

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Deputy Leader (and Cabinet Member for Health and Adult Social Care)
Councillor Ben Coleman

Date: 05/10/2022

Subject: Direct award of the contracts for mental health supported living services

Report author: Michele Roberts, Programme Lead, Health and Social Care

Responsible Director: Linda Jackson, Strategic Director Social Care

SUMMARY

The mental health supported living services pathway provides onsite, housing related support to up to 131 adults with mental health needs. The onsite support hours are defined according to high and medium support needs. The high needs services provide 24-hour onsite support while the medium support services provide less intensive staffing hours. This housing is an essential part of the pathway for those who have been recently discharged from mental health wards or who have struggled to maintain a tenancy independently and/or who present homeless at our housing department. There are five contracts in this service that operate from 16 buildings. All are owned by social landlords throughout the North, Central and South of the borough.

There are several critical reasons why a direct award of 12 months is needed for the incumbent providers.

This direct award will allow for the current transformation work regarding those residents who have lived in these properties for over five years. The purpose of this work is to understand the most appropriate housing option and related support needed and to establish a set of coproduced recommendations and actions for these residents.

Alongside this, additional time will allow for coproduction activity with residents, who are currently in and who have moved out of the pathway. This activity will be supported by our new mental health capacity building and coproduction service, which we are currently reviewing the bids for. This engagement will shape the procurement strategy.

The services were due to be recommissioned by September 2023 however, this has been delayed due as one of the Registered Providers, Shepherds Bush Housing Group (SBHG), is divesting their supported housing portfolio. Most of SBHG supported living properties sit in Hammersmith and Fulham, which includes four of the properties relevant to this report, supporting 32 residents. The SBHG properties are highlighted in yellow in Appendix 2, which provides details of the properties in the pathway.

SBHG have committed to prioritising the sale of the properties to another social landlord who will agree to continue the use the properties as supported living, honouring the current housing management arrangements. One property, however, is already being sold on the open market and a permanent decant is currently taking place. As the time of writing this report, there is still no clarity as to who the buyer of the properties will be and whether their usage will remain as a mental health supported living property. Direct

awards for up to 12 months are needed for all five contracts to establish which buildings will remain in the pathway before we go out to procurement. The procurement for the new contracts will be finalised by 30 September 2024 at the latest.

RECOMMENDATIONS

1. To approve the direct award of five interim contracts to continue provision by the incumbent providers for a period of 12 months at a maximum cost of £1,922,897 as set out in Table 1

Wards Affected: ALL

Our Values	Summary of how this report aligns to the H&F Values
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	An independent living approach will enable residents to develop personal resilience and have more control over their lives.
Doing things with local residents, not to them	The future service model will be co-produced with residents and those with lived experience of mental ill health. Officers are anticipating that successful bids for a new community grants programme for H&F will focus on coproduction and will support (and be supported by) people with lived experience, stimulating involvement from residents in the supported living services.
Being ruthlessly financially efficient	The decision to focus the support and care on those with the greatest needs and enabling residents to achieve greater independence uses the funds available in the most efficient way. More effectively utilising other housing options for residents will increase the throughput in the services and achieve savings in high-cost health placements out of borough and also in temporary accommodation Ensuring that people

	with severe and enduring mental health issues receive the appropriate clinical support, will also reduce the cost to the council.
Taking pride in H&F	The council can be proud that it continues to invest in supported housing services that enable residents to build on their own resources and assets to live independently in the community. We are working with local community organisations to assist these residents to be included in all aspects of social and economic life. An example of this is a number of residents who are volunteering with the Smile Brigade, helping to pack food donations for people effected by the cost of living crisis.
Rising to the challenge of the climate and ecological emergency	All the providers have organisational policies that reflect their commitment to responding to the climate emergency. Additionally, the providers have all made climate change commitments.

