

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet Member for Health and Adult Social Care: Cllr Bora Kwon

Date: 28/11/2024

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

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

Responsible Director: Katharine Willmette, Interim Director of Adult Social Care

SUMMARY

This report requests approval to direct award five contracts for mental health supported housing services for two years to the organisations as set out in Table 1 below. This will enable officers to work with health colleagues to address sufficiency and capacity issues. Once completed the pathway can be remodelled and new services procured.

Table 1: Contracted Providers

Provider	Contract
Just (formerly London Cyrenians Housing Ltd)	Northwest cluster service
Look Ahead Care Support & Housing Ltd	Northeast cluster service
Single Homeless Project (SHP)	Central cluster service
Hestia Housing and Support	North cluster service
Hestia Housing and Support	South cluster service

RECOMMENDATIONS

1. That exempt Appendix 3 is not for publication under paragraph 5 Schedule 12A Local Government Act 1972 Access to Information Exempt Information on the ground that it contains information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
2. To approve the direct award of five contracts to continue provision by the incumbent providers for a period of 24 months with effect from 1st October 2024, at a maximum cost of £4,037,576 as set out in Table 2 below.

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. This supports the Councils vision for independent living
Doing things with local residents, not to them	The future service model will be co-produced with residents, those with lived experience of mental ill health and with staff teams. A report produced by Turning Point in June 2024 was the start of this process. A H&F HCP Capacity Building & Coproduction project run by Rethink also has as part of its brief to support this process.
Being ruthlessly financially efficient	Re-procuring the services will ensure value for money. More effectively utilising other housing options in borough for residents will increase the throughput in the services and achieve savings in high-cost health placements out of borough and temporary accommodation.
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

Table 2 – Breakdown of funding for the five mental health supported housing contracts

Provider	Contract	Original Contract start & end date	Contract end date including direct awards	Proposed 24-month direct award	Current Annual value 2024-25	Potential total value of direct award (24 months)
Just (formerly London Cyrenians Housing Ltd)	Northwest Cluster Service	1 June 13 to 31 May16	30 Sep 24	1 Oct 24-30 Sept 26	638,722	1,277,444
Look Ahead Care and Support	Northeast Cluster Service	1 June 13 to 31 May16	30 Sep 24	1 Oct 24-30 Sept 26	379,990	759,980
Single Homeless Project (SHP)	Central Cluster Service	1 June 13 to 31 May16	30 Sep 24	1 Oct 24-30 Sept 26	386,430	772,860
Hestia Housing & Support	North Cluster Service	1 June 13 to 31 May16	30 Sep 24	1 Oct 24-30 Sept 26	304,873	609,746
Hestia Housing & Support	South Cluster Service	1 June 13 to 31 May16	30 Sep 24	1 Oct 24-30 Sept 26	313,618	627,236
Total					2,023,633	4,047,266

Director of Finance Comments

The recommendation above to award a two-year direct contract for 5 Mental Health Supported Housing contracts across north, south, clusters throughout the borough will cost £2,023,633 annually and £4,047,266 over the proposed two-year contract lifetime.

The current annual value of the five contracts is £1,932,319. The difference between this and the proposed awards is an additional investment of £91,314 across the service provision.

The proposed new contracts are effective from 1st October 2024, so will give rise to part year effects of £1,011,817 in 2024/25 of £2,023,633 in 2025/26 and £1,011,817 in 2026/27.

This commitment can be funded from the existing Adult Social Care Supported Housing budget in 2024/25. Year 2 of the contract will be subject to the 2025/26 budget approval sign-off process.

Checked by:-

Name: Cheryl Anglin-Thompson, Principal Accountant,

Email: cheryl.anglin-thompson@lbhf.gov.uk

Date 2 October 2024

Position: Head of Finance (Social Care and Public Health)

Email: prakash.daryanani@lbhf.gov.uk

Date 2 October 2024

Verified by: James Newman, Assistant Director Finance, 16 October 2024

Legal Implications

This report recommends awarding 5 contracts to 5 existing providers for a period of 24 months for the provision of mental health supported housing services. During the 24 months a remodelling exercise will be undertaken. The value of the proposed direct awards range from circa £900,000 to circa £2m annually.

The contracts are light touch, above threshold contracts. The existing contracts were due to expire on 30th September 2024. The services are statutory services which the Council has a duty to provide under Mental Health Act 1983.

The appropriate decision maker is the Cabinet Member.

A waiver is required of the Contract Standing Order 19.1 which requires that contracts of this value are subject to competition.

