lack of access to long-term independent housing options
- 2.6 This initial audit, supported by on-going Commissioner review work, highlights that the LWNA needs to further review its supported accommodation and community support provision. A service model needs to be developed which reflects the current level of need within the pathway whilst supporting the LWNA to meet the emerging needs of adults with mental illness who are in need of care and support.
- 2.7 There are other complexities which warrant further review of the pathway:
- Achieving move-on from the supported accommodation pathway is very difficult due to the dearth of available social housing in and around Lambeth and the limitations of the Council Private Rented Scheme, particularly for MH service users. This can silt up the pathway preventing step-down from higher support services and costly spot purchased services – there is a savings pressure on the MH social care budget for supported living.
 - There are a number of service users with Assured Tenancies who could move-on but who do not wish to move – these individual cannot be moved-on. The majority of service users have Assured Shorthold Tenancies – there is complex legal process associated with moving-on service users who do not wish to move.
 - De-commissioning certain supported accommodation contracts without due process would result in risk to service users and a cost pressure on the social care budget due to the need to spot purchase equivalent services for Care Act or S.117 eligible service users requiring care and support.
 - There is a need to re-visit the service make-up within block contracts due to the increasing complexity of service user needs and the high demand for 24-hour and extended hours services which result in expensive spot purchase placements being made.

- There are potential opportunities to deliver different levels of care and/or alternative models of care to service users based in some visiting support schemes.
- The development of Living Well Centres presents opportunities for delivery of preventative community support.

2. Proposal and Reasons

- 2.1 This report recommends the extension of Lambeth Council adult mental health contracts (see Table at 2.4, p.3) referenced MH1 – MH8 by 18 months, from 1 April 2019 to 30 September 2020; contract referenced MH9 by 12 months from 1 April 2019 to 31 March 2020; and contract referenced MH10 by 12 months from 1 October 2019 to 30 September 2020. The total value of the recommended contract extensions is, £4,418,886.50.
- 2.2 The primary purpose of the extension is to guarantee the provision of essential services to vulnerable adults with mental health needs whilst enabling the LWNA to complete a review of the existing services under contract. This is with a view to deciding whether and how to re-shape and re-spec services/contracts with a view to meeting both the existing and future needs of adults living with mental illness, whilst addressing budgetary pressures. This network of services include 334 units of supported accommodation and there are many complexities to factor into decision-making.
- 2.3 Running alongside the review of these services will be the procurement of a Framework Agreement for MH supported accommodation and community support. A Framework Agreement is the proposed procurement vehicle to support the LWNA to ‘call off’ contracts once review work is undertaken and the requirements for service provision is clear.
- 2.4 There are a number of advantages to this approach when reflecting upon issues within the current MH pathway and the aims of the LWNA:
- i) The LWNA needs a mechanism to procure longer-term contracts for community support/supported accommodation, to foster secure and longer-term relationships with good quality providers.
 - ii) Minimum quality standards and pricing can be set at the pre-qualification questionnaires (PQQ) and Invitation to Tender (ITT)
 - iii) Procuring new LWNA services/contracts via a Framework will save time, resource and cost associated with going out to tender
 - iv) There is a need to review current block contracts, including the structure of services within contracts and the network of services as a whole, to ensure that the current service offer continues to meet the current demands/trends within the MH system.
 - v) Whilst our block contract providers are of good quality, alignment to LWNA outcomes needs to be implemented across the pathway.
 - vi) Greater innovation and provider collaboration is required within our block contracted services.
 - vii) Lambeth currently spot purchase supported living beds in costlier services when demand cannot be met within block provision. There are quality issues with some of these providers, but a dearth of alternative options.
 - viii) The LWNA may wish to develop new services during the lifetime of the Alliance Contract and needs a mechanism for procuring services.
- 2.5 With reference to extending existing contracts, Care Coordinators, social workers and CDOs have encountered significantly less quality and provider concern issues with the providers delivering block contracts in comparison to spot purchased providers. Furthermore, no uplifts have been given during the lifetime of these contracts. Consequently, there is confidence that the current block contract provision delivers both value for money and good quality service provision.

