
Decision Maker: EXECUTIVE

With pre-decision scrutiny from Adult Care & Health Policy Development and Scrutiny Committee

Date: 29 June 2022

Decision Type: Non-Urgent Executive Key

Title: PROCEEDING TO PROCUREMENT (GATEWAY 0): HOUSING SUPPORT MENTAL HEALTH SERVICES

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Chief Officer: Kim Carey, Interim Director of Adult Social Care

Ward: All wards

1. REASON FOR REPORT

- 1.1. The provision of adult mental health recovery and rehabilitation accommodation-based support (residential care and supported living) and floating support services ensures that the London Borough of Bromley (LBB) and South East London Clinical Commissioning Group (SELCCG) meet their dual duties under the Care Act 2014, where there is a requirement for people to be supported to remain in the community; and the Mental Health Act 1983 in relation to hospital discharge.
 - 1.2. LBB and SELCCG currently contract 61 units of accommodation-based support within the borough, and more than 300 hours of floating support per week. The existing budget for these services has a combined annual value more than £2.94m, split between LBB and SELCCG (£1.5m LBB / £1.44m SELCCG).
 - 1.3. This report seeks to advise members on the procurement options for future adult mental health recovery and rehabilitation accommodation-based support and floating support services in Bromley and seeks approval to replace the existing service model with a new joint adult mental health recovery and rehabilitation support@home service contract in 2024, underpinned by the section 75 agreement between LBB and CCG.
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2. RECOMMENDATION(S)

- 2.1. Adult Care and Health PDS is asked to note and comment on the contents of this report.
- 2.2. Executive is recommended to:
 - a) Approve the procurement of a new joint adult mental health recovery and rehabilitation support@home service to:
 - i) replace existing separate LBB and SELCCG contracts;
 - ii) be in place by October 2024 with an estimated annual contract value of £2.66m, split 50:50 between LBB and SELCCG; and
 - iii) deliver estimated efficiency savings of £166k per annum to LBB, and £110k per annum to SELCCG.

Impact on Vulnerable Adults and Children

1. Summary of Impact: To move mental health service users away from reliance on hospital and residential provision towards more enabling and cost-effective services such as supported accommodation, support in the community and targeted support towards independent living.
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Corporate Policy

2. Policy Status: Existing Policy
 3. BBB Priority: Supporting Independence
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Financial

4. Cost of proposal: Estimated cost: £23.94m over the maximum 9 year term / £11.97m net of CCG contributions (excluding inflationary increases)
5. Ongoing costs: Recurring Cost: £2.66m per annum / £1.33m net of CCG contribution
6. Budget head/performance centre: Mental Health
7. Total current budget for this head: £8.2m
8. Source of funding: Existing revenue budget, CCG funding (Section 75)

Personnel

9. Number of staff (current and additional): N/A
 10. If from existing staff resources, number of staff hours: N/A
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Legal

11. Legal Requirement: Statutory Requirement
 12. Call-in: Applicable
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Procurement

13. Summary of Procurement Implications: This report seeks agreement of the commissioning strategy set out for the provision of a new joint mental health support@home service. The new contract will commence in October 2024, with an annual value of £2.66m. The intended contract period is 5+2+2 years, meaning a whole life value of £23.94m.
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Customer Impact

14. Estimated number of users/beneficiaries (current and projected): 140 CURRENT. 227 TOTAL
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Ward Councillor Views

