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EXECUTIVE

Wednesday 10 July 2019

Please see the attached reports marked "to follow" on the agenda.

PART 1

- 17 **CHILDREN'S SPEECH & LANGUAGE THERAPY - BETTER CARE FUND AND FUTURE FUNDING STRATEGY (PART 1)**
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- 18 **AUTHORISATION FOR EXEMPTION TO AWARD A FURTHER INTERIM CONTRACT FOR COMMUNITY WELLBEING SERVICE FOR CHILDREN AND YOUNG PEOPLE AND FUTURE PROCUREMENT OPTION (PART 1)**
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Farnborough and Crofton Ward

Copies of the documents referred to above can be obtained from
<http://cde.bromley.gov.uk/>

PART 2

21 LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) ORDER 2006 AND THE FREEDOM OF INFORMATION ACT 2000

The Chairman to move that the Press and public be excluded during consideration of the items of business listed below as it is likely in view of the nature of the business to be transacted or the nature of the proceedings that if members of the Press and public were present there would be disclosure to them of exempt information.

Items of Business

Schedule 12A Description

- | | |
|---|---|
| 28 CHILDREN'S SPEECH & LANGUAGE THERAPY - BETTER CARE FUND AND FUTURE FUNDING STRATEGY (PART 2)
(Pages 39 - 50) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 29 AUTHORISATION FOR EXEMPTION TO AWARD A FURTHER INTERIM CONTRACT FOR COMMUNITY WELLBEING SERVICE FOR CHILDREN AND YOUNG PEOPLE AND FUTURE PROCUREMENT OPTION (PART 2)
(Pages 51 - 66) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
| 30 YORK RISE - AWARD OF CONTRACT FOR MODULAR HOUSING SCHEME (PART 2)
(Pages 67 - 78) | Information relating to the financial or business affairs of any particular person (including the authority holding that information) |
- Farnborough & Crofton Ward

Report No.

London Borough of Bromley

Part 1 - Public

Decision Maker: Executive via scrutiny at the Children, Education and Families PDS Committee on 9th July 2019

Date: 10 July 2019

Decision Type: Non-Urgent Executive Key

Title: CHILDREN'S SPEECH AND LANGUAGE THERAPY: BETTER CARE FUND AND FUTURE FUNDING STRATEGY

Contact Officer: Dan Manns, Integrated Strategic Commissioner
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Chief Officers: Jared Nehra, Director of Education, Education, Care & Health Services Email: Jared.Nehra@bromley.gov.uk

Ward: ALL

1. REASON FOR REPORT

- 1.1 Speech and Language Therapy (SLT) for children and young people in Bromley is primarily provided by Bromley Healthcare (BHC) through a contract held by NHS Bromley Clinical Commissioning Group (BCCG), jointly commissioned with the Council.
 - 1.2 On 12th September 2018 an Executive report was agreed by Members requesting additional 'one-off' funding from the Better Care Fund for the SLT service. Subsequently, commissioners from the London Borough of Bromley (LBB) and NHS Bromley Clinical Commissioning Group (BCCG) have conducted a review of the service. This report presents the outcome of the review including the implications of the recent Speech, Language and Communication Needs (SLCN) analysis undertaken by Public Health and recommendations for a re-designed and sustainable service.
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2. RECOMMENDATIONS

- 2.1 That Members note the contents of this report when considering the recommendations in the Part Two report 'Children's Speech and Language: Better Care Fund and Future Funding Strategy'. This includes agreeing the funding allocation and that it will be managed through the joint funding arrangement with BCCG under Section 75 of the NHS Act 2006. The value of the funding allocation is included in Part Two of the report due to the contract price being commercially sensitive information.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Increasing the overall budget for services for children with SLCN and working to develop a 'whole system approach' with a range of partners will enable schools and other settings to advance the therapeutic response and to be more inclusive of the range of SLCN in Bromley.

Corporate Policy

1. Policy Status: N/A
 2. LBB Priority: Children and Young People.
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Financial

1. Cost of proposal: Detailed in Part 2 report for the remainder of the contract: years 2019/20, 2020/21 and 2021/22
 2. Ongoing costs: Recurring Cost None
 3. Budget head/performance centre: BCF codes
 4. Total current budget for this head: Detailed in Part 2 report
 5. Source of funding: Detailed in Part 2 report
-

Staff

1. Number of staff (current and additional):
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: <please select>
 2. Call-in: <please select>
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 6,500
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The 2019-20 academic year provides a chance to strengthen the service with a revised specification to meet the needs of all CYP with SLCN aged 0-25. This will enable Bromley’s children and young people to have access to a range of flexible options including information and guidance, early intervention as well as specialist support where required.
- 3.2 This report presents a number of proposed changes to the service, the overall system for delivering support to CYP with SLCN in Bromley and details the service improvements anticipated for the remainder of the contract.

4. SUMMARY OF THE BUSINESS CASE

- 4.1 There is evidence of a considerable local rise in demand for SLT since the introduction of the reforms set out in the Children and Families Act 2014 and the publication of the SEND Code of Practice 2015 which, along with the introduction of Education, Health and Care Plans (EHCPs), details ‘Communication and Interaction’ as one of the four specific areas of special education need (SEND Code Section: 6.28) This placed a new duty on local authorities and CCGs in terms of the joint commissioning of, and statutory duty to provide, services to meet the needs of children and young people with SLCN.
- 4.2 Bromley has a higher than average number of EHCPs per head of the population. The number of EHCPs in Bromley as of 5th April 2019 stands at **2,232**. SLCN appears as the primary diagnosis in around **43%** of these and around 70% of all EHCPs in Bromley now include provision for SLCN. This unanticipated increase in demand for SLT has placed existing services under considerable pressure.
- 4.3 Bromley has the highest level of SLCN when compared with statistical neighbours. This is below the London average and slightly above the England average (see [Figure 1](#) below). This may be in part due to lower levels of reassessment of SLCN need as children progress through school than may be seen in other areas. Regular assessment can often lead to the re-categorisation of primary need into SEN diagnoses such as ASD and LD, which tend to share a high level of co-morbidity with SLCN.

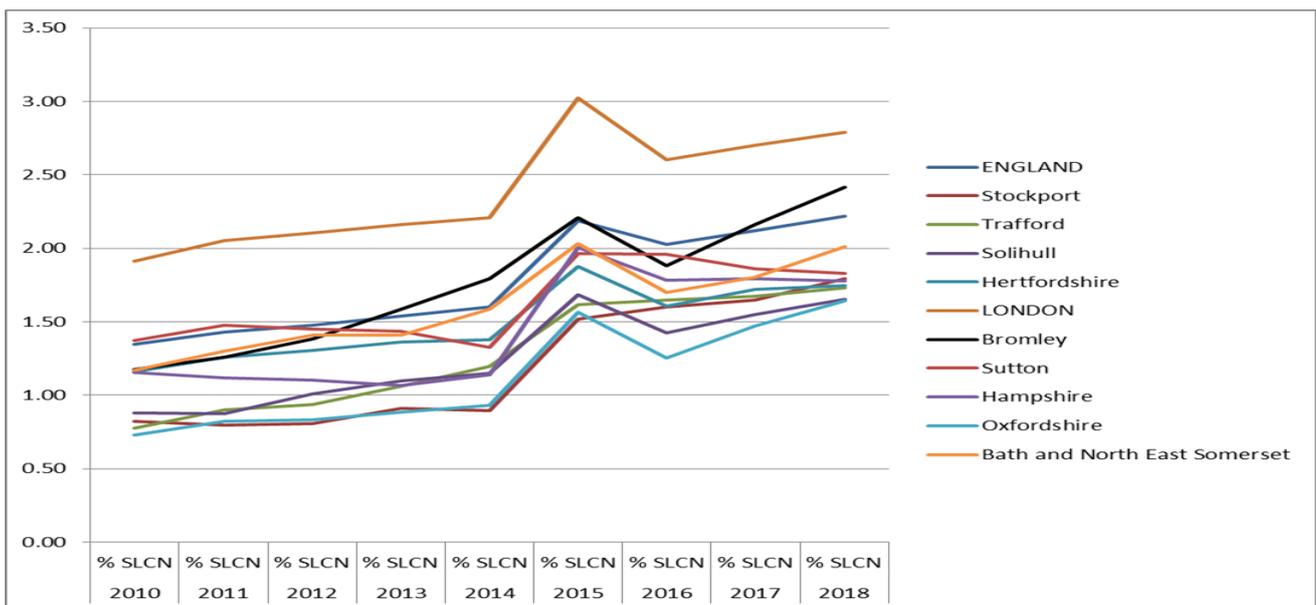


Figure 1: Trends in SLCN as a proportion of the child population, Bromley compared to statistical neighbours, 2010 - 2018.

- 4.4 The current SaLT service provides various interventions including:

- **Universal:** Early identification of needs via drop-in services and parent groups; training for parents and pre-school settings; contributions to SEN support plans; age appropriate training for teachers and support staff in identification of SLCN, classroom support strategies and guidance in delivering packages of intervention for school age children; drop-ins for families and education professionals.
- **Targeted:** Pre-school children and school-age children with identified health needs will receive a minimum of one intervention per term (parent training group, one to one sessions, or set of group sessions with parents and pre-school staff). Assessment, diagnosis, advice, guidance, training and support are available via drop-ins, clinics and sessions in community settings.
- **Specialist:** Pre-school children will receive intervention as per their assessed need. Specialist support for CYP (with an identified health need where the Local Authority does not have the duty to provide) with EHC Plan or Continuing Care may include: Individual or multi-disciplinary assessment; diagnosis and interventions; blocks of 1:1 or small group work; monitoring of support (1:1 or group); attendance and input into the child's annual reviews and support for vulnerable groups such as CLA and YOS delivered in appropriate settings.