Where the award report concerns the award of contract in excess of £300,000 in value or the expenditure is otherwise significant, then it is a Key Decision (see Article 12 of the Constitution) and must be submitted to Committee Services for publication on the Council's website.

Details of all contracts that have a value of £5,000 or greater must be published by the SLT Member in the Corporate Contracts Register on the e-tendering system in accordance with the Transparency Regulations 2015 and the Local Government Transparency Code 2015 published by the Department for Communities & Local Government.

Additional Legal Implications are set out in a confidential appendix

Completed by: Angela Hogan, Chief Solicitor (Contracts and Procurement)

1st October 2024

Background Papers Used in Preparing This Report: None

CONTEXT

Statutory Duties

1. The Council and the ICB have a statutory duty under the Mental Health Act 1983 to provide aftercare services to patients who have been detained in hospital for treatment under certain sections. Aftercare services include providing accommodation where it meets a need related to the person's mental ill health and reduces the risk of the person's condition deteriorating.
2. The Council also has a statutory duty under the Homeless Reduction Act 2017 and the Housing Act 1996 to prevent homelessness and provide assistance to people threatened with or actually homeless.
3. In discharging these duties ASC, housing and NWL ICB work together to jointly commission housing related support for H&F residents with severe mental illness (SMI), particularly those with co-occurring conditions: including substance misuse, learning disabilities and autism. All residents placed in the pathway have mental health diagnoses, most commonly schizophrenia and psychosis.
4. 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 as homeless at our housing department. The purpose of the service is to enable residents to recover and gain skills for independence that would allow them to maintain a tenancy in general needs accommodation. Pathways into this provision either come through health services including discharges from inpatient wards or directly via our housing department, through the homelessness pathway.
5. This provision is jointly funded by H&F Council and H&F ICB. The funding breakdown is in Table 1 below:

Table 1 – Breakdown of LA and ICB funding 2024/25

Contribution	Total
LA ASC Budget Contribution	£329,200
LA Public Health (PHOF) Contribution	£860,400
Total LA revenue Contribution	1,189,600
S75 ICB Contribution (from Better Care Fund)	£91,600
Protection of Social Care Contribution (NHS)	£742,500
Total Budget	£2,023,700

6. H&F ASC is the lead commissioner, responsible for managing the contracts and retendering the services, working in partnership with ICB, WLT and housing to ensure that we have the right services for the needs of our residents.

7. There are two officers managing referrals in and out of the pathway. One of which is funded by Housing, the other through one-off funding received from WLT. There is need to factor this in in recommissioning these services to mitigate the risk of losing this post.

Current Offer

8. The in-borough block contract mental health supported housing provision currently consists of five clusters/contracts. The services are designed to be transitional, with a guideline of stays up to two years. The aim is to support residents to rebuild their skills, confidence and resilience, to enable them to live their lives as independently as they are able, in the least restrictive settings.
9. There are 125 units across 15 buildings with a mix of high and medium support services. The units are in high demand and have a utilisation rate of 98% (Q 4 2023-24).
10. The providers are meeting the expectations of the contract and have been collaborative in working with partner organisations to improve outcomes for residents. Additional pilot resources have been added into the pathway in 2024/2025 to stimulate an improvement in practice, outcomes and throughput in the pathway.

Current Issues

11. Demand currently outstrips supply of these services and there are high wait times. The following tables, 2 and 3 outline the high number of referrals into our supported housing team and the subsequent numbers of residents accommodated in our block contracts.

Table 2: No. of referrals for housing to the Council with a primary mental health need 2023/2024:

Referral source	Number of residents
H&F housing	46
Mental health services WLT/ICB	40
Other providers, including rough sleeping services	17
Total	103

Table: 3 Waitlist & placements 2023-24

Total referrals	No. moved into high support	Av. wait time for high	No. moved into medium support	Av. wait time for medium	Number still waiting	Av. wait time for those still waiting

103	11	11 weeks	17	10 weeks	11	27 weeks
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12. Table 3 above demonstrates that in 2023-34 only 28 of the 103 residents on the wait list were accommodated in this pathway. This has resulted in residents remaining on in patient wards for longer than needed, being placed in spot purchased arrangements, often out of borough, or waiting in temporary accommodation (TA). 25 of these residents were either already in TA at the point of referral or were placed in TA whilst waiting for supported housing.