Financial Impact

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

Table 1 - Mental Health Support Living Contracts

Provider	Contract	Original Contract start & end date	Contract end date including direct awards	Proposed 12-month direct award	Current Annual value (Including 5% uplift for 23-24)	Potential total value of direct award (12 months)
London Cyrenians Housing	North West Cluster Service	1 June 13 to 31 May16	30-Sep-23	1 Oct 23-30 Sept 24 (uplifts)	£561,496	£561,496
Look Ahead Care and Support	North East Cluster Service	1 June 13 to 31 May16	30-Sep-23	1 Oct 23-30 Sept 24	£451,525	£451,525

Single Homeless Project (SHP)	Central Cluster Service	1 June 13 to 31 May16	30-Sep-23	1 Oct 23-30 Sept 24	£361,544	£361,544
Hestia Housing & Support	North Cluster Service	1 June 13 to 31 May16	30-Sep-23	1 Oct 23-30 Sept 24	£288,979	£288,979
Hestia Housing & Support	South Cluster Service	1 June 13 to 31 May16	30-Sep-23	1 Oct 23-30 Sept 24	£259,353	£259,353
Total					£1,922,897	£1,922,897

This amount may change throughout the current and proposed direct awards due to the closure of one of the properties. Although commissioners recommend that the funds are reinvested in an already under resourced pathway.

There is small amount of funds to be released from the closure of one property in the pathway. These funds will support the decant and moving costs for residents and it is recommended that this money is reinvested in the pathway to support essential engagement activity. This reinvestment will enable greater engagement of those who have lived in the services for over 5 years and therefore supporting better use of the housing.

The recommendation in 1 above, to award direct contracts to the five incumbent providers from 1 October 2023, will cost up to a maximum of £1,922,897.

This will allow for the sale of the SBHG properties to be concluded and for the subsequent remodelling of the pathway to be completed based on the outcomes of coproduction.

The cost of this contract will be met from the existing Social Care revenue budget.

No savings will accrue from these direct awards.

It is anticipated that the procurement process will be launched at the latest in January 2024 for new contracts to commence from October 2024 at the latest.

Finance Implications

The recommendation above to award 5 direct contracts to 3 providers for Supported People services with effect from 1st October to the 30th of September 2024 will cost £1,922,898 for the twelve month period. The contract period will give rise to part year effects of £961,449 in 2023-24 and £961,449, in 2024-25.

The above commitments can be met from the Supported People Revenue budget for both years.

Please note the total contract value quoted assumes a 5% inflationary increase on the 2022-23 values.

Comments by Cheryl Anglin-Thompson, Principal Accountant, Telephone: 07776 672 473, cheryl.anglin-thompson@lbhf.gov.uk date signed: 8 June 2023

Verified by Prakash Daryanani Head of Finance, Head of Finance, Telephone: 07795127329, prakash.daryanani@lbhf.gov.uk date signed:14 June 2023

Legal Implications

This report recommends the award of five separate contracts for the provision of mental health supported living services. The value of the contracts ranges from £259,353 to £561,496. The individual contract values are below the threshold for light touch services under the Public Contracts Regulations 2015 ('PCRs'). Therefore, they can be directly awarded to the incumbent suppliers without breaching the PCRs.

In respect of the Council's own Contract Standing Orders ('CSOs'), the CSOs require that contracts in this value range are procured via a competitive process unless a waiver has been approved by the s151 Officer on the recommendation of the Contract Assurance Board.

The appropriate decision maker is the Cabinet Member (taking the highest value contract).

The decision is a Key Decision as this award report concerns the award of contract in excess of £300,000 in value (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council's website. The award decision cannot be implemented without the expiry of the call-in period for that decision.

Each of the contracts must be executed as a deed as they all exceed £100,000 in value.

Verified by Angela Hogan, Chief Solicitor (Contracts and Procurement) 5th June 2023

Background Papers Used in Preparing This Report: None

DETAILED ANALYSIS

Proposals and Analysis of Options

There are a number of challenges that need to be addressed when remodelling the pathway these include:

Finances

1. These mental health contracts have remained at their contract values, without any inflationary uplifts, between the periods April 2016 to March 2022.

