

**Decision Maker:** PORTFOLIO HOLDER FOR CARE SERVICES

**Date:** For Pre-Decision Scrutiny by the Care Services Policy Development and Scrutiny Committee on Tuesday 21<sup>st</sup> March 2017

**Decision Type:** Non-Urgent Executive Key

**Title:** MENTAL HEALTH FLEXIBLE SUPPORT CONTRACT EXTENSION

**Contact Officer:** Adeyinka Adetunji, Commissioning Manager  
Tel: 020 8461 7463 E-mail: adeyinka.adetunji@bromley.gov.uk

**Chief Officer:** Stephen John, Director: Adult Social Care

**Ward:** Borough-wide

---

1. Reason for report

- 1.1 This report reviews the current provision of Mental Health Flexible Support service delivered by Heritage Care (previously known as Community Options) and recommends a procurement strategy that is linked to the joint review of mental health community support services being carried out jointly by the Council and Bromley Clinical Commissioning Group (BCCG).
- 1.2 This report proposes a waiver to exempt from tendering under CPR 13:1 and to extend the current Mental Health Flexible Support contract that will expire in September 2017 for a period of 18 months with an option to extend for a further 6 months if required to align the contract for the current service with other planned future mental health services procurement arising from the review.
- 

2. RECOMMENDATIONS

- 2.1 The Care Services Policy Development and Scrutiny Committee is asked to note and comment on the proposals prior to the Portfolio Holder for Care Services being requested to:
- i) Agree a waiver to exempt the current service from tender (Option 2) for a period of 18 months with an option to extend for a further 6 months if required via delegated authority to the responsible Chief Officer in consultation with the Portfolio Holder.

### Corporate Policy

1. Policy Status: Existing policy. Existing Policy Context/Statements
  2. BBB Priority: Supporting Independence.
- 

### Financial

1. Cost of proposal: Estimated cost £452,000 per annum for 1 year plus 1 year
  2. Ongoing costs: Recurring cost. Maximum 2 years
  3. Budget head/performance centre: Adult Social Care - Mental Health
  4. Total current budget for this head: £792k
  5. Source of funding: ECHS Core Budget
- 

### Staff

1. Number of staff (current and additional): No LB Bromley staff affected
  2. If from existing staff resources, number of staff hours:
- 

### Legal

1. Legal Requirement: Statutory requirement. Delivery of Mental Health Aftercare services
  2. Call-in: Call-in is applicable
- 

### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 110 - 125
- 

### Ward Councillor Views

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

### 3. COMMENTARY

- 3.1 The Mental Health Flexible support service ensures that the Council meets the Care Programme Approach (CPA)/Aftercare needs of clients that are being discharged from hospital under Sections of the Mental Health Acts 1983. Referrals into the service are agreed by the Mental Health Practice Review Group (MHPRG) and reviewed at a minimum of 6 months intervals by the client care coordinator.
- 3.2 In 2012 the Mental Health Flexible Support service was tendered and full service commenced in October 2012. The current contract ends in September 2017. The service is provided by Community Options now known as Heritage Care following a merger with an umbrella organisation. The tender for the new contract realised savings of £100,000 to the Supporting People budget in 2013/14. The projected annual cost of the contract extension based on 484 hours per week is £452k per annum.
- 3.3 The Mental Health Flexible Support service is a specialist service for adults with mental ill health to support their independence and resettlement in the community. It aims to move mental health service users away from reliance on hospital and residential care towards a new mix of services like supported accommodation and independent living with targeted support as and when required. The key objective of the service is to provide effective and timely response to the needs of service users with mental ill health taking into account social and cultural factors relative to their support and maintenance of their wellbeing.
- 3.4 The service provides support to enable service users with mental ill health to attain their identified support needs and goals to maintain their independence and remain in their own home. The service is banded according to client's level of identified need as detailed below:
- Low:** Individuals who require infrequent contact i.e. prompting to manage activities of daily living but who are stable
- Medium:** Individuals who require daily support to manage activities of daily living and help to maintain their living environment.
- High:** Individuals who are high risk and require up to twice daily visits to ensure that they are given support at key moments in the day to maintain daily living tasks.
- 3.5 The contract for the service specified the delivery of flexible service hours per week direct to the service users. The actual hours may vary according to the type of intervention being delivered and the needs of service users at any one time. It is recognised that hours need to be flexible but the service hours are expected to be delivered between 0800 hrs and 2200 hours daily seven days a week including designated Bank Holidays. There is no change to the hourly rates at these times. Support out of these hours is provided by the statutory mental health services.
- 3.6 The contract allows for flexibility in the use of hours within the cost bands below depending on the assessed client needs. Since 2015 the average weekly delivered hours have in the main stayed between 434 - 525 hours (2015/16) and 472 -484 hours in Quarters 1 - 2 (2016/17). The service charges £10 for half hour (30 minutes) support across all bands. The current contract is set at a minimum of 470 hours. Each quarter the hours are invoiced. An average weekly rate is used. If the hours average below the minimum of 470, then the shortfall is charged at the lower band rate.