Developing a Whole System Approach

- 4.5 A 'whole system approach' takes a holistic view in which the acquisition of good communication, language and literacy skills are embedded throughout the curriculum and at every level of school life. Good practice examples also emphasise the need for parental involvement and senior leadership support for this to be successful.
- 4.6 There is considerable evidence for the efficacy of this approach. As the Bercow 'Ten Years On' report has highlighted nationally, there is some way to go before services for children and young people with SLCN are able to fully reduce or eradicate the disadvantages and inequalities which often result from having a condition which impairs the ability to express oneself effectively and to understand the communication of others. However, there is a growing body of academic and practical research, such as Marie Gascoigne's 'The Balanced System' model, which can help services to become both more effective and also more sustainable.
- 4.7 This model recognises that during a child's journey through the education system, they may have greater or lesser support needs at different times. Accordingly, the level of specialism of support which they require will vary, as will the required skill level of a practitioner working with them. By focusing on increasing the skills and confidence of those working with children and young people with SLCN at every level, it is anticipated that services will become more sustainable and less reliant on an over-stretched specialist workforce as the required knowledge is embedded within educational settings and elsewhere, across the full spectrum of services for children and young people throughout the 0-25 age range. A diagram which illustrates how this flexibility of support might work in practice is included below as Figure 5.

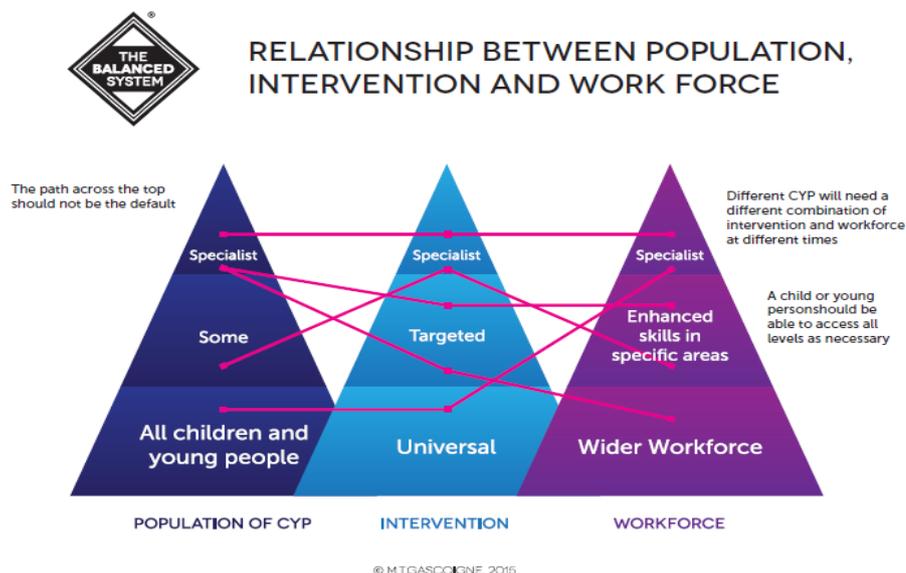


Figure 5: Support levels in 'The Balanced System'.

4.8 This approach has influenced the specific recommendations that follow in this report.

Service Improvements

4.9 With the greater understanding that commissioners now have of the high level of SLCN in Bromley and the relative under-provision of the SLT service, it is expected that the recommended increases in provision will give BHC the opportunity to perform at a more productive level than has been possible since the beginning of the current contract.

4.10 It is also proposed that the new specification will be flexible, that an updated service model will be re-issued on an annual basis and will be informed by data focusing on the prediction of levels of SLCN in a variety of settings in the coming year. For instance, SEN place planning data will be helpful in predicting which schools are expecting an increase or decrease in pupils with SLCN. Recent EHCPs may also be useful in predicting individual amounts of provision required if these are specified within the plan. This is an approach which other local authorities and CCGs with integrated therapy services have successfully taken. Going forward, the financial envelope will not change from year to year, but the allocation of resources within different settings can be flexed to meet the anticipated demand

4.11 In conjunction with an expanded service specification, a more rigorous and outcome focused performance monitoring framework is being developed in order to track the expected service improvement.

4.12 A detailed expert study of the SLT system in Bromley as a whole has been commissioned by BCCG, taking account of all settings, partners and provision. Its findings will be used to improve practice and service configuration during the remaining duration of the current contract in order to ensure that the available resources are deployed in the best way to meet current and future SLCNs.

4.13 Previously, long waiting times for assessment, and intervention following assessment have been a frustration for parents. Also there has been a disconnect between the amount of sessions recommended following assessment and the amount that BHC can deliver under the current contract which has caused additional pressure on the system as a whole. The proposed increases will tackle this issue.

4.14 For the new service it will be necessary to increase the capacity of the service in order to ensure that there is sufficient provision for assessment, staff training, as well as 1:1 therapy and group therapy interventions delivered collaboratively with key staff in education settings. There is evidence to suggest that an intervention which combines 1:1 therapy with group interventions delivered alongside everyday communication partners can be very effective (in terms of both outcomes and value for money) as young people are able to practice their language and communication skills in more than one environment and context.

4.15 There are a number of specific client groups or service areas for which provision needs to be developed, increased or amended.

Universal Drop-Ins

4.13 **Children's Centres Universal Drop-Ins:** Universal SLCN drop-ins held in Bromley's six children's centres are very popular with parents and practitioners. They allow parents to receive advice more quickly than waiting for a 1:1 clinical appointment. Teachers and other practitioners are also able to learn from these sessions about how best to support the children and young people with whom they are working. *It is important to note that approximately a third of families who use the drop-ins are provided with advice and reassurance regarding their children's SLCN and do not require any further SaLT intervention or service.* The remaining families are provided with tailored targeted or specialist support. Currently, these sessions are regularly over-subscribed.

4.14 Data strongly suggests that these sessions have a beneficial effect: They enable three times as many children to be seen per session in comparison with a 1:1 clinical appointment. BHC introduced additional pre-school drop-ins to compliment those offered through children's centres in August 2018.

- 4.15 Analysis of BHC data returns from two drop-ins at Blenheim and Burnt Ash Children’s Centres shows that drop-ins are effective in absorbing self-referrals for low-level needs and operating as an informal triage system to determine which needs require further targeted or specialist therapy. Both centres had a high percentage of children who were only seen once, suggesting that they were immediately discharged with advice and reassurance. At Blenheim, from a sample of 20 pre-school children aged 0-4 seen between September 2017 and August 2018, 16 (80%) had one appointment, while the remaining 4 had a relatively small number of follow-up appointments (an average of 5 per person). At Burnt Ash, from a sample of 35 pre-school children, 17 (49%) were discharged with advice and reassurance after one appointment, with the remainder receiving between 1 and 8 follow-up appointments (an average of 3 per person).
- 4.16 There are currently 72 Universal SLCN drop-in sessions (1 per month at each of the 6 children’s centres). 48 of these sessions are funded from the EIFS budget with the remaining 24 funded session funded from the core budget..
- 4.17 Given the popularity and time-efficiency of these sessions there is evidence of sufficient need to increase the number of these sessions to 144 Sessions (2 per month at each of the 6 children’s centres).
- 4.18 This change would reduce the unmet needs observed through the over-subscription of these sessions at each of the six children’s centres. It would also contribute to a greater number of children with SLCN being identified earlier and to the reduction of waiting times for services; firstly by the increased availability of sessions and also by the expected reduction in inappropriate referrals of children with low needs to formal advice clinics.
- 4.19 **School Age Universal Drop-Ins:** These would enable many more children to be assessed, reducing waiting times and freeing up more time for targeted and specialist work to be undertaken for those who need it. Approximately 4-6 children could be assessed in a 2 hour session in this way as opposed to only one child in around 45 minutes to an hour in a formal clinic setting. Several schools have already indicated willingness to host sessions.
- 4.20 Officers have estimated that six 3 hour sessions per month would cater for the current level of demand, based on an average of 37 referrals per month (Oct-Dec 2018) with six children seen at each session.

Identified Health Needs

- 4.21 The current service specification includes provision for mainstream school age children with identified health needs only. This arrangement excludes the majority of children with SLCN in mainstream schools from receiving an appropriate level of service through the core SLT contract.
- 4.22 Approximately 10% of children and young people assessed as having speech, language and communication needs can currently be defined as having ‘health needs’. Given the current service requirements, only a small proportion of mainstream school age children and young people are therefore able to access the CCG funded health service.
- 4.23 The relatively high level of need has created a situation in which the available resources are very stretched. The table below (figure 2) illustrates this pressure on service delivery, with contacts in 2017/18 down by 48% on the previous year and unique patients down by 18% due to the restrictions on eligibility.