2. Several of the current providers state that they have been operating with budget deficits for several years.
3. The services, as a result, have skeleton staffing structures in place, which affects the quality of the support provided.
4. No savings can be achieved from these contracts given the current budget and the number of residents who are supported.
5. Financial modelling over the next month will assist officers to determine how many units of accommodation/properties and related support the budget is able to safely and effectively fund moving forwards.

Accommodation

6. Many of the properties are converted Edwardian/Victorian properties in varying states of repair with poor accessibility. This presents challenges for people with complex needs such as autism and those who are ageing. From a snapshot of residents in August 2022 43% were over 60 years old, some of whom would benefit from accessible properties. Currently some of these residents are being assessed for extra care support.

Model

7. There is a lack of consistent clinical support for all residents in the pathway with complex, forensic and dual diagnosis needs. Although WLTs Community Rehabilitation Service (CRS) is now carrying a small caseload of residents;
8. The current model has support that is tied to the buildings in which residents live which lacks flexibility in providing support to people living in different tenures;
9. Nearly a third of residents have lived in the pathway for over five years, some of these people have very complex needs, are not engaging meaningfully with services, have not developed the skills to live independently and are at risk of exploitation if they were to live in their own accommodation. It is extremely challenging to design a model based on throughput when only approximately 90 units are being utilised as intended;
10. Support could be better targeted for high needs residents in the pathway alongside a move away from a dependency model towards independent living.

Additionally, there have been a number of additional challenges for the mental health supported living services and the recommissioning plan including:

11. As stated in the summary above, SBHGs divestment of their mental health supported living stock;
12. The cost of living crisis and the cost pressures on the five contracts including cost of living increases and the recent London Living Wage increase. The average cost of supporting residents per week in these services is £282, which is low compared to our spot purchased Registered Care Homes in the borough which averaged at £845 per resident per week in 2022-2023. The limited budget per resident limits the proactive work that the incumbent providers can deliver as staffing levels are “skeletal”;
13. Increased pressure on the mental health ward beds and Delayed Transfer of Care (DTC);

14. A continued reduced engagement in meaningful activities in the community by residents, post Covid 19, exacerbated by the lack of funding for these services to support people in the community;
15. There is continued delays in repairs and maintenance by all landlords. This affects the speed of movement of residents both into and out of the pathway and keeps people longer on waiting lists;
16. However, in the last year improved joint working between H&F Council and health partners has contributed to a number of positive developments in the pathway.

H&F Health and Care Partnership

17. H&F Council, West London Trust (WLT), H&F CCG and other voluntary sector organisations have been working together through the Integrated Care Partnership (ICP) to improve mental health services in the borough. The targeted campaign area- complex care and placements, includes a focus on the mental health supported living pathway. This workstream is focusing on ensuring that:
 - We have the right housing and support options, at the right time, for our residents with complex mental health needs;
 - Our services are run efficiently and effectively;
 - Partnership working improves significantly to support people both when they are in crisis and more stable in the community;
 - People who are in placements out of borough have the opportunity to move back to be close to family, friends and social networks.

Value for Money

18. It is important to highlight that these supported living services do provide value for money by:
 - Providing residents with serious mental illnesses a place to feel safe, stable and supported;
 - The enable people to move from more intensive health settings, such as inpatient wards, to less restrictive environments
 - Supporting our independent living vision and enabling people with mental ill health to recover and live independently;
 - Enabling people to move from more intensive health settings, such as inpatient wards, to less restrictive environments
 - Enabling people to manage crises and remain in the community rather than needing to be admitted into hospital;
 - Enabling people to develop daily living skills and self-manage their medication
 - Supporting people to move into independent living, often their own flats;
 - Utilising the units effectively, keeping void rates low;
 - Enabling the throughput to be the highest in 2022-23 than in the last five years.