13. There are a number of reasons for this including:

- The number of referrals with a primary mental health need increased from 55 in 2022-23 to 103 in 2023-2024.
- The demand is predominantly for high support units for people who are very unwell and who need intensive support. The referral rate to these units is outstripping the rate at which the units become available.
- 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. Throughput is thus affected when only approximately two thirds of units (90) are being utilised as intended.
- Skeleton staffing structures teams in services has resulted in a limited recovery support offer to residents, which is affecting the move on rates.
- The demand for the H&F WLT mental health inpatient wards is high as is the demand for the pathway from the wards. This is exacerbated by a high number of Repeat Admitters (Acute Inpatients Re-admitted Within 12 months) and leads to Delayed transfer of Care (DTC)

14. Alternative placements are often substantially more expensive than the in-borough block contract offer which has resulted in high-cost pressures on both the Councils and ICBs mental health placement budgets. Table 4 below demonstrates that as of July 2024 £5,176,808 was spent on spot placements by the Council and ICB on 87 placements against £2,023,633 in borough for 125 residents in the block contract.

Table 4: Comparison of spend on in borough block & spot placements

Funding	No. of residents	Av cost per unit per week	Av. LA cost per week	Av. ICB cost per week	Total cost per week	Total cost per annum
LA/ICB block Supported living in borough	125	£311	£38,916		£38,916	£2,023,633
Spot 100% LA funded MH	19	£919	£17,478		£17,478	£908,856

supported living placements (@July 24)						
Spot Joint funded ICB/ LA funded MH supported living placements (@July 24)	68	LA: £557	£37,876	£44,200	LA:£37,876	LA:£1,969,552
		ICB: £650			ICB:£44,200	ICB:£2,298,400
Total LA and ICB spot spend						£5,176,808

15. In conclusion the current contracts are insufficiently sized to meet the demands for the provision. Intensive work is needed to be undertaken in order to reprofile this contract according to need working in partnership with our housing and health colleagues.
16. Discussions are underway with health and housing colleagues to review the mental health pathway and propose solutions to improve processes and develop provision including:
 - Reviewing Housings contribution to funding this pathway, given the statutory responsibilities to prevent homelessness and provide assistance to people threatened with or actually homeless.
 - Consider the business case to whether to disaggregate the mental health housing pathway from H&F ASC funding, in line with the rough sleeper pathway.
 - Further analyse the cost of spot placements for both H&F Council and the ICB against the in-borough block costs and develop an invest to save case that will allow for growth in this pathway.
17. The current contract extensions ended on 30 September 2024 with no option to extend. There is a need to ensure service continuity for residents whilst the work is undertaken to resize the budget to match demand for the service, and in such a way that minimises spot purchasing.
18. As outlined earlier in the report both H&F Council and H&F ICB have statutory responsibilities to ensure that there is continuity of this provision.
19. Attempts were made by officers to reprocure these services using our West London Framework, Care Place, DPS arrangements, however our legal team has advised against this option.
20. We are therefore recommending a two-year direct award for the five contracts.

Table 5 - Options Appraisal

Option	Analysis	Recommendation
<p>Option 1 - Directly award five interim contracts to the incumbent providers for 24 months</p>	<p>The direct award of five interim contracts will enable service continuity to residents while intensive work is undertaken to reprofile these contracts according to need working in partnership with our housing and health colleagues.</p> <p>The providers are meeting the expectations of the contract and are currently participating in partnership work focusing on improving practice, upskilling staff, addressing gaps and barriers and improving outcomes for residents.</p>	<p>Recommended</p>
<p>Option 2 – Allow the contracts to expire on 30 September 2024,</p>	<p>This is a frontline service. Ceasing the service would result in the Council and ICB not being able to fulfil its statutory duties.</p> <p>There is currently no other suitable housing and support offer in borough to accommodate these residents.</p> <p>There will be an increase in spot placements, often OOB, with residents a long way from families and circles of support.</p> <p>There will be an increase in both H&F Councils and ICBs placement budgets.</p> <p>There will be increased pressure on the flow in the MH system including DTOC from WLT inpatient wards.</p>	<p>Not recommended</p>

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. EIA is attached. The procurement strategy will include a full equality impact assessment.

Risk Management Implications

21. There are reputational risks associated with this award. These risks are that expenditure may be deemed by residents as being excessive or without significant benefit. Similarly, there is a reputational risk that the service may be viewed as not assisting the affected residents. It is advised therefore that a communication plan is defined in advance of reputational issues being manifested.