Projected Service Hours			Projected Cost	
Hours	Band	Hourly Cost	Weekly	Annual
		£	£	£
154	High	19.33	2,977	154,795
56	Medium	18.90	1,058	55,037
165	Low	15.00	2,475	128,700
109	Half hour	20.00	2,180	113,360
<b>484</b>			<b>8,690</b>	<b>451,891</b>

## SERVICE PERFORMANCE

3.7 The service is meeting the needs of eligible service users and delivering expected outcomes in terms of improved quality of lives, increasing opportunities for service users to participate in community activities and integrate with their peers, families and local communities. The service provider is compliant with the service specification and also proactive in working with commissioners in exploring ways of getting the best outcomes for the service users. These are complex clients .e.g. a high percentage of clients have a primary diagnosis of Schizophrenia. It is also important to note that the service works with a number of clients who have a secondary diagnosis e.g. dual diagnosis, personality disorders, substance misuse, depression, autism and hoarding. The total number of clients as of the end of Feb is 112. Of this number between April 2016 and end of February 2017:

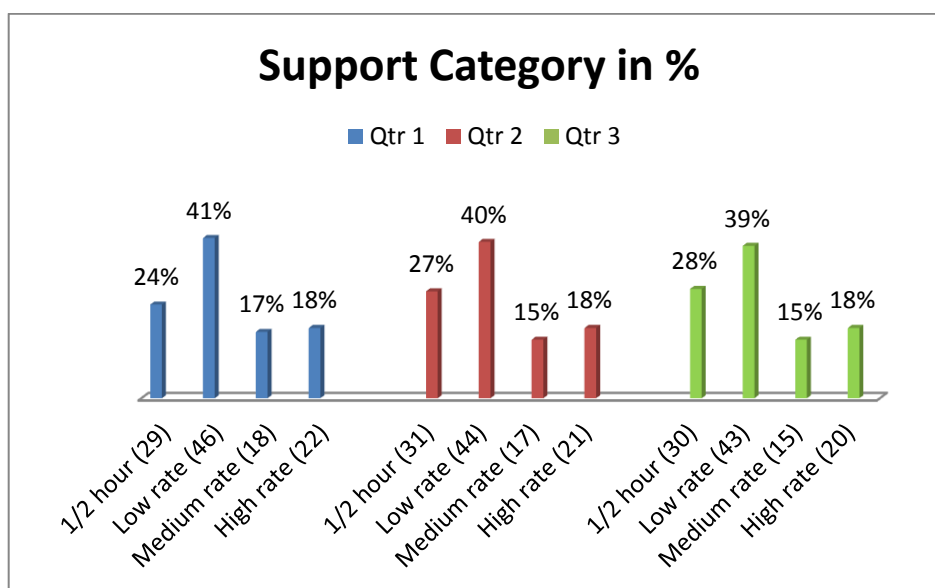
Numbers staying in work and employment is 11.

Numbers maintaining their tenancies are 90.

Numbers in education and training is 10.

Numbers not in the above but have remained out of hospital is 79.

The table below shows service utilisation pattern for the clients supported between April and December 2016 (Qtr.1 – Qtr.3) through the Flexible support service.