Investment by WLT

19. An additional investment of 1.4 million was provided by WLT, to be used during the period 2022-2024, to support the transformation of the system including:
20. A Community Capacity Building - Coproduction and Mental Health pilot for one year which will build on the councils' coproduction and independent living work stream and will enable residents with mental health issues to become coproducers;
21. An increase in the throughput/flow of residents through the mental health pathway (Appendix 1 demonstrates that this has improved in 2022-2023);
22. The establishment of step-down units in the borough (for a maximum of 6 weeks) to provide housing and related support for residents leaving acute mental health settings who are ready to leave the wards but either are unable to move back into their own tenancies straight away or are homeless;
23. An allocated social worker to complete Care Act Assessments for all residents living in the pathway;
24. A multi-disciplinary approach to reviewing those residents who have been living in the mental health services for over five years, some for up to 20 years;
25. Additional support for people when they move into their own flats to assist them to live independently;
26. An additional housing officer in the Council to support the referrals into the pathway, support while they are living there and then organising council or housing association properties for those who are ready for independent living;
27. An in-reach pilot, run by Turning Point, focusing on resident engagement in activities, both in the services and the community, alongside addressing their substance misuse problems. This service is also supporting the engagement of BME residents in a listening session with the Building Trust initiative residents in August 2023;
28. The investment funded a commissioner to support the Community mental health grants programme for one year, which delivers grass roots, preventative services addressing priority areas where there are gaps in provision including BAME and LGBTQ+ communities, autism, learning disabilities and young people;
29. A total of 9 posts were funded through this programme. Five of which are still supporting the transformation of the system. H&F Council and WLT are putting together a business case to support the continued provision of stepdown beds and associated staff along with a designated social worker for this pathway until the end of the financial year 2023-24.

30. There has been a review of the impact of these additional resources by a consultancy, BBI. This review highlighted the positive aspects of this investment but also had a range of recommendations to improve the quality of service provision and partnership working in the borough. See Appendix 2.

Table 2 - Options Appraisal

Option	Analysis	Recommendation
Option 1 – Allow the contracts to expire on 31 September 2023	This option is not viable as there will be a gap before new services are in place for residents. This option will leave residents without the support that they need and is likely to	Not recommended

	increase the demand for more intensive health and social care services.	
Option 2 – Undertake a procurement of short-term interim contracts	There is insufficient time to undertake a procurement of short-term contracts before 31 September 2023. This option would also detract resources from the procurement of longer-term contracts.	Not recommended
Option 3 - Directly award five interim contracts to the incumbent providers for 12 months	The direct award of five interim contracts as set out in Table 1 and Table 2 above will enable service continuity to residents while a new service model based on resident need is coproduced and the pathway is reconfigured.	Recommended

31. The contracts listed in Table 1 all expire on 30 September 2023, a 12-month direct award would allow the contracts to run until 30 September 2024. A procurement strategy covering the future proposals for the contracts will be taken to Cabinet at the latest in November 2023.

32. The direct award of five contracts as recommended in Table 2, option 3, will:

- Enable service continuity to residents while the new service model is developed with residents; the pathway is reconfigured, and new contract arrangements are put in place;
- Allow time to establish the outcome of the sale of the three SBHG properties in terms of whether they will still be part of the property portfolio:
- Allow time for meaningful co-production and recommissioning. A coproduction timetable will be provided as an Appendix to the Procurement Strategy.

Table 3 below shows the timetable for 12-month direct award and subsequent Procurement Strategy.