Sep 2015 - Aug 2016	
Contacts	22,478
Unique Patients	3,774
Sep 2016 - Aug 2017	
Contacts	27,193
Unique Patients	3,987
Sep 2017 - Aug 2018	
Contacts	14,258
Unique Patients	3,281

Figure 2: BHC Activity Levels 2015 – 2018

- 4.24 The current service specification does not include Developmental Language Disorder (DLD) or Severe Speech Disorder (SSD). Excluding this vulnerable group of children from the core contract poses a significant risk in terms of unmet need and negative impact on outcomes both educationally and socially. A move to bring DLD and SSD in scope will strengthen the SLT support for this group and mitigate the risks as a result of unmet need.
- 4.25 In order to offer an appropriate level of support for all CYP with SLCN in Bromley it will be necessary to ensure that the redesigned offer for CYP without identified health needs is equitable to that of those CYP with identified health needs.

Youth Offending Service

- 4.26 In both a 2017 joint inspection of youth offending work in Bromley led by HM Inspectorate of Probation and a 2018 NHS England study of health services and pathways for young people in the justice system in Bromley, the under provision of SLT for YOS was highlighted.
- 4.27 A joint re-inspection of the YOS by HM Inspectorate of Probation during 2019 is anticipated.
- 4.28 In virtually all of the large number of studies on the links between SLCN and the Youth Justice System, samples of young people studied showed that a majority had SLCN, with a significant proportion of these having severe and complex SLCN. It can therefore be concluded that an increase in funding for this area is likely to have a significantly positive impact on this cohort.
- 4.29 It is therefore proposed that the BHC SLT service be increased to two days per week to be staffed by an experienced Band 7 Therapist. It is further proposed that this Therapist will work in close partnership with the YOS Liaison & Diversion Officer to ensure that care plans take account of any SLCN that young people known to the YOS may have.

Partnership Work

- 4.30 The LBB Specialist Support and Disability Services team has recently appointed two Specialist Advisory Teachers for SLCN. It is expected that they will work in partnership with SLTs within a remit focused on enabling and enhancing schools as 'communication supportive environments' and encouraging and enabling schools to train designated staff as communication champions and communication leads in order to embed good practice throughout schools at all levels.
- 4.31 There is a need to work with schools to ensure that existing resources and practices are best used to support an overall high standard of communication and learning in order to support any specialised SLT resources that may be accessed through the main contract, or directly commissioned.
- 4.32 The SEN team will also be working with the special schools and ARPS in receipt of devolved funds for SLT to evaluate progress and outcomes made since funds were devolved in 2017.
- 4.33 Other SLT partnerships are also being developed such as: closer working between SENCOs and SLTs; coordination of services in schools between the lead therapy provider and smaller independent providers; SLTs and health visitors with regard to aiding earlier identification of SLCN, as well as closer joint working between LBB and BCCG Commissioners.
- 4.34 Additionally, joint working between the Designated Clinical Officer for SEND, LBB, CCG and SLT provider services is ongoing to ensure statutory compliance in relation to SLCN and the SEND Code of practice.

5 SERVICE PROFILE/DATA ANALYSIS

Current and Future Commissioning Arrangements

- 5.1 The Bromley SLT service (part of the BCCG Children's Community Health Services contract) is joint commissioned but the majority of funding is provided by BCCG who lead on the procurement, management and monitoring of the service. A small amount of social care funding is provided through the early intervention team and mainstream schools further commission bespoke services through the Dedicated Schools Grant (DSG) and the High Needs Block. Special School and ARPs are also able to draw on devolved education funds which they receive

to commission SLT directly. Some schools use BHC for their SLT requirements; other schools commission these services from smaller independent providers.

- 5.2 For the final two years of the BCCG held contract (**2020-2022**) it is proposed that the totality of the actual and proposed increases in this service since the beginning of the 2018-2019 academic year will be brought together as part of a section 75 agreement. See part 2 report for details.
- 5.3 The additional expenditure from both LBB and BCCG should be viewed as an 'invest to save' policy. Access to Therapy provision in general and SLT specifically are very often cited as reasons for both EHCP tribunals and costly moves to alternative school placements. It is expected that the increase in the availability of SLT will have a positive impact on these phenomena.

6 OPTIONS APPRAISAL

- 6.1 **Option 1:** Agree the increased funding envelope in order for BCCG to vary the contract with BHC, which runs until 2022 with an improved specification, improved monitoring framework and a 'whole system approach' based on partnership working. The service will be closely monitored for clear signs of success. If this is not demonstrable within the 2019-20 academic year, the service will be exposed to open market testing via a competitive tender. **This is the recommended option.**
- 6.2 **Option 2:** BCCG give notice to BHC (the notice period is one calendar year) and begin preparation for a procurement leading to a full tender for provision of the service with a new budget and service in place by September 2020. This option is unlikely to deliver the required service transformation as quickly or efficiently as Option 1 and will most likely lead to a continuation of the service disruption experienced by children, young people, parents and carers. Additionally, a number of issues regarding the provision of SLT in Bromley such as national skill shortages and the high number of EHCPs are largely beyond the current providers control and would equally be faced by any potential new provider. This option is not recommended.
- 6.3 **Option 3:** Do nothing: maintain the current level of funding with the existing provider until the scheduled end of the BCCG contract. This option is not recommended as it would ensure the continued under-funding of the service and a lack of improvement in current service levels. Over time, with the predicted rise in demand, it would actually entail a further decline in service levels.

7 PREFERRED OPTION

- 7.1 **Option 1:** This option will enable the required service transformation while maintaining stability and continuity of service. It will also facilitate flexibility of the new service enabling a more personalised approach to each young person's needs. Additionally it will enable BHC to spend more time on training non-specialist staff in SLT techniques in a variety of relevant settings to enable a more sustainable service in future.

8 MARKET CONSIDERATIONS

- 8.1 As of 1st January 2019 there were 16,529 Speech and Language Therapists (SLTs) registered with the Health and Care Professions Council (HCPC). This represents 4.5% of the total HCPC registered workforce. This equates to approximately 1 SLT per every 3,340 per head of the population of England and underlines the fact that SLTs are a specialist resource and there is a relative shortage of highly trained SLTs. In comparison, there are over five times as many Social Workers registered with HCPC.
- 8.2 BHC have reported difficulties with recruiting sufficient numbers of therapists qualified to Band 7 and above and so are considering the merits of fast-tracking existing staff to be trained up to this level while recruiting at a lower level to fill the posts that those whose qualification has reached

the required level have vacated. There has also been consideration of plans to target young people in education and training as potential future SLTs.

- 8.3 There are a significant number of independent SLTs operating in and around Bromley. Many of these are highly qualified and well respected practitioners. However, the current expectations of schools to commission SLT and their relative autonomy in undertaking this restricts the opportunity for commissioners to quality assure SLT provision commissioned by schools.
- 8.4 Other NHS trust organisations, such as Oxleas, deliver SLT in other South East London boroughs, such as Greenwich and Bexley.

9. STAKEHOLDER ENGAGEMENT

- 9.1 The SEND Governance Board have received regular updates on the progress of work to improve the SLT offer in Bromley.
- 9.2 It is proposed that some co-production work regarding the re-design of the SLT service specification will be undertaken with parents and other relevant stakeholders.

10. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 10.1 There are no specific procurement actions for the Council as the service contract is held by BCCG who will vary their contract with the provider, subject to approval of the proposed funding arrangements.
- 10.2 The joint funding arrangements with BCCG via the existing Section 75 will be updated to reflect the proposed funding arrangements, subject to approval.
- 10.3 **Estimated Contract Value** – See the Part 2 report.
- 10.2 **Other Associated Costs** – See the Part 2 report.
- 10.3 **Proposed Contract Period** – Not applicable. The contract is in place until 30th November 2022, this proposal seeks to amend the joint funding arrangements and specification for the contract for its remaining term.

11. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 11.1 The acquisition of speech, language, literacy and communication skills is fundamental to achieving positive life outcomes across school, employment and community. Without the ability to make oneself understood and to understand the communication of others, children, young people and adults are at a significant disadvantage. Poor or minimal abilities in these areas frequently have a direct correlation with negative life outcomes. There is considerable evidence that unmet SLCNs are observed in a majority of children and young people known to the YOS and mental health and wellbeing services. A deficiency in these skills has been noted as a risk factor in the development of poor mental health, whilst strength in these skills is conversely considered to be a protective factor. Many adults have reported that unmet SLCNs have had a very negative impact on their educational, employment and social outcomes.

12. POLICY CONSIDERATIONS

- 12.1 **National:**
- Human Rights Act 1998
 - Bercow Report 2008
 - Children and Families Act 2014

- SEND Code of Practice 2015
- Bercow 10 Years On Report 2018
- Children and Young People's Mental Health Green Paper 2018
- NHS Ten Year Plan

12.2 **Local:**

- Joint SEND Strategic Vision and Priorities
- LBB ECHS Business Plan
- LBB Children and Young Peoples Plan
- Local Area Transformation Plan (CAMHS)
- Bromley CCG Operating Plan

13. **IT AND GDPR CONSIDERATIONS**

13.1 BHC currently acts as the lead provider for referrals for SLT in Bromley, although schools do commission SLT from other organisations. All service documentation and processes were reviewed and amended (where required) when GDPR regulations were introduced. There will be a similar approach within the new service.

14. **PROCUREMENT RULES**

- 14.1 This contract is held by Bromley CCG, supported by joint commissioning and funding arrangements between the Council and Bromley CCG. Therefore there are no direct procurement implications or actions for the Council. Any variations required to the BHC contract to reflect the proposed amendments to funding and the specification will be managed by BCCG.
- 14.2 The mechanism for joint funding arrangements between the Council and Bromley CCG is through an existing Section 75 agreement. This will need to be updated, through the existing processes, to reflect the proposed funding arrangements.

