

London Borough of Hammersmith & Fulham

Report to: Cllr Coleman: Cabinet Member for Health and Social Care

Date: 13/02/2020

Subject: **Direct award of the contracts for mental health supported housing**

Report of: Jonathan Lillistone, Assistant Director, Commissioning Social Care

1. Summary

1.1. These services provide accommodation with support to adults with mental health issues. There are 131 supported housing units across 16 homes, in different parts of the borough. In 2019 commissioners conducted a strategic review of these services. The review concluded that the service model requires a complete reconfiguration, in a planned way, with a move to an independent living model. In the short-term, this means that the existing service providers' contracts, need to be extended via a direct award, in order to enable a programme of strength-based reviews for each resident to be carried out, a new service model developed, and a procurement process for the new contracts to be undertaken by April 2022.

2. Recommendations

2.1. That the Cabinet Member for Health and Social Care approves the direct award of five interim contracts to continue provision by the incumbent providers for a period of 2 years at a maximum cost of £3,608,538 as set out in table 1. A waiver of the competition requirements under Contract Standing Order (`CSO`) CSO'19.1. was approved on 24th January 2020 on ground 22.3.6 that there are circumstances which are genuinely exceptional.

2.2. Appendix 2 of this his report is not for publication on the basis that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information) as set out in paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended).

Wards Affected: ALL

3. H&F Priorities

Our Priorities	Summary of how this report aligns to the H&F Priorities
Building shared prosperity	The services work in a way to support residents towards work readiness. This will be a key outcome of the future contracts.
Creating a compassionate council	The recommendations in this report will provide stability in the support provided for residents with mental ill health. Having good supported accommodation services in borough enables people to remain close to existing support networks that facilitate personal resilience and recovery.
Doing things with local residents, not to them	The residents of the services will be central in the strength- based assessments, identifying their aspirations and goals and will participate in the coproduction of the new service models. The future service model will be co-produced with residents and those with lived experience of mental ill health.
Being ruthlessly financially efficient	The decision to focus the support and care on those with the greatest needs and enable residents to achieve greater independence uses the funds available in the most efficient way.
Taking pride in H&F	We can be proud that we continue to invest in supported housing services that enable residents to build on their own resources and assets in order to live independently in the community and to secure their full inclusion, contribution and participation in all aspects of social and economic life.

4. Financial Impact

- 4.1. The funding for the contracts will be capped at the current contract prices set out in the table below.

Table 1:

Provider	Contract	Original Contract start & end date	Contract end date including extensions	Proposed direct award extension period	Current Annual value	Potential total value of direct award
London Cyrenians Housing	North West Cluster Service	1 June 2013 to 31 May 2016	31 March 2020	1 April 2020 to 31 March 2022	£526,856	£1,053,712
Look Ahead Care and Support	North East Cluster Service	1 June 2013 to 31 May 2016	31 March 2020	1 April 2020 to 31 March 2022	£423,669	£847,338
Single Homeless Project (SHP)	Central Cluster Service	1 June 2013 to 31 May 2016	31 March 2020	1 April 2020 to 31 March 2022	£339,240	£678,480
Hestia Housing & Support	North Cluster Service	1 June 2013 to 31 May 2016	31 March 2020	1 April 2020 to 31 March 2022	£271,151	£542,302
Hestia Housing & Support	South Cluster Service	1 June 2013 to 3 May 2016	31 March 2020	1 April 2020 to 31 March 2022	£243,353	£486,706
Total					£1804,269	£3,608,538

- 4.2. The recommendation in 2.1 above to award direct contracts to the five incumbent providers from 1st April 2020 will cost £1,804,269 in 2020-21 and £3,608,538 over the anticipated contract lifetime. There are no part year effects.
- 4.3. The cost of this contract will be met from the existing Social Care Supporting People general fund revenue budget. The current total financial resource is 1,804,269.
- 4.4. No savings will accrue from these direct awards. It is anticipated that the procurement process that will be launched in January 2021 for new contracts from April 2022. We will ask prospective candidates to tender on the basis of flexible and reduced support hours which must realise savings.
- 4.5. The financial checks have been undertaken in terms of credit checks and annual turnover and there is no cause for concern that would prevent proceeding with direct awards.
- 4.6. *Implications completed by Prakash Daryanani, Head of Finance Social Care, Financial Planning & Integration Team, Tel. 020 8753 2523*
- 4.7. *Implications verified by Emily Hill – Assistant Director (Corporate Finance), Tel. 020 873 314*