3.8 The flexible support service provides individually focussed support which enables service users with mental health challenges to achieve their defined objectives and goals to maintain independent lifestyles within their accommodation and in the community for as long as possible and minimise the need for admission to hospital for as long as possible. Clients are supported to attend their CPA (Care Programme Approach) reviews with their Support, Time and Recovery

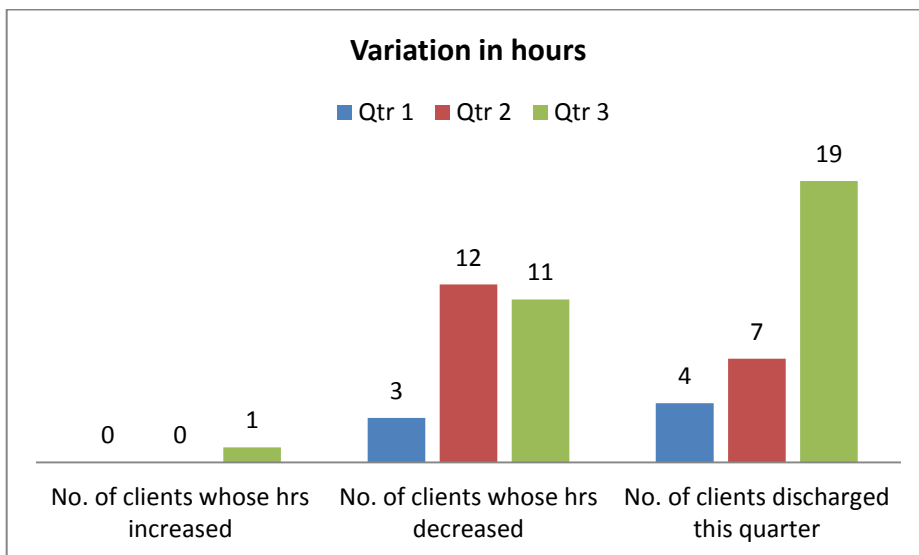
worker. The Care Programme Approach is a way that services are assessed, planned, co-ordinated and reviewed for someone with mental health problems or a range of related complex needs.

3.9 Between 1<sup>st</sup> October and 31<sup>st</sup> December 2016, 16 referrals were received in the quarter, up on previous quarters. The number of new people who commenced service also increased. The number of discharges has also increased with 19 clients (17%) moved on from the service in this quarter alone. However some clients will not be able to reach the point of living independently without any support due to the nature of their illness but will be able to function with ongoing support at all times.

3.10 The needs of the business and end users have not changed significantly since the onset of the contract. The service specification is still applicable and fit for purpose in terms of its requirements for client support and the flexibility of the service to respond to the identified client needs. The flexible support service is an important component of the service users care plan and the Support Time & Recovery worker a key colleague in the multi-disciplinary team of professional working for the wellbeing of the client.

**BENEFITS**

3.11 The service has enabled quick throughputs and movement of clients, the majority of whom have complex needs, from acute settings into supported or independent living environments. The flexible support service has allowed for quicker discharge of clients from hospital and other treatment/rehab settings by providing individual tailored support for client’s resettlement back in their homes to support activities of daily living and other community orientated/self-development activities.



The service continues to have good move on and a high number of people are also having their hours decreased. Only 1 client had their hours increased during this quarter

3.12 The flexible support service has supported the reduction in the numbers of in-patient admissions by helping clients in crisis at home to manage their conditions through specialist community based interventions to maintain the stability of service users’ wellbeing .e.g. by delivering a late support service till 11pm Monday – Sunday.

## **OPTIONS TO CONSIDER**

### **3.13 Option 1 – Tender the Flexible Support Service on its own**

Tendering the Flexible support service on its own would amount to a fragmentary exercise when a more strategic, larger procurement exercise that would deliver better value and potential for cost savings when dovetailed with other Mental Health tenders coming up in the next 18 months.

3.14 The consideration at present is that if the flexible support service is tendered on its own it would not align with the ongoing strategic review of mental health services in the borough. The review is looking to revise the pathways and the re-provision of currently commissioned services including the supported and residential accommodation as well as support to enable mental health service user to maintain independence and wellbeing in the community.