Table 3: Procurement Timetable with 12-month Direct Award

Milestone	Timeframe
Co-production of the service model and specification of the new services with residents	Ongoing until Oct 2024
Engagement with existing providers and landlords	Ongoing until Oct 2024
Procurement strategy out for comments	6-13 Nov 23

Procurement strategy Signed off by AD social care	15-24 Nov 23
Dispatch Procurement strategy to SLT	30 Nov 23
Procurement strategy approved at SLT	7 Dec 23
Dispatch Procurement strategy to CAB	13 Dec 23
Procurement strategy approved by CAB	20 Dec 23
Procurement strategy dispatched to CMB	2 Jan 24
Procurement strategy approved at CMB	9 Jan 24
Procurement strategy at Corporate SLA	19 Jan 24
Procurement strategy Deadline for Pol Cab	5 Feb 24
Procurement Strategy dispatched to Political Cabinet	6 Feb 24
Procurement Strategy approved at Political Cabinet	12 Feb 24
Receipt for final reports to Cab	20 Feb 24
Procurement Strategy dispatched to Cabinet	22 Feb 24
Cabinet approval of procurement strategy	4 March 24
Development of contract documentation	Jan-Feb 23
Procurement phase launched	Feb 24
Tender process	March-May 24
Tender evaluation	June- 24
Moderation and decision on preferred bidder	June 24
Contract awards and governance	June -July 24
Contracts mobilisation	July-Sept 24
Service commencement	1 Oct 24

Social Value

33. H&F Councils' social value policy requires that all spend over £100,000 needs to achieve a minimum of 10% social value. All five contracts are above this threshold and Table 4 below demonstrates the social value % commitment for each contract.

Table 4: Social Value commitments across the five contracts 2023-2024

Organisation/contract	Contract	Social	Social Value
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	Value per annum	Value: % of total contract value	Commitment Summary
London Cyrenians Housing – North West cluster service	£561,496	15.42%	HF1: 1 x local residents employed on the contract
Lookahead – North East cluster service	£451,525	47.36%	HF1: 4 x local residents employed on the contract NT6: 3 x disabled people employed on the contract
Single Homeless Project (SHP) - Central cluster service	£361,544	47.63%	HF1 Including 2 x local residents employed on the contract
Hestia –North & South cluster	£288,979 + £259,353= 548,332	Across both contracts 16.47%	HF1 2 x local residents employed on the contract

Equality Implications

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.

Risk Management Implications

The report recommends approving a contract via direct award to enable the existing service to be recommissioned and procured through a competitive process, in line with the objective of being ruthlessly financially efficient. The service is required to support vulnerable local residents, With Shepherds Bush Housing Group divesting its portfolio of properties the opportunity is being taken to understand the most appropriate housing options and related support needs of those individuals being housed and to coproduce tailored support for the residents, in line with the objective of being a compassionate council.

Implications completed by David Hughes, Director of Audit, Fraud, Risk and Insurance, 6 June 2023

Climate and Ecological Emergency Implications

As part of their social value commitments the 5 providers have made climate and ecology commitments including:

- Nomination of Green Champions within the clusters;
- Giving preference to suppliers who are aware and actively involved in promoting sustainability;
- Double glazed windows to be fitted to improve insulation of buildings;
- TFL grant funded cycling club to commence across the cluster;
- Creating a vegetable patch in unused garden space;
- To increase the percentage of recycling waste and support residents to do so;
- Organise resident visits to Borough recycling centre to promote recycling;
- Include environmental awareness and practical options in resident and staff meetings.

A Climate Implications Toolkit is at Appendix 3. All providers were provided with this toolkit, and this was used to generate their commitments.

Implications verified by: Hinesh Mehta Strategic Lead – Climate Emergency. Tel 07960 470125 Date signed: 13 June 2023

Social Value

Social Value requirement applies to all contracts above £100k. Five providers are above this threshold, and they all have committed a minimum of 10% of their contract to value social value for the 12-month direct award period (as per Table 1) The commissioner has engaged directly with all five suppliers and a list of social value commitments with related descriptions on their delivery was submitted. These social value submissions will be part of their contractual obligations.

The Commissioner will monitor the delivery of social value activities within the Department, as part of their contract management responsibility. Social Value activities will have to be evidenced and approved by the contract manager. Delivered activities will have to be reported to the Social Value Officer by the end of each financial year, so that these activities can be included as part of the Council's wider social value report.