15. Have Ward Councillors been asked for comments? Yes No Not Applicable
16. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1. Mental Health recovery and rehabilitation accommodation-based support and floating support services aim to support mental health service users away from reliance on hospital and residential provision towards more enabling and cost-effective services such as supported accommodation, support in the community and targeted support towards independent living.
- 3.2. The services support people who are recovering from a period of mental ill health, which can in some cases include periods in hospital, and/or people who are homeless or at risk of homelessness due to their mental ill health.
- 3.3. Many of the clients in this pathway have mental health challenges including depression, anxiety, low mood, and stress. Individuals often also have conditions related to psychosis (including schizophrenia, bi-polar disorder and autism spectrum disorder (ASD)). Several clients also have challenges related to the use of drugs and alcohol.
- 3.4. The majority of clients receiving these services are eligible for aftercare under s117 of the Mental Health Act 1983 as they have previously been detained in a hospital setting. Others may be supported due to a forensic history coupled with mental ill health.
- 3.5. Whilst these different groups are eligible for some different services; for the most part, the services within the adult mental health recovery and rehabilitation pathway are treated equitably and without distinction.
- 3.6. The procurement of a new joint adult mental health recovery and rehabilitation support@home service seeks to deliver a key priority of the Bromley Mental Health and Wellbeing Strategy, to:
 - Establish a strong mental health and wellbeing offer for people with mental health challenges
 - Develop an integrated recovery and rehabilitation pathway across all health, care and support mental health community services
 - Ensure that those who can, are supported to move into more independent settings including, when ready, outside of services all together
 - Ensure that independence and wellbeing is at the forefront of provision with services shaped by the people that use them; and
 - Provide good housing options for people who are at risk of homelessness due to mental ill health.

Summary of Business Case

- 3.7. The current model does not best meet the wider need for services to maximise recovery and move on into more independent settings. Accommodation-based support services are 'silting up' and individuals are remaining in services for longer than expected. Additionally, limited move-on results in higher numbers of out-of-borough placements into residential care, delayed step-down to lower support settings, or return to borough for those who are able.
- 3.8. There is increasingly less need for working age adults requiring personal care (washing, bathing etc.) associated with residential care in the borough, and higher levels of need for supported accommodation services that enable an individual's recovery and move on.
- 3.9. Clients living in residential care homes do not have the same rights and responsibilities as individuals who hold their own tenancy. Service providers have identified that this is inhibiting individual journeys to independence and makes move-on to someone's own home more

difficult. Clients in residential settings are also unable to maximise the full range of benefits available to them to support their independence.

- 3.10. The proposed commissioning strategy for recovery and rehabilitation accommodation-based support and floating support services is to replace the current separate block and spot contract arrangement with a new single service, jointly procured under the section 75 agreement between LBB and SELCCG.
- 3.11. The proposed service model intends to:
- end the unnecessary confusion between “supported housing” and “floating support” services and move to a model that supports clients no matter where they live
 - enable improved linkages with community mental health (CMHT) and social care teams through a single joint model of support
 - enable improved joint working with LBB Housing and housing associations to better enable clients, when ready, to move into their own homes
 - develop a more specialised workforce with a greater focus on particular groups; and
 - create better value for money through integrated contracting with financial savings for both LBB and SELCCG.

Service Profile / Data Analysis

- 3.12. LBB and SELCCG currently block purchase mental health recovery and rehabilitation accommodation-based support and floating support services from 2 providers in the borough:
- 61 units of accommodation-based support, across 6 residential and 3 supported living services at an estimated cost of £2.55m per annum, provided by Ambient Support
 - 300 hours of flexible (floating) support at an estimated cost of £391k per annum, provided by Hestia Housing and Support.
- 3.13. Together, these 2 services have an estimated annual committed spend of more than £2.94m per annum. Both contracts expire in 2024, with no further options to extend.
- 3.14. An estimated further £5.4m per annum is spent on individual spot purchased care packages across both LBB and SELCCG with 12 other providers outside of the commissioning arrangement under consideration by this report.
- 3.15. In total, the combined budget for adult mental health and rehabilitation services is approximately £8.35m per annum. This figure covers the cost of all residential care, supported housing and floating support services in this pathway.
- 3.16. This figure does not include the cost of mental health social care and Oxleas community mental health teams (CMHTs) who also support these clients but also have a wider scope in terms of other individuals that they will also support.