### **Option 2 - Extend the Existing Arrangement**

3.15 To exempt current service from tender for a period of 18 months with a view to tender the service after a period of service redesign with LB Bromley partners, the Bromley CCG and Oxleas Trust and then include the service in a larger portfolio of services including mental health residential and supported accommodation services to be tendered at a future date.

3.16 Extending the existing arrangement will allow service continuity and support for community based mental health service users whilst the review, reconfiguration and the procurement of services in 6.3 above is being planned and the procurement of the flexible support will then form part of this bigger portfolio of services to be procured

### **Option 3 - Procure with other Local Authority**

3.17 We could not procure with other neighbour local authorities as they are in different commissioning cycles. Croydon council as an example has just entered into the second year of its flexible support contract whilst Newham council commissioned its own service last year.

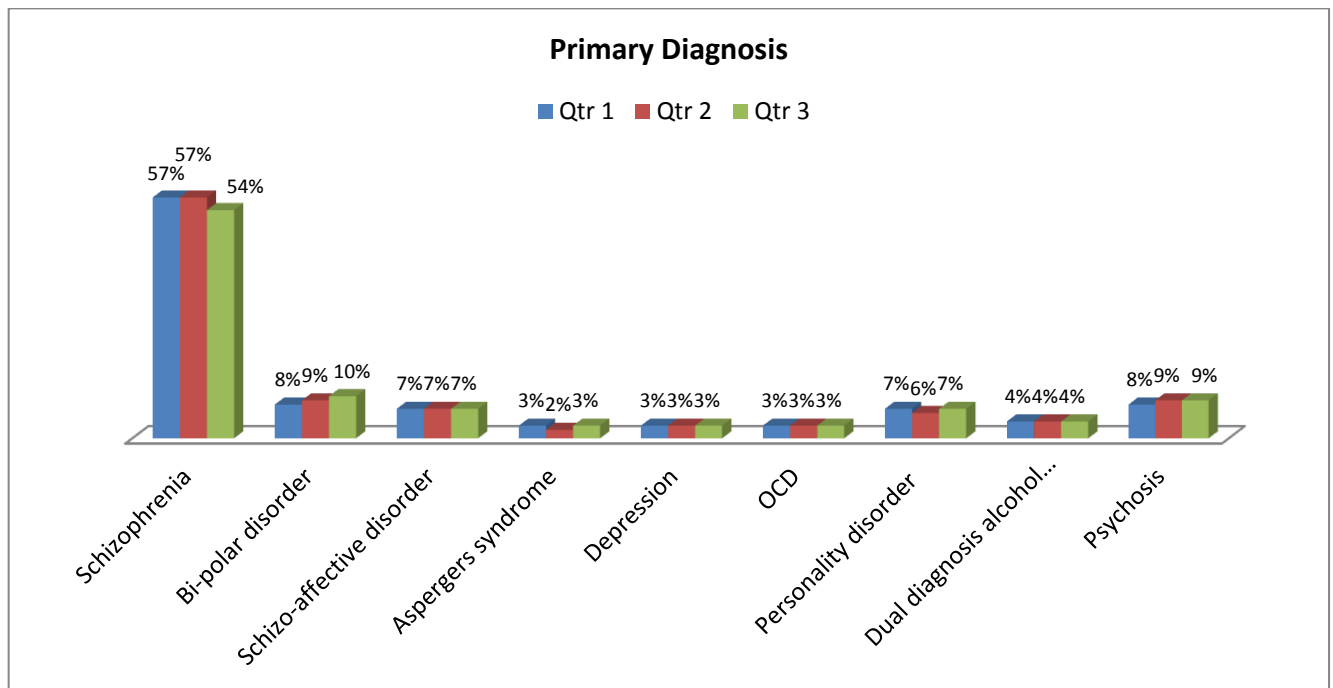
## **4. SERVICE PROFILE / DATA ANALYSIS**

4.1 Performance against KPIs - Summary Service metrics (See Appendix A)

## **5 CUSTOMER PROFILE**

5.1 The percentage of over 18s with depression is significantly higher in Bromley than the percentages for both England and London. Mental health problems affect a large proportion of the population, with approximately 158 people per 1,000 of the Bromley population aged 16 to 74 years suffering from a mild to moderate disorder (i.e. anxiety and/or depression). At the more severe end of the spectrum, over 2,500 people in Bromley (1% of the adult population) have been identified by GPs as suffering from serious mental illness.