15. **FINANCIAL CONSIDERATIONS**

- 15.1 Current funding of the 2018/19 academic year SALT service is funded from several sources, including the BCCG, funding delegated to schools, core LBB funding and a contribution from the BCF grant. Details of this can be seen in paragraph 5.1
- 15.2 Further need has been identified for the SALT service over the next three academic years 2019/20 to 2021/22. The costs and the funding streams are summarised in the Part 2 report.
- 15.3 It is proposed to fund the additional costs in 2019/20 by utilising Better Care Funding (BCF). BCF has supported the SALT service in previous years.
- 15.4 In the following two years the additional costs will be split between the BCCG and LBB. The Council's element will be funding from carry forward Dedicated Schools Grant (DSG). There is funding available from both the BCF and the DSG to support these arrangements.
- 15.5 These arrangements will form part of a Section 75 agreement.

16. **PERSONNEL CONSIDERATIONS**

16.1 N/A

17. LEGAL CONSIDERATIONS

- 17.1 A Section 75 agreement is in place that details the arrangements between the Council and Bromley CCG. The Council wishes to provide more funding for services as detailed in the report. The agreement will have to be updated to reflect these changes.

There are no procurement issues as such for the Council as detailed in Section 14.

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	ICB Report: Speech and Language Therapy In Bromley. 14 January 2019 (Appendices to be Included)

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Report No.
ECHS19067

London Borough of Bromley

Part 1- Public

Decision Maker: **Executive**
For Pre-Decision Scrutiny by the Children Education and Families PDS Committee on 9th July 2019

Date: **10 July 2019**

Decision Type: Non-Urgent Executive Key

Title: **AUTHORISATION FOR EXEMPTION TO AWARD A FURTHER INTERIM CONTRACT FOR COMMUNITY WELLBEING SERVICE FOR CHILDREN AND YOUNG PEOPLE AND FUTURE PROCUREMENT OPTIONS**

Contact Officer: Dan Manns, Integrated Strategic Commissioner
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Chief Officer: Janet Bailey, Interim Director of Social Care, Education, Care and Health Services
E-mail: Janet.Bailey@Bromley.gov.uk

Ward: **ALL**

1. REASON FOR REPORT

- 1.1 The contract for the Children and Young People's Mental Health and Wellbeing Service has been held by Bromley Y since 1st December 2014 following a competitive tender process for a three year contract with the option to extend for a further two years. The two year extension option was applied. On 16 January 2019 Executive approval was granted to extend the contract term further, via an exemption, from 1 December 2019 to 31 May 2020.
- 1.2 This contract, held by the Council, works alongside the local clinical and community mental health services for children and young people commissioned and procured by NHS Bromley CCG (BCCG), delivered primarily by NHS Oxleas but also by Bromley Y. The services commissioned by the Council and BCCG provide a pathway for children and young people's mental health support in the borough.
- 1.3 On 7 January 2019, the NHS long-term plan (NHS LTP) was published, setting out key ambitions for the NHS over the next 10 years. Among the policy directives revealed in the LTP are: the intention for partnerships of commissioners and providers to lead Integrated Care Partnerships (ICPs) and a reduced necessity for market testing and competitive procurement in favour of collaborative work such as alliances and other partnerships.
- 1.4 In light of these significant changes in national policy, BCCG have confirmed to the London Borough of Bromley (LBB) that there will no longer be circumstances in the near term in which they would wish to re-procure the NHS Oxleas contract, including the Children and Adolescent Mental Health service (CAMHs).

- 1.5 This report therefore sets out the proposed joint response to this change in policy landscape in relation to the plan, proposed in the 16 January 2019 Executive report, to jointly commission a new service that incorporates both the community wellbeing and specialist clinical CAMHS services currently commissioned in Bromley.

2. RECOMMENDATION(S)

- 2.1 That members agree the award of a further short term contract to Bromley Y, via an exemption to competitive tendering, for ten months from 1 June 2020 to 31 March 2021. This will ensure sufficient time for a successful tender process and adequate time for the production of a new service specification, while maintaining continuity of service and support to vulnerable young people. It will also avoid the disruption of the NHS England funded Trailblazer which is currently due to finish in March 2021.
- 2.2 That members agree the proposal for proceeding to procurement of an integrated Children and Young People's Mental Health and Wellbeing Service (Tier 1 & 2 only) with an initial contract term of five years, with two options to extend for two periods of up to two years each, making a total potential contract term of nine years. The contract will be procured with funding from both BCCG and LBB. For more details of this proposed procurement, please see sections 4, 6 and 8 of this report. It is further proposed that a Gateway 2 report to seek approval to award a contract to the successful bidder will be brought before members in 2020.
- 2.3 That members note that BCCG have given a commitment to provide resources to support the procurement and contract management of the Children and Young People's Mental Health and Wellbeing Service, as well as the transfer of core costs and NHS England Trailblazer funds to LBB in a joint funding agreement in accordance with Section 75 of the NHS Act 2006.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Stability of good quality service provision for children and young people whilst a procurement is undertaken

Corporate Policy

1. Policy Status: Existing Policy
 2. LBB Priority: Children and Young People
-

Financial

1. Cost of proposal: Estimated Cost is detailed in the Part 2 report.
 2. Ongoing costs: Recurring Cost
 3. Budget head/performance centre: 834130
 4. Total current budget for this head: is detailed in the Part 2 report.
 5. Source of funding: Core Costs
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: <please select>
 2. Call-in: <please select>
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected):
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 The Bromley Community Mental Health and Wellbeing Service for Children and Young People (Community Wellbeing Service) was established in 2014, successfully creating a single point of access for Children and Adolescent Mental Health Services (CAMHS) in Bromley.
- 3.2 The service works alongside the local clinical mental health services for children and young people commissioned by BCCG and delivered by NHS Oxleas.
- 3.3 BCCG also commission Children's Community Mental Health and Wellbeing Services from Bromley Y.
- 3.4 The core part of the BCCG contract with Bromley Y for services terminates on 31 March 2020. The remaining funding, secured via a successful joint funding bid to NHS England for the Children's Mental Health 'Trailblazer', terminates on 31 March 2021.
- 3.5 A request for a one year extension of the BCCG core contract with Bromley Y, which currently terminates on 31st March 2020 will be made via the BCCG Clinical Executive board in order to ensure that both the LBB and BCCG core contract end dates are coterminous.
- 3.6 LBB provide approximately 30% of the current funding for the Children's Mental Health and Wellbeing Service from Bromley Y (Tiers 1-2). This represents around 9% of the total spend on Children's Mental Health Services, including Bromley Y and NHS Oxleas, (Tiers 1-3) in Bromley.

4. SUMMARY OF THE BUSINESS CASE

- 4.1 A 2012 joint review of Tier 2 and 3 CAMHs undertaken by LBB and BCCG, found that preventative and early intervention services needed to be strengthened to ensure that support was provided as early as possible to prevent the need for more specialist (and therefore more costly) services. This conclusion led to the joint creation of the Community Wellbeing Service (Tier 2), which provides a single point of access for CYP to access CAMHS services in Bromley, offering time limited interventions and support provided by Bromley Y.
- 4.2 The original contract for this service was extended, via the utilisation of the existing extension clause within it, for a period of two years from 1 December 2017 to 30 November 2019. As mentioned in section 1.1 above, approval for a further interim contract was agreed until 31st May 2020 as there were no further extension clauses in the original contract.
- 4.3 The high level change of policy unveiled in the NHS LTP (January 2019) has prompted the need to jointly revise the commissioning strategy for this service, in light of BCCG's confirmation that they no longer wish to re-procure the Tier 3 and 4 CAMHS service current provided by NHS Oxleas.
- 4.4 It is proposed that rather than procuring both the community (Tier 1 and 2) and clinical (Tier 3 and 4) CAMHS services jointly as an integrated service (as previously proposed) that instead, a joint procurement for a new Children and Young People's Mental Health and Wellbeing Service should be undertaken.
- 4.5 It is further proposed that this procurement should be led by LBB Commissioners. However, BCCG has proposed that the funding with which it previously commissioned a service from Bromley Y should be transferred to LBB in a section 75 agreement. It is also proposed that a commissioning staff resource (for one year, fixed term) will be provided by BCCG to support the procurement and the subsequent contract management of the new service.
- 4.6 In order to allow sufficient time for a successful procurement to be undertaken, it is proposed that a second interim contract for ten months be awarded to Bromley Y to in order to ensure

the continuity of the service while the tender is undertaken and to avoid disruption to the NHS England funded Trailblazer.

- 4.7 It is important to note that a significant proportion of the current funding is derived from the NHS England Trailblazer pilot for increased access to Mental Health support in school, which currently terminates on 31st March 2021. It is not yet known whether NHS England will be minded to continue funding this project after this initial termination date.
- 4.8 A recurrence of the current BCCG funding for Bromley Y (excluding the NHS England funded Trailblazer), which terminates on 31st March 2020 will be requested via the BCCG Clinical Executive board,

5. SERVICE PROFILE/DATA ANALYSIS

- 5.1 Bromley Y continue to deliver a high quality service for Children and Young people in Bromley which is responsive to changing and emerging needs.
- 5.2 In 2018-19 the service's output in terms of assessment and the delivery of therapeutic interventions has grown considerably and outcomes remain good.
- 5.3 For the second year running Bromley has exceeded the central government's target for Children and Young Peoples access to Mental Health support. The target increased to 32% in 2018/19 and has again been exceeded, this time significantly with a figure of 44.6%
- 5.4 See Appendix 1 for a more detailed analysis of the service in 2018-19.