- 2.6 These contracted Council services are subject to regular monitoring with significant oversight from Commissioning Development Officers, Mental Health Commissioning. They continue to provide a good service to the vulnerable adults which they support, remain in very high demand, and the existing contracts deliver value for money. Were these services to be re-provided, it is likely that the contracts would see an increase in cost to the Council.

3. Finance

- 3.1 The total value of this contract extension is £4,419,000 (Supporting People £2,998,000, MH Service contracts £728,000 and the CCG's contributions £692,000).
- 3.2 The total Supporting People contracts are £2,998,000, contract referenced MH1 to MH7 are extended for 18 months while MH9 12 months only. There is budget under SPMH to cover the SP contract extensions.
- 3.3 The MH Service budget contributes £127,000 towards the 18 month contract extension for supported accommodation, which includes £69,000 towards the Cambria Road service (MH5), and £58,000 funds two MH social care schemes (St Julian's Farm Road and Doddbrook Road) which are commissioned under the contract referenced MH6. The CCG is also expected to contribute £69,000 towards the Cambria Road service (MH5).
- 3.4 Mosaic Clubhouse is a day centre that provides information, advice and peer support for people with MH problems. The total value of the 18 month contract extension is £844,000 that is £601,000 from MH Service and £243,000 contribution from the CCG.
- 3.5 The London Cyrenians 12 month contract is fully paid by the CCG so no contribution is expected from SP or MH Service for this contract.

4. Legal and Democracy

- 4.1 The Council has delegated the authority to enact this report's recommendations to the Cabinet Member for Health & Adult Social Care (job-share). Before exercising that authority, this paper should be reviewed by the Procurement Board.
- 4.2 The Contract Standing Orders includes provision for officers to waive the requirement to competitively tender contracts valued at £100,000 and above in circumstances such as exigencies of the service, or where it is demonstrably in the Council's best interest to do so.
- 4.3 Under the Public Contract Regulations 2015, health and social services categorised under Schedule 3 and regulated by the 'Light Touch' regime. The threshold above which the full application of the regulations apply is £615,278 for each contract. For below threshold contracts, the Council's duty is to act reasonably and proportionately when evaluating the efficacy of awarding, varying, or extending a contract.
- 4.4 This proposed key decision was entered in the Forward Plan on 16 May 2014 and the necessary 28 clear days' notice has been given. In addition, the Council's Constitution requires the report to be published on the website for five clear days before the proposed decision is approved by the Cabinet Member. Any representations received during this period must be considered by the decision-maker before the decision is taken. A further period of five clear days - the call-in period - must then elapse before the decision is enacted. If the decision is called-in during this period, it cannot be enacted until the call-in has been considered and resolved.

5. Consultation and co-production

- 5.1 The LWNA will be expected to review these services as part of the Living Well Network and develop strategies to align, remodel and improve them. This review process will follow a recognisable co-production design led methodology involving key stakeholders at all stages. Therefore, at this present moment, it is recommended that stability in the service system is required, whilst service reviews and development work is undertaken.

6.0 Risk management

- 6.1 The social care services provided through these contracts for which the Council is responsible need to be delivered by appropriately trained, accredited and experienced professionals. The service specifications for each of these contracts contain relevant quality and service standards.
- 6.2 For each contract, there are a number of mechanisms and processes deployed to monitor the performance of the provider against the requirements of the contract and provide assurance in relation to the quality of services provided. This includes the submission of quarterly contract monitoring reports by providers; formal contract reviews by Commissioning Development Officers; financial viability checks (Dun & Bradstreet; Homes and Communities Agencies), in addition to on-going monitoring of quality of care provided and compliance with adult social care legislation; statutory guidance and the contracted service specification.
- 6.3 The LWNA will be undertaking service reviews and development work during 2019 and beyond, as part of reshaping and developing mental health services.