5.2 The people using the flexible support service are in the main known to the local mental health treatment service and are care coordinated by the Community Mental Health Teams (CMHTs). The table below is a graphic representation of the profile of the range of mental health diagnosis supported between April and December 2016 (Qtr.1 – Qtr.3) by the Flexible support service.



## 6 Market Considerations

- 6.1 Extending the flexible support arrangement will allow LB Bromley commissioners and Bromley CCG commissioners more time to scope the market, plan the appropriate procurement approach for a much bigger portfolio of services that will meet the strategic delivery plan for mental health services in the borough.
- 6.2 The flexible support service type is not common as a mainstream service and LB Bromley is one of the pioneer local authorities in London to have this service type; Croydon and Newham Councils have recently procured a similar mental health flexible support service model to meet the needs of their mental health service users too. Norfolk council is in the middle of a tender exercise for similar provision for their mental health client group.
- 6.3 Tendering the flexible support service on its own will not allow the Council to avail itself of the cost benefits that a much bigger tender involving Bromley CCG for the residential and supported accommodation services would deliver.
- 6.4 Tendering the flexible support service as a stand-alone contract will not align to the strategic plan for the delivery of sustainable community based support models for mental health users which is the intention of the ongoing services review and reconfiguration exercise by LB Bromley and Bromley CCG to ensure that our commissioning approach matches up with the needs of the service users.

## 7. STAKEHOLDER CONSULTATION

- 7.1 The service is proactive about getting users involved and getting feedback on service performance and how it impacts on the individual service users in terms of outcomes and objectives realisation. The service carries out an annual service user satisfaction survey and Oxleas care coordinators also carry out user satisfaction audit as part of the 6 monthly review of the flexible support care plan with individual service users.

*Information on user satisfaction –provided by contractor (see Appendix B)*

7.2 A borough wide mental health stakeholder event is planned for March 2017 and the outcomes from this event will feed into the future strategy, service redesign and delivery plans for mental health provision in the borough.

## **8. SUSTAINABILITY / IMPACT ASSESSMENTS**

8.1 The need to achieve a balance in the offer of Choice and Self determination to vulnerable people in the society with necessary safeguards in terms of where they live and their need for support means that services of this type have to be procured.

8.2 The flexible support service aims to support community cohesion by supporting vulnerable people to maintain their independence in the community and assist them to use available local/community resources.

8.3 In light of the financial pressures that the Council is experiencing, it is important to have a service that is specialist in nature but also flexible enough to respond to broad spectrum of needs across the complex client groups. It is expected that the service will address these issues.

## **9. OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS**

9.1 LB Bromley and Bromley CCG have initiated a review of all mental health residential accommodation and supported housing services in the borough. Alongside this, the community mental health provider, Oxleas NHS Foundation Trust, is also carrying out a redesign of its community rehabilitation provision for mental health service users. Therefore the landscape of community services in the borough for mental health service users is undergoing significant changes.

9.2 Tendering for a new 5 years flexible support service whilst the strategic redesign of other areas of local mental health services is under way may not deliver a strategic fit in terms of treatment pathways design and access to support services that may be necessary to deliver a streamlined and joined up service for mental health service users in Bromley.

9.3 The review of supported and residential accommodation for mental health users will take up to 18 months and would result in tendering for services which align with the type of support provided to people in their own homes. Therefore it is proposed that the existing contract with Heritage Care be extended for a period of 18 months from October 2017 with the option to extend for a further 6 months if required. Tendering the flexible support service on its own would result in fragmented services - a more strategic, larger procurement exercise would deliver better value and streamlined contract management/monitoring opportunities could be achieved following the wider mental health strategic reconfiguration and redesign.

9.4 The current combined contract value of both the residential accommodation and the flexible support services contracts is in the region of £5.6m annually and would offer opportunities for new suppliers to compete for the provision of the future services following reconfiguration and redesign of service requirements.