6 OPTIONS APPRAISAL

6.1 Interim Six month Contract with Current Provider:

- 6.1.1 **Option 1: Agree a second LBB Interim Contract with Bromley Y:** from 1st June 2020 to 30 November 2020. This will enable the seamless continuation of this service during the preparation for the tender for the Children and Young People's Mental Health and Wellbeing Service and ensure that it remains in alignment with the BCCG contract with Bromley Y. **This is the recommended option.**
- 6.1.2 **Option 2: Procure a Provider for a Longer Term Contract:** Commencing 1st June 2020 onwards. This is unlikely to be an effective option as it will mean that any future community wellbeing service will not be aligned with the BCCG contract for Bromley Y. This will also impact on the ability to joint commission services for this cohort.
- 6.1.3 **Option 3: Procure a Provider for a Six Month Contract:** from 1st June 2020 to 30 November 2020. There is unlikely to be any market appetite for a contract of this length and potentially having a new provider for the community wellbeing service would cause disruption to existing service users and partner agencies.

6.2 Integrated Children and Young People's Mental Health and Wellbeing Service:

- 6.2.1 **Option 1:** LBB procurement of LBB-only children and young people's wellbeing services contract. **This option is not recommended.**
- 6.2.2 **Option 2:** LBB led procurement of a joint (LBB/BCCG) funded Bromley Children and Young people's Mental wellbeing service. **This is the recommended option.**
- 6.2.3 **Option3:** Section 75 transfer of LBB funds to BCCG for leadership of joint service. **This option is not recommended.**

6.2.4 Please see table of advantages, disadvantages, risks, risk level and potential mitigation below.

Option	Advantage	Disadvantage	Risk	Risk (L,M,H)	Potential Mitigation
6.2.1 LBB procurement of LBB-only children and young people's wellbeing services	<ul style="list-style-type: none"> This option would provide some clarity for the Council and CCG in terms of which organisation is commissioning which service, outside of an integrated approach. 	<ul style="list-style-type: none"> This would represent a 180° U-turn from the integrationist policy stated in the January 2019 Exec Report and would fragment the current service Long-standing local VCS org at risk of closure if their tender application is unsuccessful 	<ul style="list-style-type: none"> Provider will become financially inviable as a result of unsuccessful tender application Cessation/ reduction of integrated work with Oxleas 	<ul style="list-style-type: none"> High Medium 	<ul style="list-style-type: none"> Change of policy due to impact of NHS Changes Compliance with PCR 2015 Change of policy due to impact of NHS Changes
6.2.2 LBB-led procurement of total Bromley children and young people's wellbeing service	<ul style="list-style-type: none"> LBB would gain control of the procurement with the benefit of CCG funds as part of the overall potential award BCCG would provide staff resource to undertake procurement This would maintain the integrated approach between BCCG and LBB 	<ul style="list-style-type: none"> This would risk the future of long-standing local VCS org Questionable for junior partner to lead provision <p>Risk of losing VCS focus as tender would be open to any qualified org</p>	<ul style="list-style-type: none"> Provider will become financially inviable as a result of unsuccessful tender application 	<ul style="list-style-type: none"> High 	<ul style="list-style-type: none"> Continuity of Policy with previous fully integrated Tier 1 - 3 proposed procurement Change of policy due to impact of NHS Changes Compliance with PCR 2015
6.2.3 S75 Transfer of LBB funds to CCG	<ul style="list-style-type: none"> Continuity and consistency of service for young people, families and practitioners using the service. Retention of: skill base; local knowledge, networks and contacts; five years of progress in development of cooperation and integration with Oxleas. Protection for long-standing 	<ul style="list-style-type: none"> May give rise to accusations of LBB circumnavigating CSOs / PCR 2015 Would need assurances from BCCG Senior Managers re continuity and due process at end point of LBB contract with Bromley Y – Legally Compliant Procurement process e.g. Single Supplier 	<ul style="list-style-type: none"> There may be legal challenge to process re probity and lack of competition 	<ul style="list-style-type: none"> Medium 	<ul style="list-style-type: none"> Pragmatism re protecting valuable VCS service, long-standing collaborative work, Trailblazer and very good fit with Development of ICS and One Bromley. Legal view from both LBB and BCCG will be sought Precedents for similar transactions in recent years e.g. Holly bank (almost identical amount of funds transferred)

	<p>local VCS org</p> <ul style="list-style-type: none"> • Maintenance of joint approach as LBB funds would be transferred in S75 agreement – one year's notice for any funding changes • BCCG are bigger funding partner, therefore more logical for them to have leadership of contract • Additional Commissioning Support available and Commissioning continuity via Integrated Strategic Commissioner • Would entail savings to LBB as staff time for Contract management and monitoring would be transfer to BCCG. 	<p>Negotiation, Contract variation etc.</p> <ul style="list-style-type: none"> • Potential Risk of Challenge from comparable providers 			<p>to BCCG in 2017) and Adult Mental Health Services</p>
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6.3 PREFERRED OPTIONS

- 6.3.1 **Option 1** (6.1.1): Agree a second LBB Interim Contract with Bromley Y. This contract award is in accordance with Contract Procedure Rule 13: Exemptions to the Need for Competitive Procurement
- 6.3.2 **Option 2** (6.2.2): LBB-led procurement of joint Bromley children and young people's wellbeing service. This procurement would be compliant with the terms of the Public Contract Regulations 2015.

6.4 MARKET CONSIDERATIONS

- 6.4.1 There are a number of potential alternative providers in the market at local, regional and national level.
- 6.4.2 In the previous tender for this service in 2014 two bids were received from two providers: Bromley Y and NHS Oxleas.
- 6.4.3 The tender will be open to all suitably qualified commercial organisations.

7. STAKEHOLDER ENGAGEMENT

- 7.1 Extensive co-production work was undertaken in preparation for the previously proposed joint integrated Children’s Mental Health and Wellbeing/CAMHs service.
- 7.2 Further co-production will be undertaken in late 2019 and early 2020 to ensure that the tender documents and service specification will meet the needs of the cohort which it will serve.

8. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 8.1 **Estimated Contract Value** – The value of the service to be procured is detailed in Part 2 of this report.
- 8.2 The value of the proposed interim contract for a period of ten months is detailed in Part 2 of this report.

Other Associated Costs – N/A

- 8.3 **Proposed Contract Period** – The proposed initial term for the contract to be procured is five years with two options to extend for two periods of up to two years each making a total potential contract term of nine years. The market is relatively restricted for this type of provision, so a longer than average contract period is proposed in light of this. Additionally this length of contract is in line with standard Health contracts and those suggested by Section 31 of the Mental Health Act.
- 8.4 The proposed interim contract period will be ten months from 1st June 2020 to 31 March 2021.

Project Timescales

Objective	By Whom	Date Completed
Completion of LBB & BCCG Governance Processes	LBB/CCG Commissioners	July 2019
Contract Model Options Appraisal	LBB/CCG Commissioners	October 2019
Draft Tender Documents produced	LBB/CCG Procurement/ Commissioners/ Service Leads	December 2019
Contract, Service and Delivery Model, Tender Plan & Documents Co-Produced.	LBB/CCG Commissioners Procurement, Legal, Finance / Service Leads/YP/Providers/BPV	March 2020
One Year’s Notice Given to Bromley Y	LBB/CCG Commissioners	March 2020
Tender Go Live	LBB/CCG Commissioners/ Procurement	May 2020
Tender Processes Complete	LBB/CCG Commissioners/ Procurement/ Service Lead	July 2020
GW2 Tender Award Agreed	Executive Committee & Clinical Exec	October 2020
Contract Award	LBB/CCG Commissioners/ Procurement	December 2020
Contract Mobilisation Start	LBB/CCG	January 2021

	Commissioners/Providers	
Contract Mobilisation Completion	LBB/CCG Commissioners/Providers	March 2021
New Service Live	Successful Providers	1 st April 2021

9. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 9.1 Our childhood has a profound effect on our adult lives. Many mental health conditions in adulthood show their first signs in childhood and, if left untreated, can develop into conditions which need regular care. Recent figures show that 1 in 8 young people under the age of 19 in the UK have a mental health disorder.
- 9.2 Over half of mental health problems in adult life (excluding dementia) start by the age of 14 and seventy-five per cent by age 18. Although mental health issues are relatively common (one in four people experience mental health issues), it is often the case that children and young people don't get the help they need as quickly as they should. As a result, mental health difficulties such as anxiety, low mood, depression, conduct disorders and eating disorders can stop some young people achieving what they want in life and making a full contribution to society.
- 9.3 This Service has increased our access to CYP who may be dealing with emotional wellbeing or mental health issues and Bromley is currently exceeding its target of the proportion of CYP who are able to access CAMHS assessment and treatment.
- 9.4 Advice on social, economic and environmental impact assessments will be sought as part of the service design process, and included in Gateway 1 report.