7.0 Equalities impact assessment

- 7.1 People living with mental illness are one of the protected groups under the Equalities Act (2010). The services subject to this extension request enable adults living with mental illness to maintain and develop their independence, to have more choice, and to remain in their local communities.
- 7.2 As service reviews and development of services are undertaken as part of the LWNA, Equalities Impact Assessments will be undertaken as part of that process. Commissioners will consider equalities issues such as access, appropriate service delivery models for specific communities, and the needs of vulnerable service users, including protected characteristics (Equalities Act 2010), which is a critical component of the work programme. An initial EIA relating to the proposed scope of the LWNA was undertaken (27/03/2017) and presented to the Corporate EIA Panel, to ensure that equalities is embedded into service development work going forward.
- 7.3 The LWNA is already working closely with Black Thrive which is involved in the on-going work around service development and the development of an outcomes framework.

8. Community safety

- 8.1 There are no community safety issues.

9. Organisational implications

9.1 Environmental

None

9.2 Staffing and accommodation

All staff and volunteers are DBS checked and this is renewed every three years. All staff are paid a London living wage.

9.3 Procurement

The service providers will be required that they must ensure that they meet the requirements of the relevant policies (most notably, Corporate Health and Safety policy, Corporate Complaints Policy, Freedom of Information Policy and Adult Protection Procedures). Use of and compliance with the corporate responsibility policies will be monitored through the contract. The successful providers will sign the Borough's Environmental Policy and address Social Sustainability, Environmental Sustainability and Economic Sustainability.

9.4 Health

There are no organisational health issues.

10. Timetable for implementation

	Item Description	Date
1	Presentation of CMDDR to PB with recommendations agreed	14/12/2018
2	Publication for on-line decision	17/12/18
3	Decision date	27/12/18
4	Key decision call in period ends	04/01/19
5	Contract extension documentation sent to provider	05/02/19

Audit trail				
Consultation				
Name/Position	Lambeth directorate/division or partner	Date Sent	Date Received	Comments in para:
Fiona Connolly	Strategic Director, Children, Adults and Health	05/12/18	06/12/18	No specific comments in paras
Richard Sparkes	Assistant Director Adult Social Care, Adults and Health	05/12/18		No specific comments in paras
Denis O'Rourke	Lambeth CCG Assistant Director for Integrated Commissioning – Mental Health	05/12/18	06/12/18	Uplifts
Moira McGrath	Lambeth CCG Integrated Director of Commissioning	05/12/18	06/12/18	Part.4
Tom Dennerly	Business Partnering – Lambeth ACS	05/12/18	13/12/18	Par.3 & Finance Summary
Peter Hesketh	Assistant Director Finance – Lambeth ACS	05/12/18	13/12/18	Par.3 & Finance Summary
Aster Tafere	Accountant – Adult Social Care Finance	06/12/18	13/12/18	Par.3 & Finance Summary
Michael O'Hora	Lambeth Legal Services, Corporate Affairs	05/12/18	06/12/18	Part.4
Maria Burton	Democratic Services, Corporate Affairs	05/12/18	11/12/18	Part.4
Sasa Glisic	Senior Category Procurement Manager, Corporate Resources	05/12/18		
Cllr Edward Davie & Jacqui Dyer	Cabinet Member for Health & Adult Social Care (job share)	14/12/18	14/12/18	Approved
Internal Officer Board	Date of meeting			
CMB	14/12/18			
Procurement Board	18/12/18			

Report history	
Original discussion with Cabinet Member	14/12/18
Report deadline	N/A
Date final report sent	N/A
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	Yes
Date first appeared on forward plan	16/05/2014
Key decision reasons	Financial – expenditure or savings of over £500,000
Background information	Future Lambeth Borough Plan, 2016-2021 Care Act 2014 Equality Act 2010 DoH (2011) ' No Health without Mental Health ' Mental Health Taskforce (2016) ' Five Year Forward View for Mental Health ' NHS (2016) ' South East London Sustainability and Transformation Plan '
Appendices	None

APPROVAL BY CABINET MEMBER OR OFFICER IN ACCORDANCE WITH SCHEME OF DELEGATION

I confirm I have consulted Finance, Legal, Democratic Services and the Procurement Board and taken account of their advice and comments in completing the report for approval:

Signature _____ **Date** _____

Post

Denis O'Rourke, Assistant Director Integrated Commissioning – Mental Health

Signature _____ **Date** _____

Post

Councillor Jacqui Dyer, Cabinet Member for Health & Adult Social Care (job-share)

Any declarations of interest (or exemptions granted):

Issue	Interest declared
None	None