22. There is a programme risk that the service delivered by the suppliers is not of a satisfactory quality or breaches regulation leading to a change in supplier (in the former case) or fines (in the latter case) leading to resulting financial and negative reputational outcomes.

It is therefore advised that LBH&F officers audit the services provided making recommendations as necessary, and that any negative findings are reassessed within six months.

Implications completed by: Jules Binney, Risk and Assurance Manager, 8 October 2024

Climate and Ecological Emergency Implications

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

Commitment area	Examples
Ecology	Buy raw and fresh food, avoiding buying take away food for the service activity Better use of the gardens in the supported housing services
Homes, Buildings, Infrastructure and Energy	Negotiate with landlords re fitting double glazed windows to be fitted to improve insulation of buildings Replacing old appliances with new energy efficient appliance in all properties.
Engagement and Influence	Recruiting staff members from the local area Inform and educate residents and staff on the need to economise and turn off utilities when not needed.
Consumption	Reuse furniture from other services when available and also received donations from local charities in terms of clothes, spare toiletries.

	Reduction in printing i.e. use of printing toner and printing paper via saving all documentation online and reducing paper files in the office.
Travel	Commitment from all staff to use public transport or cycle into work Organisation offers a cycle to work scheme
Adaption	Changing residents' behaviour from having baths to taking showers

All providers were provided with our Climate Implications Toolkit, and this was used to generate their commitments.

Implications verified by: Hinesh Mehta, Assistant Director of Climate Change, Place Department Date signed: 4 October 2024

LOCAL ECONOMY AND SOCIAL VALUE IMPLICATIONS

Added value is a key component of our Sourcing Strategy, with a mandatory requirement for contracts over £100,000 to incorporate added value with 20% through their evaluation scoring.

While there are no targets for the proxy value of social value commitments to be achieved through contracts, the five contracts below all contain significant commitments for the proposed two-year contract period to end of September 2026.

Table 4: Social Value commitments across the five contracts 1 Oct 2024-30 September 2026

Provider	Contract	Social value commitments % of contract value	Provider Activity
JUST (London Cyrenians Housing Ltd)	North west cluster service	13.16%	Local Employment - Ensure local advertising and liaise with Head Office to staff cluster with local residents.
Look Ahead Care Support & Housing Ltd	North east cluster service	10.26%	Local Employment - Currently employ local residents and aim to maintain this.
Single Homeless Project (SHP)	Central cluster service	21.37%	Local Employment – Currently have local staff employed.

			<p>Meaningful work placements – Recruit trainee for 9 months (39 weeks)</p> <p>Fair wages - Whole team are paid above LLW</p> <p>Initiatives to tackle homelessness – Recovery & Move on coordinator promoting community links, resettlement support and retention of tenancy. Introduction of AQA living skills programme to support move on.</p>
Hestia Housing and Support	North cluster service	14.14%	Local Employment - Recruit permanent and part-time staff.
Hestia Housing and Support	South cluster service		<p>Meaningful work placements – Social Worker Students arranged for placements in both services.</p> <p>Fair wages - All staff in the services receiving more than London Living wage.</p>

*Implications completed by: David Pack, Strategic Head – Economic Growth
Date signed: 4 October 2024*

Consultation

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

Digital Services and Information Management Implications

No IT implications are considered to arise from the proposal in this report.

Implications completed by Karen Barry, Strategic Relationship Manager, Digital Services, tel 0208 753 3481
Date signed: 3 October, 2024

IM Implications:

This report requests the direct award of five contracts to continue provision by the incumbent providers. As such it is assumed that Data Privacy Impact Assessments have already been completed. These DPIAs should be reviewed and kept up to date.

Implications completed by Karen Barry, Strategic Relationship Manager, Digital Services,
tel 0208 753 3481
Date signed: 3 October, 2024

LIST OF APPENDICES

Appendix 1 – Equality Implications - EIA

Appendix 2- Table 1 -Overview of the mental health supported living providers and landlords

Exempt Appendix 3

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LONDON BOROUGH OF HAMMERSMITH & FULHAM

Appendix 2

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
NW	Just (formerly London Cyrenians Housing Ltd)	170 King St W6 0QU	12	high	AST	Look Ahead
		352-354 Goldhawk Rd W6 0AS	16	high	AST	Look Ahead
		45 Weltje Road W6 9LS	7	medium	AST	SBHG
NE	Look Ahead	34-36 Irving Road W14 0JS	10	high	licence	NHG
		106 Lakeside Road W14 0DY	6	high	licence	SBHG
		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