5. Legal Implications

- 5.1. The recommendations propose a direct award of five interim contracts to continue provision of mental health supported housing by the incumbent providers for a period of 2 years at a maximum cost of £3,608,538 as set out in Table 1 at paragraph 4 above. These contracts fall under the category of social and other specific services, Schedule 3 of the Public Contracts Regulations 2015 (PCR). The threshold for such services is currently £663,540.
- 5.2. Advice should be sought on the appropriate terms and conditions for each of the contracts at Table 1 of paragraph 4 above.
- 5.3. *Implications completed by Hannah Ismail, Solicitor, Sharpe Pritchard LLP, external legal advisers seconded to the Council tel 0207 405 4600*

6. Contact Officer:

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Background Papers Used in Preparing This Report

None applicable

DETAILED ANALYSIS

1. PROPOSALS AND ANALYSIS OF OPTIONS

- 1.1. The purpose and specification of H&F mental health supported accommodation services is to provide support and housing for people following a period of mental ill health in order that they can recover on move on to independent living. There is no fixed time period for how long people should live in the houses however there is a guide time of two years.
- 1.2. Over the course of 2018/19 a strategic review of existing mental health supported housing was undertaken. This was done through:
 - Resident engagement through a series of focus groups comprising current residents of the services specifically focussing on their views of supported housing. These were led both by Council officers and by an independent mental health advocacy organisation – Heads Up;
 - Regular mental health review stakeholder group comprising West London Trust, commissioning and housing colleagues;

- Ongoing relationships with the providers of the of supported housing services through contract and supplier management;
 - Bi annual supported housing provider forums.
 - Focussed mental health move-on workshops comprised of supported housing providers, commissioning and housing colleagues.
- 1.3. The review highlighted that existing services are key to our strategy to enable people with mental ill health to recover and live independently; improve their health and well-being and divert them from more intensive health and social care settings. However, although there are people who move through the service and on to independent living, the review has concluded that the service model as it is currently configured is one that has, for some, fostered a culture of dependence. This has led to a sizeable cohort of people having lived there for many years. Appendix 1 summarises the throughput in the services from 2014-2019.
 - 1.4. It is recommended that the service model be redesigned in a planned way so that it becomes an independent living model whereby residents are enabled to build on their own resources and assets in order to live independently in the community and to secure their full inclusion, contribution and participation in all aspects of social and economic life.
 - 1.5. A procurement strategy will be taken to Cabinet in January 2021, recommending the procurement of new contracts to replace the five existing contracts detailed in Table 1 above.
 - 1.6. It is considered that a 2-year direct award is required for these services to allow sufficient time to progress with the co-production work, and the reassessment of the residents' needs as described at paragraph 1.8 below which are fundamental to finalising the new service model. Further, sufficient time is required to undertake the procurement process for these services. Unfortunately, the COVID-19 Pandemic has caused delay in commencing this necessary preparatory work which has currently been placed on hold.
 - 1.7. The contracts for the new services will be awarded through a competitive tender process for the services to be in place by 1st April 2022. A procurement strategy will be taken to Cabinet in January 2021.
 - 1.8. The proposal is to take a whole pathway approach to the recommissioning of mental health accommodation that is underpinned by a strength-based review of residents. This approach will align with the changes planned by the Council and Hammersmith & Fulham CCG to transform mental health services into local networks offering a more preventative response that intervenes early and promotes recovery.
 - 1.9. In a planned approach over several months the 131 residents living in the supported housing will have: their needs reviewed using a person-centred, strength-based approach; their progress in their move towards independent living fully explored and, where appropriate, move on plans put in place and implemented. Where appropriate the move on plan will indicate what support will be needed to facilitate a successful move to greater independence. The strength-based approach will be a collaborative process with the residents, drawing upon their own strengths and assets and those in the community.

- 1.10. This undertaking will help inform where the care and support will need to be focussed in future and where the support can be reduced accordingly. A new service model will be designed and developed in collaboration with key stakeholders including the residents and people with lived experience of mental ill health.
- 1.11. In addition to the strength-based reviews, officers have a planned schedule of engagement with the residents currently living in the services and with those who have moved out of services in the last 2 years. Appendix 1 outlines this process.
- 1.12. This engagement with residents will provide vital information on how the current services meet (or do not meet) their needs and how the service model can be changed to provide greater flexibility. The aim is to ensure that people with lived experience of mental illness who wish to be involved in the design, planning, delivery and review of services are supported to be part of a working group. Officers are also working with the Co-production Leads to develop an ongoing programme of co-production and engagement.
- 1.13. As residents move onto more independent living in the community, where it is possible and safe the service levels delivered will reduce as appropriate within the term of the directly awarded contract e.g. if several people move on from a specific house.

2. Options appraisal

Option 1 – Allow the contracts to expire on 31.3.20

- 2.1. This option is not viable as there will be a gap before new services are in place for vulnerable residents. This option is likely to increase the demand for more intensive health and social care services and could jeopardise the future availability of essential buildings not owned by the Council. For these reasons this option is not recommended.