10. POLICY CONSIDERATIONS

10.1 National

- [Future in Mind \(2015\)](#) which sets out national priorities to transform CAMHS Services
- [The Five Year Forward View for Mental Health \(2016\)](#) which describes the government's ambition of creating a parity of esteem between mental and physical health for children, young people, adults and older people.
- [Transforming children and young people's mental health provision: a green paper \(Dec 2017\)](#) which sets out the ambition that children and young people who need help for their mental health are able to get it when they need it.
- [NHS Long Term Plan 2019](#) which sets out the vision for national, regional and local service development over the next decade.
- [Children Act 1989](#) places a duty on local authorities to safeguard and promote the welfare of children in their area who are in need by providing a range of services appropriate to need.
- [Children Act 2004](#) - duty to co-operate with relevant partners including NHS
- [Children & Families Act 2014](#) - Social, Emotional and Mental Health to be classed as SEND

10.2 Local

- Joint SEND Strategic Vision and Priorities
- LBB ECHS Business Plan
- LBB Children and Young Peoples Plan
- Local Area Transformation Plan (CAMHS)
- Bromley CCG Operating Plan

11. IT AND GDPR CONSIDERATIONS

- 11.1 The Community Wellbeing Service currently acts as a single point of referral for all CAMHS referrals in Bromley. All documentation and processes were reviewed and amended (where required) when GDPR regulations were introduced. There will be a similar approach within the new service.

12. PROCUREMENT RULES

- 12.1 This report seeks to award an interim contract via exemption from tendering to Bromley Y for a period from 1 June 2020 to 31 March 2021 for the LBB element of the contract. This is further to a contract awarded by exemption from 1 December 2019 to 31 May 2020.
- 12.2 This action is permissible under the general waiver power of the Council (CPR 3.1). The Council's specific requirements for authorising an exemption are covered in CPR 13 with the need to obtain the Approval of the Executive for a contract of this value.
- 12.3 Further to this, this report seeks to proceed to procurement on a joint procurement with the CCG leg by LBB, for the future provision of community wellbeing service for children and young people. A contract duration of 5 years with two options to extend for two years is proposed. A restricted process will be used.
- 12.4 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, and thus any tender would be subject to the application of the "Light Touch" regime (LTR) under those regulations. Authorities have the flexibility to use any process or procedure they choose to run the procurement, as long as it respects the following obligations:
- i) The tender must be advertised in OJEU and on Contracts Finder.
 - ii) The relevant contract award notices must subsequently be published.
 - iii) The procurement must comply with EU Treaty principles of transparency and equal treatment.
 - iv) The procurement must conform with the information provided in the OJEU advert regarding any conditions for participation; time limits for contacting/responding to the authority; and the award procedure to be applied.
 - v) Time limits imposed, such as for responding to adverts and tenders, must be reasonable and proportionate. There are no stipulated minimum time periods in the LTR rules, so contracting authorities should use their discretion and judgement on a case by case basis.
- 12.5 In compliance with the Council's Contract Procedure Rules (Rule 3.6.1), this procurement must be carried out using the Council's e-procurement system.
- 12.6 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

13. FINANCIAL CONSIDERATIONS

- 13.1 The first recommendation is to extend the existing Council contract for ten months (to March 2021) to enable enough time for the new procurement arrangements to be made. There is sufficient funding in the Council budget for this.
- 13.2 The other recommendation is for the Council to lead on the procurement of a joint LBB/CCG CAMHS contract from April 2021. This will increase the contract value managed by LBB.
- 13.3 The CCG contribution will only be coming into LBB once the contract is jointly procured in April 2021. Up until this point the CCG have a separate arrangement and would fund their element themselves directly. This arrangement only includes core CCG funding and does not include anything being delivered from the Trailblazer Grant.
- 13.5 There are risks with being the lead partner in a joint procurement (see para 6.24) in terms of securing ongoing funding from the partner, managing the contract during the contract period, and dealing with any liabilities surrounding the contract. LBB as the lead commissioner would have to manage this risk if this occurred.
- 13.6 Agreements will have to be made with the CCG regarding any over/underspends that may occur in the contract and with contract management arrangements. These should be dealt with in the Section 75 arrangements where suitable notice of any funding changes could be given, which would give time for the contract to be amended accordingly.

14. PERSONNEL CONSIDERATIONS

- 14.1 N/A

15. LEGAL CONSIDERATIONS

- 15.1 This report seeks to award a interim contract to Bromley Y for a period from 1 June 2020 to 31st March 2021 as detailed in para 4.6 for the Councils element of the contract. This will be the second interim contract awarded in this manner for this service to Bromley Y.
- 15.2 As detailed in Section 12. This is permissible under the general waiver power of the Council (CPR 3.1). The Council's specific requirements for authorising an exemption are covered in CPR 13 with the need to obtain the Approval of the Executive for a contract of this value.
- 15.3 In addition, this report seeks to proceed to procurement for the future provision of community wellbeing services for children and young people. This is proposed to be a joint procurement with CCG and led by the Council for a 5 year contract with options to extend for a further 2 years plus 2 years making a total of 9 years as detailed in the report.
- 15.4 Health, social and related services are covered by Schedule 3 of the Public Contracts Regulations 2015, "Light Touch" regime (LTR). Authorities have the flexibility to use any process or procedure they choose to run the procurement but it must comply with the requirements as detailed in section 12 above. A suitable procurement process, which complies with the Public Contract Regulations 2015, such as the restricted procedure, should be used.

- 15.5 The procurement process must also be carried out In compliance with the Council's Contract Procedure Rules (Rule 3.6.1)
- 15 .6 The input of the Legal Services Contracts should be requested to ensure suitable contract documents etc is in place together with any other agreements such as identified in section 4 EG s75 agreement.

Appendix 1

16 Bromley Y Service Data 2018-19

- 16.1 In 2018/19 The Community Wellbeing service received 2,592 referrals in 2018/19 (a 3.6% decrease against the previous year) and delivered therapies to 2,013 CYP (a 25% increase on the previous year). There was also a marked increase in the number of CYP attending assessment. This rose from 1,090 in 2017/18 to 1,401 in 2018/19 (an increase of 22.2%).
- 16.2 The number of onward referrals from the service, before or after assessment, has dropped dramatically by 172 from 462 in 2017/18 to 290 in 2018/19, a reduction of 37.23%. This suggests that the service is becoming ever more successful at absorbing referrals and preventing escalation to tier 3 and 4 CAMHs services.
- 16.3 The majority of referrals to the service in 2018/19 continue to be for 11-15 year olds (48.8%) which exceeds both 2017/18 (45.6%) and 2016/17 (43.8%). Other age groups have seen a slight reduction against the previous year. This suggests that the service has been able to continue to meet the growing needs of the key age group for potential mental health problems. This age group includes some major life changes: the onset of adolescence, puberty, transition to secondary school and a number of other challenges which may result in mental health issues.

Age Group	No.	%
0-5	123	4.7%
6-10	717	27.7%
11-15	1,266	48.8%
16+	486	18.8%
Total	2,592	

Table 1: Breakdown of clients by age 2018-19

- 16.4 The key referral issues have been relatively consistent throughout the contract term and the top 10 in 2017/18 and 2018/19 were as seen below in Table 2. The past year has seen the biggest decline in 'Changes in Mood' (-17.2%), followed by 'Anxiety' (-12%), whilst the biggest increases have been in 'Panic Attacks' (19.7%) and 'Traumatic Experiences' (11.4%)

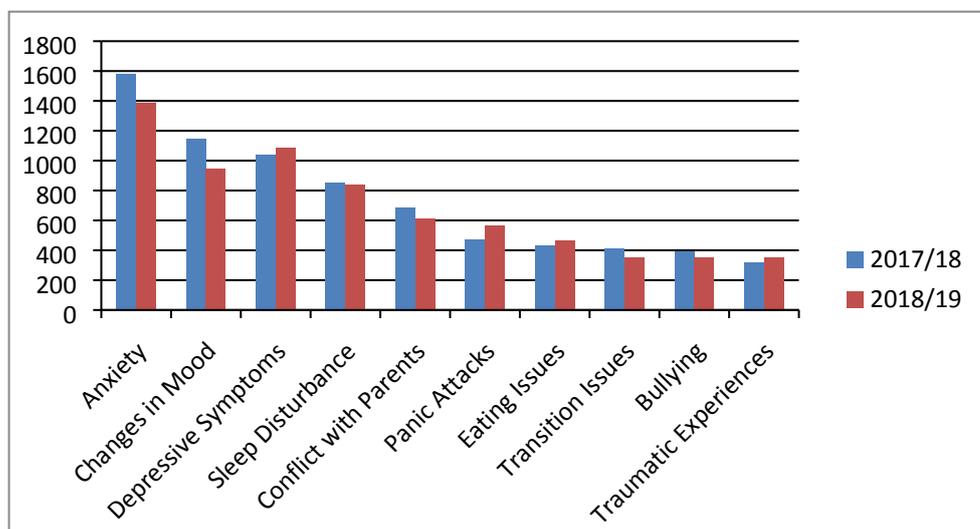


Table 2: Referral Issues 2017-18 and 2018-19

- 16.5 As part of central government's commitment to improving access to CYP mental health services (as outlined in Future In Mind and later documents), all local areas have been tasked to improve the proportion of CYP with mental health needs accessing assessment and treatment within these services. National targets have been set that increase year on year; rising to 35% by 2020/21. The national target in 2017/18 was that 30% of CYP with mental health needs access CYP mental health services. Bromley exceeded this target, achieving a figure of 30.8%. This was an excellent outcome which placed Bromley ahead of many other local areas. The target increased to 32% in 2018/19 and has again been exceeded, this time significantly with a figure of 44.6%. This again emphasises the valuable contribution that Bromley Y has made to mental health and wellbeing support for CYP in Bromley.
- 16.6 Outcomes for the service in 2017/18 included a reduction in waiting times from referral to assessment from 8 weeks to 4 weeks in comparison with the previous year. This reduced figure of 4 weeks has been sustained throughout 2018/19 and this level compares very favourably with Quality Network for Community CAMHS (QNCC) guidelines on waiting times. Waiting times remain close to QNCC desired standards. There has also been a significant increase in the number of young people accessing therapies whilst the number of unattended or cancelled assessments and treatments remains relatively low. A high degree of client satisfaction with the service (95%) has been maintained over 2018/19.