9.5 By exempting from tender the current Mental Health Flexible Support service, the Council would have in place an interim service that enabled it to meet its statutory responsibilities for service users whilst the strategic redesign and configuration work is being carried out.



- 9.6 An exemption from tender would enable LB Bromley and Bromley CCG to jointly procure a new mental health support service that would address the needs of all mental health service users in the borough.
- 9.7 The review of services will be complete in summer 2017 and will include a timeline for jointly procuring the support services. This will be a major procurement and will require at least 12 months lead in time.
- 9.8 The Public Contract Regulations provide, in certain special circumstances, for the negotiation of contracts with or without the normal Contracting Notices being issued and without a competitive tender process being undertaken. For the reasons identified in this report, it is considered that the use of an appropriate Negotiated Contracting process is the correct use of dispensation provided for in the Regulations and that this approach is most likely to secure value for money for the Council both under this arrangement and the future contracting arrangement it provides for.

## 10. POLICY CONSIDERATIONS

- 10.1 This service aligns with the Building a Better Bromley agenda. The key aim of the flexible support service is to promote independence of service users and make them safe at home and in the communities where they live.
- 10.2 The service enables users to participate and be active in their local communities by engaging in social, educational and recreational activities. The proposal to tender the service is in line with the Council's Corporate Operating Principles.
- 10.3 Aligning this service contract with the upcoming LB Bromley and Bromley CCG mental health service redesign and reconfiguration will enhance collaboration and further the integration of health and social care services in the borough of Bromley.

## 11. FINANCIAL CONSIDERATIONS

- 11.1 Based on current activity, the costs of extending the service would cost £452k p.a. The budget is broken down as follows:-

	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>(6 months)</b>		<b>(6 months)</b>
Budget	396	792	396
Contract extension	226	452	226
<b>Remaining budget</b>	<b>170</b>	<b>340</b>	<b>170</b>

- 11.2 Funding is available to support the extension. The remaining budget will be used to support any ad hoc arrangements or to support increases in demand from the contract.
- 11.3 If the contract hours fall below the 470 hours per week minimum, the shortfall would need to be paid at the low band level outlined in paragraph 3.6

## 12. PERSONNEL CONSIDERATIONS

12.1 No Council staff would be affected by this proposal

## 13. LEGAL CONSIDERATIONS

13.1 The original contract was let as a Part B Service under the provisions of the Public Contract Regulations 2006 where the full procurement rules in the regulations did not apply. However these have been replaced by the 2015 Regulations and are now considered a “light touch” service. Even though the contract was let under the previous regime any variation or re-procurement must comply with the 2015 regulations.

13.2 This is important here as the likely contract value at c£900k is over threshold for light touch services. This means that whilst there is considerable flexibility on how a light touch service is procured the presumption is that a competitive process is undertaken.

13.3 However the Regulations recognise that in some limited circumstances it is appropriate to extend/vary/re-procure without a competitive process. As the report outlines service delivery in this way is not common and there is not active market for such services. On this basis there is potential scope to extend the contract without prior advertisement under the provisions of Regulation 32 of the 2015 Regulations.

13.4 As the value of the extension is under 50% of the original contact value and given the circumstances set out in the body of the report in addition Regulations 72 (1) (b) and (c) of the 2015 regulations supports modification of contacts during their term in such circumstances. Where a contact is varied under these provisions a formal notice must be published.

13.5 Where a contact is varied without competition there is always a degree of risk. However here there is an argument to support extending the contact by negotiation under Regulation 32 which would likely prevail and this provision should be relied in preference to regulation 72. It is material that the extension is being put in place to enable a more comprehensive tendering exercise to take place.

<b>Non-Applicable Sections:</b>	OUTLINE PROCUREMENT STRATEGY & CONTRACTING PROPOSALS
Background Documents: (Access via Contact Officer)	<p>Report <b>CS 12020</b> Contract Award for Mental Health Flexible Support Service September 2012</p> <div style="text-align: center;">               Adobe Acrobat Document         </div> <p>(Appendices A – Service Data and B – User Satisfaction Survey)</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">               Adobe Acrobat Document         </div> <div style="text-align: center;">               Microsoft Word 97 - 2003 Document         </div> </div>

Version CP@5/16