It is advisable the Commissioner will work closely with Legal Services to ensure appropriate social value clauses are included in the contract, so that the Council can enforce its right to compensation if social value commitments are not delivered.

*Implications completed by: Oliur Rahman, Head of Employment and Skills
Date signed: 27 June 2023*

Consultation

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

Digital Services and Information Management Implications

IT Implications:

There are no IT implications resulting from this report.

IM Implications:

The Data Privacy Impact Assessment (DPIA) should be kept up to date to ensure that All potential data protection risks arising from the contracts are properly assessed with mitigating actions agreed and implemented.

The suppliers are expected to have a GDPR policy in place and all staff are expected to have received GDPR training.

Implications completed by Karen Barry, Strategic Relationship Manager, IT Services, Tel: 0208 753 3481 Date signed: 05/06/2023

LIST OF APPENDICES

Appendix 1 - Overview of Moves- planned and unplanned

Appendix 2 - Hammersmith and Fulham: Service Review of Stepdown Bed Provision

Appendix 3 - Table 1 -Overview of the mental health supported living providers and landlords.

Appendix 1

Overview of Moves- planned and unplanned

Table 1: Number and % of planned/unplanned moves

Destination Planned Moves	Housing Association/ Council Housing	Supported Housing	PRS	Care Home	Temporary housing	Family Friends	Total Planned Moves
2017-18	11	12	0	1	1	3	28
2018-19	12	8	2	1	1	2	26
2019-20	18	6	1	0	0	0	25
2020-21	13	9	2	2	0	2	28
2021-22	5	6	6	1	2	6	32
2022-23	22	4	3	2	0	1	35

Table 1 demonstrates that there

has been a greater number (and %) of planned moves and also the lowest percentage of unplanned moves in 2022-23 than the previous 4 years.

Table 2: Numbers and destination of planned moves

Year	Total Moves	Total no. planned moves	Planned moves %	Total no. unplanned moves	Unplanned moves %
2017-18	34	28	82%	6	18%
2018-19	32	26	81%	6	19%
2019-20	32	28	88%	4	13%
2020-21	35	27	77%	8	23%
2022-23	37	33	89%	4	11%

Table 2 demonstrates that there has been a greater number of moves into independent living: Council/Housing Association (22) and private rented (3) properties than the previous four years.

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Appendix 3

Table 1 -Overview of the mental health supported living providers and landlords.

Cluster	Support Provider	Service Address	Number of units	Level of support	Tenancy type	Landlord
North	Hestia	Nia House - 15 Coverdale Rd W12 8JJ	8	high	licence	L&Q
		21 Sulgrave Road W6 7RD	5	medium	AST	Metropolitan
		19 Coningham Rd W12 8BP	7	medium	AST	NHG
South	Hestia	Edgar Wright Court SW6 9EG	12	high	licence	SBHG
		120 Bishops Road SW6 7AS	5	medium	licence	NHG
		53 Moore Park Road SW6 2HP	7	medium	licence	SBHG
		170 King St W6 0QU	12	high	AST	Look Ahead
NW	Cyrenians	352-354 Goldhawk Rd W6 0AS	16	high	AST	Look Ahead
		45 Weltje Road W6 9LS	7	medium	AST	SBHG
		34-36 Irving Road W14 0JS	10	high	licence	NHG
		106 Lakeside Road W14 0DY	6	high	licence	SBHG
NE	Look Ahead	27 Lena Gardens W6 7PY	6	medium	licence	NHG
		Kwanzaa House W6 7BX	7	medium	licence	SBHG
Central	SHP	11 Perham Road W12 9SR	9	high	AST	NHG
		29 Avonmore Road W14 8RT	7	medium	licence	Metropolitan
		96 Barons Court Road W14 9DX	7	medium	AST	NHG