Option 2 – Undertake a procurement of short-term interim contracts

- 2.2. There is insufficient time to undertake a procurement of short-term contracts before 31.3.20. This option would also detract resources from the procurement of longer-term contracts. The existing contracts are delivering good value for money and good quality services. For these reasons this option is not recommended.

Option 3 - Directly award five interim contracts to the incumbent providers

- 2.3. The direct award of five interim contracts as set out in 2.1 and 2.2. above will enable service continuity to vulnerable residents while the new service model based on resident need is developed, the pathway is reconfigured, and new contract arrangements are put in place. For this reason, this option is recommended

3. Procurement timetable

What	When
Phase 1 – Co-producing and strength-based reviews	

Co-production with residents	Ongoing until October 2021
Programme of strength-based reviews	Started in February 2020-to recommence at future date in 2020.
Engagement with existing providers and landlords	Ongoing until October 2021
Phase 2 – Governance and decision-making	
Issue of a Prior Information Notice	August 2020
Governance	September – December 2020
Cabinet approval of procurement strategy	January 2021
Phase 3 – procurement and mobilisation	
Development of contract documentation	February – March 2021
Procurement phase launched	April 2021
Tender process	May – June 2021
Tender evaluation	July 2021
Moderation and decision on preferred bidder	August 2021
Contract awards and governance	August – September 2021
Contracts mobilisation	October – March 2022
Service commencement	April 2022

4. Reasons for Decision

- 4.1. The contracts listed in Table 1 above all expire on 31.03.2020. A procurement strategy covering the future proposals for the contracts will be taken to Cabinet in January 2021.
- 4.2. The direct award of five contracts as set out in 2.1 and 2.2 above will enable service continuity to vulnerable residents while: the new service model based on resident need is developed; the pathway is reconfigured, and new contract arrangements are put in place.

5. Equality Implications

- 5.1. The recommendations in this report aim to ensure continuity of service and officers anticipate there will be no negative impact on protected groups under

the Equality Act 2010. The following procurement strategy for the future service will include a full equality impact assessment.

- 5.2. *Implications verified by: Fawad Bhatti, Policy & Strategy Officer, Public Service Reform, tel. 07500 103617.*

6. Risk Management Implications

- 6.1. The direct award of five interim contracts as set out in 2.1 and 2.2. above will enable service continuity to vulnerable residents while the new service model based on resident need is developed. A procurement exercise will determine if the service provides value for money and commissioners will work with key stakeholders to design the service model and specification for the new services in time to go out to tender in January 2021.
- 6.2. *Implications verified by: Michael Sloniowski, Risk Manager, tel 020 8753 2587*

7. Procurement Implications

- 7.1. Following approval of a waiver the author of the report is requesting approval from the Cabinet Member for Health and Adult Social Care for the direct award of five contracts to the current incumbent providers of Mental Health Supported Housing services.
- 7.1. The service area has confirmed that all the direct awards will be in accordance with the current terms and conditions and pricing structure (i.e. no price increases) and that all the service providers have committed to deliver social value outcomes during the term of the proposed contracts.
- 7.2. The proposed directly awarded contracts would all commence on 1st April 2020 and have a duration of two years. They range in value from £486,706 to £1,053,712 and are revenue budget funded. Contract Standing Order (CSO) 21.1 requires that a revenue budget funded contract with a value of £0.5 million or above must be awarded by the relevant Cabinet Member. As four of the proposed contracts has a value of £0.5 million or above it is expedient if all five contracts are awarded by the relevant Cabinet Member
- 7.3. The services to be provided under the proposed contracts fall under the category of Social and Other Specific Services as defined by Schedule 3 of the Public Contracts Regulations 2015 ("the Regulations"). Three of the proposed contracts have a value in excess of £663,540, the current threshold for this category of services.
- 7.4. In the event the proposed direct awards of the five contracts is approved:
- the contracts must be completed and executed;
 - all five contracts, having a value exceeding £100,000, must be sealed by Legal Services;
 - the Council's e-procurement portal, capital Esourcing, must be updated with all relevant details of the contracts;
 - details of the award of contracts must be published on Contracts Finder;
 - the decision to award the three contracts with values exceeding £3000,000, constituting a Key Decision as defined by Article 12 of the Council's Constitution, must be published on the Council's website (CSO 21.6).

7.5. The author of the report has set out cogent reasons for the direct award of the proposed five contracts. It is noted that a procurement will be conducted following approval of a Procurement Strategy & Business Case by Cabinet in June. While the draft procurement timetable is achievable it will require adequate staffing resources to ensure there is no slippage with the consequential need to make further direct awards of contract to ensure service continuity.

7.6. *Implications completed by Tim Lothian, Procurement Officer, Commissioning, Social Care, Tel. 020 8753 5377*

Implications verified by Andra Ulianov, Head of Contracts and Procurement Finance and Governance, Tel. 07776672876

8. Consultation

8.1. All the incumbent providers have been consulted with proposals in the report.

8.2. The strength-based approach to assessing individuals is by definition a person centred one where each resident will be fully involved in the process.