Report No.
ECHS 19061

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **EXECUTIVE**
For Pre-Decision Scrutiny by the Renewal, Recreation and Housing Policy Development and Scrutiny Committee on Tuesday 2nd of July 2019

Date: Executive – 10th July 2019

Decision Type: Non-Urgent Executive Key

Title: **AWARD OF CONTRACT FOR THE BUILD AND MANAGEMENT OF MODULAR HOMES AT THE YORK RISE SITE**

Contact Officer: Sara Bowrey, Director; Housing
Tel: 020 8313 4013 E-mail: sara.bowrey@bromley.gov.uk

Chief Officer: Director: Housing (ECHS)

Ward: Farnborough and Crofton

1. REASON FOR REPORT

- 1.1 Members have received regular reports detailing the current pressures in relation to homelessness and nightly paid temporary accommodation. Executive on the 10th January 2018 agreed permission for a formal tender to commence to appoint a supplier of modular build accommodation at the York Rise site in Orpington.
 - 1.2 This report provides details of the tenders received for the delivery and management of modular build accommodation and makes recommendations for the award of contract and supporting finance arrangements.
-

2. RECOMMENDATIONS

- 2.1 Members of the Renewal, Recreation and Housing PDS Committee are asked to review and provide their comments on the proposal for the award for the provision of modular build accommodation at the York Rise site together with a management contract, to the Executive for consideration.
- 2.2 The Executive are asked to:
 - i) Award a contract for the the provision of modular build accommodation and management contract at the York Rise site for a contract period of 15 years, with the option to extend for a further 5 years.

- ii.) Bidders were requested to provide prices for both the leasing of the modular units to the Council and the option for the Council to purchase the modular units at the outset or during the lifetime of the contract. Members are asked to agree to the modular units being purchased on day 1 of the contract period.
- iii) Recommend that Council approves the addition of funds to the Capital Programme funded from the Housing Investment Fund and the Investment Fund for the purchase of the modular constructed units, planning, preparation and associated constructions costs.

Impact on Vulnerable Adults and Children

1. Summary of Impact: Modular constructed units will provide suitable accommodation in borough to help meet housing needs and safeguard vulnerable adults and children.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Children and Young People, Supporting Independence
-

Financial

1. Cost of proposal: Included within Part 2 Report
 2. Ongoing costs: Included within Part 2 Report
 3. Budget head/performance centre: Capital Programme
 4. Total current budget for this head: N/A
 5. Source of funding: Housing Investment Fund and Investment Fund
-

Staff

1. Number of staff (current and additional): N/A
 2. If from existing staff resources, number of staff hours:
-

Legal

1. Legal Requirement: Statutory duty: The statutory rehousing duty is set out in the Housing Act 1996
 2. Call-in: Applicable Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected): During the past year Bromley received approaches from around 3,000 households at risk of homelessness. There are currently approximately 1,560 households living in temporary accommodation of which around 900 are in forms of costly insecure nightly paid accommodation
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? Yes
2. Summary of Ward Councillors comments: Ward Councillors were asked to comment on the initial proposal for use of York Rise for modular constructed affordable units and attended a site visit. Full consultation will be undertaken with ward Councillors in developing the final designs for the scheme both prior to and during the planning application process.

3. COMMENTARY

- 3.1 As previously reported, the Council has received a sharp increase in the number of households approaching for assistance and accommodation leading to a significant increase in the number of households having to be accommodated in temporary accommodation. The Council needs to secure a much higher percentage of accommodation through a wider range of schemes to reduce the current reliance on high costs nightly paid units and associated cost pressures.
- 3.2 On the 24th May 2017 Executive were informed on the potential of the Council owned piece of land at York Rise for the provision of modular constructed homes. Executive agreed that officers should proceed with a further analysis to assess the suitability of the site and to engage the market to obtain a good understanding of market solutions as this is the first modular build project the Council has worked on.
- 3.3 Executive were informed of the findings of the market engagement on the 10th of January 2018 and agreement was made for the formal tender process to begin to appoint a supplier to provide the construction of the modular units including the management of the units.

4. DESCRIPTION OF SERVICE AND SUMMARY OF THE BUSINESS CASE

- 4.1 Like most London boroughs one of the most significant long term cost pressures is the increase in temporary accommodation to meet statutory rehousing duties and the shift in the market to nightly rate accommodation. Due to the ever growing demands of temporary accommodation, it is accepted that the Council will need to make some placements in other local authority areas, however there are risks attached to doing this in volume and recently other London Boroughs have faced significant six figure sum fines for placing out of borough or in shared accommodation. As such, the York Rise site being within the Bromley Borough brings easy transport links, local support networks, and access to employment and so forth thus continuing to ensure that the Council meets its statutory obligations in relation to the suitability criteria for temporary accommodation.
- 4.2 The proposal offered by the recommended solution operates as a full “turn-key solution” for the delivery and management of a scheme which includes the following range of services:
 - Detailed analysis of the land capacity to support accommodation in order to make best use of the land
 - Design of the units and site layout, recognising the need for an appropriately designed accommodation to suit the surrounding area
 - Formal planning application on the Council’s behalf, including the carrying out a public consultation to inform local residents of the new scheme and guide any local concerns
 - Ground analysis of the site, carrying out surveys and investigatory works before beginning any groundworks
 - Acquisition and installation of the units including ensuring all utility works are carried out and completed and up to the necessary standards to let including preparation of the site and landscaping
 - Disassembly and disposal of the units at the end of the term (if this option is exercised)
 - Management of the units and the site as detailed in section 4.3
- 4.3 As this contract is considered to be a turn-key solution, the provider will also undertake all housing and tenancy management duties on the Council’s behalf. The

Council will retain 100% nomination rights to have direct control over letting of the units.

- 4.4 The units are built off site and can be installed in a relatively short time period subject to planning permission has been granted. They can also be dismantled and moved to a different location if this option was ever required. The proposed unit mix is set out within the Part 2 Report.
- 4.5 This Contract is awarded on the basis of the initial outline design and estimated costs which is subject to final consultation and sign off by the Council prior to the Planning Process.

Capital Funding

- 4.6 The providers were asked to submit two costs within their proposals; the cost for the Council to lease the units on an annual basis (with the option to purchase at any point during the lifetime of the contract) and a cost for the Council to purchase the units at the start of the contract. Both prices were requested to determine which option proposed best value for money. The recommended proposal is for the Council to purchase the units upfront as a one-off cost because it represents significantly better value for money to the Council, as detailed in section 12 of the Part 2 Report.
- 4.7 Capital funding is also required to underwrite the planning process and for the site preparation and construction works including all groundworks as set out in section 12 of the Part 2 Report.

Revenue

- 4.7 The Council has full nomination rights and flexibility of use for temporary and settled housing solutions to best meet demand and statutory rehousing requirements in the most effective way.
- 4.8 The ongoing management and maintenance costs would be financed through the rental stream, with the surplus returned to the Council.

5 CONTRACT AWARD RECOMMENDATION

- 5.1 **Recommended Provider** – Included within the Part 2 Report
- 5.2 **Estimated Contract Value (annual and whole life)** – Included within the Part 2 Report
- 5.2 **Other Associated Costs** – Included within the Part 2 Report
- 5.3 **Proposed Contract Period** – 15 years + 5 years
- 5.4 A competitive procedure with negotiation was undertaken with an evaluation criteria based on 60% price and 40% quality, with a minimum quality qualifying score criteria.
- 5.5 The tender documents were published on the 23rd of March 2018 with the supplier shortlisting's (SQ) to be returned by the 1st of May 2018. Initially there were 44 expressions of interest and only 6 providers submitted the Selection Questionnaire for the first round. Of this 6, only 3 providers were taken through to the next stage and invited to submit their initial proposal.

- 5.6 The providers were asked to submit a bid based on the current service specification and the Councils published contract documents which provided for the Council's minimum requirements under the negotiated process. On the 25th of June 2018, 3 providers were asked to submit their initial tender bids.
- 5.7 The providers submissions were scored on the 60% Price, 40% Quality criterion. The following breakdown shows the quality criterion as evaluated on:

	Criteria	Weighting
Criterion 1	Financial Resources and Contract Affordability	10%
Criterion 2	Design and Planning	15%
Criterion 3	Consultation	15%
Criterion 4	Implementation	20%
Criterion 5	Housing Management – Buildings	20%
Criterion 6	Housing Management – Tenants	20%

- 5.8 Under the competitive procedure with negotiation, the Council can repeat the initial tender, feedback and negotiation stages as a re-iterative process until the Council arrives at a point where they wish to seek final tender bids from the remaining candidates.
- 5.9 After the first submission, one provider did not score above the criteria threshold and was therefore removed from the process. The remaining providers were asked to submit two further outline proposals with clarification and negotiation meetings. Final tender submission was requested on the 14th of June 2019.
- 5.10 The tender process, including the evaluation arrangements were overviewed by a project team and a wider Management Board which included lead officers from Procurement, Legal, Finance, Renewal & Recreation and the service area.
- 5.11 The outcome of the evaluation of the final tender submission is included within the Part 2 Report.