Options Appraisal

- 3.17. **Option 1.** Do nothing (Not recommended)
- 3.18. This option risks LBB and SELCCG not meeting their respective duties under the Care Act 2014 or the Mental Health Act 1983. Contracts would come to a natural end with no ongoing provision in place to provide these statutory services. LBB and CCG would have to spot

purchase placements for the entire population at a higher cost. There are no further options to extend contracts.

- 3.19. **Option 2.** Recommission existing services (Not recommended)
- 3.20. This option does not best enable LBB or SELCCG to deliver the identified priorities and benefits of the Bromley Mental Health and Wellbeing Strategy, or address the issues identified with the current service delivery model.
- 3.21. **Option 3.** Procure a new joint adult mental health recovery and rehabilitation support@home service (Preferred option)
- 3.22. The aim of this model is to procure a specialist adult mental health recovery and rehabilitation service provider, providing both floating and accommodation-based support services. It would mean remodelling and reconfiguring existing mental health recovery and rehabilitation accommodation-based support services to better meet the needs of current and new service users, facilitate step-down and move-on to independence.
- 3.23. The new service would be jointly commissioned by both LBB and SELCCG, underpinned by the section 75 agreement. It is recommended that LBB host the contract and lead on procurement, due to LBB currently funding both accommodation-based and flexible support service elements and holding oversight of existing placements into these services. SELCCG has made additional resources available to support the associated procurement activities. Oversight arrangements for latter contract management will be absorbed within existing integrated commissioning arrangements.
- 3.24. Additional mitigations to support the block contract approach, for example, the management of void beds and vacancies, will be detailed in future service specifications and Gateway reports.
- 3.25. The new service would be jointly funded by LBB and SELCCG on a 50:50 split, releasing anticipated efficiency savings of approximately £166k per annum to the Council and £110k to SELCCG.
- 3.26. These identified efficiency savings are comprised of reduced service charges associated with residential care home deregistration, and the remodelling and reallocation of direct support hours between accommodation-based support and floating support services elements.
- 3.27. A full tender process will be undertaken to identify a suitable provider. This would be a competitive tender process based on a block contract to provide both accommodation-based and flexible support service elements.
- 3.28. This is an outline proposal which, if approved, will then lead on to a process of market engagement and spec development for the preferred option. A Gateway 1 report seeking Executive approval for the detailed commissioning and procurement proposal for the preferred option will be presented in due course before commencing procurement.
- 3.29. **Preferred Option**
- 3.30. It is recommended that LBB approve **Option 3** to jointly procure a new joint adult mental health recovery and rehabilitation support@home service.
- 3.31. This option provides the greatest opportunity to realise the available benefits associated with recommissioning these services and to deliver the identified LBB and SELCCG commitments

set out in the Bromley Mental Health and Wellbeing Strategy, and to realise better value for money through integrated contracting with financial savings for both LBB and SELCCG

- 3.32. A number of mitigations have been identified to reduce the impact of the risks and challenges associated with this option, including:
- Dedicated provider project management support to deliver a program of activity to move towards a supported living model across the portfolio.
 - Enhanced community mental health resource to undertake assessment of clients within existing services in terms of their suitability for move on.
 - Development of a single housing and support model across LBB and CCG with a common focus on independence, recovery and rehabilitation.
 - Recommended 6-month extension of the SELCCG accommodation-based support contract to align with the LBB flexible support contract end date of 30 September 2024.
- 3.33. The new service model changes the way the service is currently delivered, with the philosophy of care and support focused on the achievement of outcomes, such as maintaining or increasing independence at home or facilitating move-on and step down to lower support and less restrictive settings. It will look to embed a more flexible and responsive service that is aimed at enabling an individual's recovery and rehabilitation and avoid unplanned admissions to hospital and long-term residential care.
- 3.34. Improved alignment between Mental Health Social Care, Housing and Providers should encourage better transitional arrangements and step-down through the pathway and would be more likely to maximise an individual's opportunity to move-on to their own home without support.
- 3.35. The new service model will seek to introduce new workforce requirements provide personalised and specialist packages of support, tailored to specific and identified client needs.