9. List of Appendices:

Appendix 1: Review of throughput of mental health supported housing services and resident engagement

Appendix 2: Exempt Addition to legal comments in Section 5

Appendix 1

Review of throughput of mental health supported housing services and resident engagement

Summary of throughput for the mental health supported housing pathway

The table below shows the number and percentage of planned and unplanned moves from these services for a 5-year period:

Table 1

Year	Total Moves	Total no. planned moves	Planned moves %	Total no. unplanned moves	Unplanned moves %
2014-15	40	35	88%	5	12%
2015-16	34	27	79%	7	21%
2016-17	21	17	81%	4	19%
2017-18	34	28	82%	6	18%
2018-19	32	26	81%	6	19%
TOTAL	161	133	83%	28	17%

Findings:

- The % of planned departures has averaged at 83% over the last 5 years
- The % of unplanned departures has averaged at 17% over the last 5 years

Table 2

Destination of Planned Moves	Social Housing RSL/LA	Supported housing	Private rented sector	Care Home	B & B	Family/friends	Total unplanned moves
2014-15	17	13	1	1	0	3	35
2015-16	12	9	1	2	1	2	27
2016-17	4	7	1	2	2	1	17
2017-18	11	12	0	1	1	3	28
2018-19	12	8	2	1	1	2	26
TOTAL	56	49	5	7	5	11	133

Findings

- 49 (37%) planned moves are onto other types of supported housing in the borough; we can expect this as a number of these services are high support and the aim is for people to move through the pathway of services according to their needs. Some people also step back up to high support from medium support.
- Only 5 (4%) moved onto the private rented sector. This is low and is reflecting the fact that there has been an overall reduction in the numbers of people

moving onto the private sector due to the economic climate and Housing Benefit changes;

- 56 (42%) of the people moved into permanent social housing either RSL or local authority housing.

Table 3

Year	Reason For unplanned moves					Total unplanned moves
	Custody	Eviction	Hospital	Suicide	Other	
2014-15	1	1	1	0	2	5
2015-16	0	1	4	0	2	7
2016-17	0	1	3	0	0	4
2017-18	0	1	4	1	0	6
2018-19	0	0	6	0	0	6
Total	1	4	18	1	4	28

Findings:

- Over last 5 years unplanned moves remain low. 64% of unplanned moves are into inpatient mental health facilities.

Length of Stay

The purpose of the services is to provide support and housing for people following a period of mental ill health in order that they can recover and move on to independent living. There is no fixed time period for how long people should live in the houses however there is a guide time of two years.

Recent snapshots of residents living in the services in 2018-2019 and 2019-2020 demonstrate that 40 (31%) of the 131 units have been occupied by residents for over 5 years. This greatly affects throughput and the number of units that are available to new referrals.

Table 4

Date	>5 years	>10 years	Total
May 2018	27%	4%	31%
October 2019	22%	9%	31%

Engagement with residents currently living in supported housing

Officers will be holding phase 1 and phase 2 forums across the five geographical cluster mental health services inviting residents of the 16 ‘high’ and ‘medium’ support properties. The forums will be advertised through posters and staff encouragement.

The forums will be delivered in a small group format. Opportunities for one to one feedback will be provided by face to face, telephone or email communication. The purpose of the “phase 1” forums is to understand the current resident’s views on the care and support provided, the housing provision and opportunities for a move to

independent living. This will contribute to an options analysis of the preferred operating model

Phase 2 is to discuss the preferred model (s) with residents and opportunities to be meaningfully involved in the design, planning, delivery and review of services

It is anticipated that this engagement will stimulate interest from residents with lived experience of mental health issues to be part of an ongoing co-production working group.

Table 5

Phase 1

Date	Site	Service	Cluster
19/02/2020	Perham Road	SHP	Central
20/02/2020	King Street	London Cyrenians	North West
24/02/2020	Nia House	Hestia	North
25/02/2020	Edgar Wright Court	Hestia	South
26/02/2020	Irving Road	Look Ahead	North East

Phase 2

To be arranged between mid-March-early April 2020

Engagement with residents who have left the lived in commissioned mental health supported housing services

Officers will also be engaging with residents who have left the supported housing services between February 2018-2020.

Work programme to include:

- Contact Housing to establish list of residents
- Contact Hestia floating support service
- Draft a template for resident engagement to include themes of: quality of life, physical and mental, isolation and loneliness, money management, employment, permission to contact GPs
- Contact GP Federation to discuss their experience of working with people in supported housing and those who have moved on
- Interviews of residents
- Summary to feed into procurement strategy and operating model
- Support people who want to be meaningfully involved in the design, planning, delivery and review of services