6 MARKET CONSIDERATIONS

- 6.1 With all London borough facing increased pressure to meet statutory rehousing responsibilities, competition to secure available temporary accommodation is fierce. Housing Benefit freezes have meant that this market has become less attractive to providers and there has been a significant market shift to costly nightly rate accommodation. Use of Council owned sites for the development of affordable and temporary accommodation offers a cost effective solution to reduce the reliance on the nightly rate market.
- 6.2 Soft market testing was undertaken to inform the tender process and engage with the market.
- 6.2 The tender allowed for comparison of both leasing and outright purchase options to ensure best value for money.
- 6.3 Whilst off-site construction is still a relatively new delivery model, there are an increasing number of providers entering the market for both short and long term

housing solutions. Particular attention was given within the specification to ensure the quality and life span of the units will be fit for purpose.

7. STAKEHOLDER ENGAGEMENT

- 7.1 The Council has a published temporary accommodation procurement and placement policy and homelessness strategy, both of which have been developed in consultation with key partners and service users.
- 7.2 The Council has consulted widely with other housing authorities in London and the South East who have developed similar modular schemes. London Councils Housing Directors group has undertaken extensive data sharing in relationship to the Temporary Accommodation market (providers, prices, availability) and homeless demand. The Council continues to liaise frequently with housing providers to gain insight into the market.
- 7.3 Before going out to tender, the Project Team undertook a “Suppliers Day” which informed the decision on which tendering procedure to use and the suitability around the length of contract. The Suppliers Day also helped to inform the specification and requirements.

8. SUSTAINABILITY AND IMPACT ASSESSMENTS

- 8.1 Improving the supply of good quality accommodation will have a positive impact on homeless people placed by the Council. The scheme will bring more access for temporary accommodation within Bromley or retaining temporary accommodation for existing Bromley residents; this will enable them and their families to retain contact with their own community, health resources, schools etc. This will have a positive impact on the well-being of Bromley residents and the life chances of children.
- 8.2 Full consideration will be given to the design in order to minimise the impact on those homes overlooking the site. Residents and Ward Members will be consulted as part of the formal process in order to ensure that the scheme compliments the local street scene.
- 8.3 Due to the nature of the location of the site, there may be minor disruption to the local people living in Crofton. However, the modular units are manufactured offsite and are craned in over a short period of time thus causing minimal disruption when compared to traditional build methods.
- 8.4 It has been noted that the empty site has attracted loitering and anti-social behaviour which has caused disruption to local residents. The development of the site will eliminate this and improve the environment for local residents.

9. POLICY CONSIDERATIONS

- 9.1 The housing objectives are set out in the relevant business plans. These objectives are compliant with the statutory framework within which the Council’s housing function must operate and incorporate both national targets and local priorities identified from findings of the review, audits and stakeholder consultation.
- 11.2 The Council has a TA procurement and placement policy which seeks to ensure compliance with the statutory framework for the provision of temporary accommodation meeting the requirements for suitability whilst seeking value for money in all placements. The homelessness strategy and forthcoming housing

strategy also set out the range of initiatives required to prevent homelessness and secure a sufficient supply of accommodation to meet statutory housing needs.

- 11.3 The provision of additional accommodation through modular construction methods would provide warm, safe and fully equipped homes to meet housing need and reduce the number of families placed into insecure and costly forms of nightly paid provision. Such accommodation can be used flexibly as the Council would maintain full control over nominations to enable use on a best term basis for temporary or settled housing solutions to meet statutory housing need.

10. IT AND GDPR CONSIDERATIONS

- 10.1 There is a third party Statement from the recommended provider detailing compliances with GDPR.

11. PROCUREMENT RULES

- 11.1 This report seeks to award the contract for the build and management of modular homes at York Rise, Orpington.
- 11.2 The Tender was advertised as a Competitive Procedure with Negotiation and the process has been carried out.
- 11.3 In Compliance with the Council's Contract Procedure Rules 8.2.1 the Council made use of a Public Advertisement for the Invitation to Tender. The opportunity was also included on 'Contract Finder' and the Official Journal of the European Union (OJEU), with all Suitable Candidates responding, being considered.
- 11.4 A sufficient number of candidates responded to the Stage One 'Selection Questionnaire', with 3 candidates going on to Stage 2 tender submissions. Of these one candidate did not meet the minimum score at the initial submission, and was ruled out of the process. Further rounds of clarification, negotiation and discussion were undertaken, resulting in 3 further submissions from the 2 remaining bidders.
- 11.5 Following the decision of this report, an OJEU Award Notice will be issued and, as the contract value is over £25,000, which will be published on Contracts Finder. A mandatory standstill period of 10 days, known as the Alcatel Mandatory Standstill Period, will need to be observed.
- 11.6 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

12. FINANCIAL CONSIDERATIONS

- 12.1 It is proposed that the Council award the contract under the up-front purchase option. Details regarding the financial considerations of the tenders and the total capital costs are included within the Part 2 Report.
- 12.2 The 'Draft 2019/20 Budget and Updated on Council's Financial Strategy 2020/21 to 2022/23' reported to Executive on 16th January 2019 referred to the Growth and Investment Funds retained by the Council and that the monies remaining would be prioritised for housing investment at this stage. It is proposed that the scheme is funded from the Housing Investment Fund and the Investment Fund.

- 12.3 There may be the opportunity to secure grant funding from the GLA towards this scheme, which will reduce the need for Council capital funding.
- 12.4 By utilising this site for housing, the Council is foregoing a capital receipt estimated at £2.5m if the site were to be disposed of on the open market.
- 12.5 If planning permission is not obtained for the scheme then the Council will be liable for some of the costs incurred by the provider. These are specified in the Part 2 Report.

13. PERSONNEL CONSIDERATIONS

- 13.1 See paragraph 14.9.

14. LEGAL CONSIDERATIONS

- 14.1 The Housing Act 1996 sets out the Council's statutory Housing duties.
- 14.2 The Council can rely on Part 7 of the Housing Act 1996 to provide temporary accommodation together with the general power of competence in section 1 Localism Act 2011. Accommodation made available under Part 7 of the Housing Act 1996 strictly as provided by Schedule 1 of the Housing Act 1985, will not be a secure tenancy or license.
- 14.3 The demand for homeless accommodation has continued to increase following the implementation of the Homeless Reduction Act 2018, as the duties towards homeless households are expanded. The Council must make decisions in accordance with the law and also in accordance with its fiduciary duty to its tax payers in using Council resources. The report explains the benefits including the financial benefits that must be properly weighed up and considered before taking the decisions set out in the recommendations.
- 14.4 A contract for the procurement of modular buildings and management of the units and tenants is a mixed public contract within the meaning of the Public Contracts Regulations 2015 (Regulations) for supplies works and services. Due to the value the Council was therefore required to follow a fully compliant EU tender exercise starting with publishing a Notice in OJEU.
- 14.5 The Executive is being asked to consider the outcome of the procurement exercise which has sought competitive tenders to provide a 'turn-key' solution namely the build, supply, installation and management of the modular homes at York Rise. The report recommends that the Executive approves the outright purchase option from the bidder that provided the most economically advantageous tender having applied the contract award procedure as more fully explained in The Contract Award Recommendation section 5 of this report.
- 14.6 In accordance with the Council's Constitution in setting the Budget as identified within the recommendations the Executive is being asked to agree the funding through the allocation of Capital expenditure and seek the approval of Full Council.
- 14.7 Under the Councils Contract Procurement Rules (CPR 16.7) the award of contracts which exceed in total £1M must be agreed by the Chief Officer, the Director of Corporate Commissioning, and the Portfolio Holder and approved by the Executive through the use of this report.

- 14.8 It would appear from the contents of the report which sets out the evaluation and award details that the Council have carried out a fully compliant EU procurement exercise and have complied with its CPR's. A standstill period following awards will need to be carried out under the Regulations.
- 14.9 Legal have provided input in relation to the finalisation of the Contract Documentation. As mentioned elsewhere in this report as part of the Management Agreement there is a nominations agreement where the council has 100% nomination rights. The Management Agreement also makes provision for TUPE rights arising in circumstances where in the future there is any service provision change under the Management Agreement. The Contract Documents will be contingent on obtaining planning permission and also makes provision to provide the provider with the initial funding for design and planning costs identified in their tender and makes provision for termination in the event that the council cannot agree on the design or planning is refused.
- 14.10 As part of the legal arrangements the Provider will be the landlord and grant non-secure tenancies to persons nominated by the Council and the provider will be granted a lease of 20 years with a 5 year break clause from the Council.
- 14.11 Under Section 123 of the Local Government Act 1972 the Council has a legal obligation to dispose of land at the best consideration reasonably obtainable. Disposal includes the grant of a lease. Where the term of a lease exceeds seven years the Council has to let at the best rent reasonably obtainable. In this transaction the rent is a peppercorn however this is related to the value of the development and the associated arrangements surrounding management and maintenance of the modular homes and tenants. Officers have advised that given the commercial arrangements which have been the subject of a tender process, the lease when looked at as part of a commercial arrangement overall as set out in the Contract Documents, shows the letting is the best rent reasonably obtainable

Non-Applicable Sections:	
Background Documents: (Access via Contact Officer)	(Appendices to be Included)

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