4. MARKET CONSIDERATIONS

- 4.1. This gateway report focuses on the recommissioning of the block contracts currently held by two providers. Additionally, the Council and SELCCG spot purchase individual placements from a further 12 providers that operate within Bromley.
- 4.2. Market scoping was undertaken as part of the tender exercise for the flexible support contract in 2019 with the tender receiving interest from 3 providers, however further market scoping is required to establish the current capacity of the market to deliver a single joint housing and support service.
- 4.3. Reconfiguring and remodelling the existing services will require the development of a new service specification, following endorsement of the recommended approach, including the identification and specification of any specialist client group specific services (such as women's only services, or short-term intensive rehabilitation services) which may impact the market's ability to deliver. People with mental health challenges require specialist support, often due to complex and dual needs, with staff trained in particular skills to engage successfully.
- 4.4. Further market scoping will be undertaken prior to preceding to procurement and on identification of ongoing service levels, specialist service types and specification development.

5. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

- 5.1. The majority of the Bromley mental health budget is spent on secondary care services. This is not untypical of different areas, with higher proportion of mental health budget committed to higher-end and hospital services.
- 5.2. Whilst there will always be a need to maintain higher-end treatment and hospital services for people to go in a crisis, the Bromley Mental Health and Wellbeing Strategy (2020 to 2025) envisages a shift, over time, towards more prevention, early intervention and community services. This approach will mean less people requiring hospital stays or placements in residential care homes¹

6. STAKEHOLDER ENGAGEMENT

- 6.1. These proposals have been developed in consultation with the Bromley Mental Health and Wellbeing Partnership board, including the advantages of remodelling existing adult recovery & rehabilitation accommodation-based support services to a supported housing model and enabling clients to hold their own tenancies.
- 6.2. A high-level case for change was endorsed by LBB and SELCCG Integrated Commissioning Board in November 2021.
- 6.3. Internal stakeholder engagement has included representation from and engagement with:
- LBB & SELCCG integrated commissioning and contract management teams
 - Recovery & Rehabilitation service provider representatives
 - Mental Health Social Care
 - LBB Adults Social Care Brokerage
 - LBB Housing Options, Allocations and Welfare Benefits teams
 - SELCCG Business Development and NHS Property Services

7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

- 7.1. The following timeline of activities has been developed for the delivery of ongoing action throughout 2022/23 and 2023/24.

| Activity | Timeframe |
|---|--------------------------------|
| Client engagement activities | June to October 2022 |
| Provider transformation activities | April 2022 to March 2023 |
| MH Social Care reassessment activities | October 2022 to September 2023 |
| Development of new service model – Planning for Procurement | October 2022 to March 2023 |
| Gateway 1 decision | December 2022 /January 2023 |
| LBB led procurement of new support@home service | April 2023 to September 2024 |
| Proposed commencement of new service contract | October 2024 |

- 7.2. **Estimated Value of Proposed Action:** Based on the combined contract values and identified efficiencies, the new recovery and rehabilitation accommodation-based support and floating

¹ Mental Health and Wellbeing Strategy for Bromley 2020-2025. Mental Health – Our Common Resources. SELCCG & LBB

support service contract value is estimated to be £2.66m per annum (subject to inflation and service demand) split 50:50 between LBB and SELCCG.

- 7.3. **Other Associated Costs:** SELCCG mental health community transformation funding of £360k has been budgeted in 2022/23 to deliver identified client engagement, provider transformation and mental health social care reassessment activities.
- 7.4. **Proposed Contract Period:** In line with other recently procured Bromley mental health community services, the proposed contract period is 5 years, with a further two 2-year extension options (5+2+2).

8. IMPACT ASSESSMENTS

- 8.1. The proposed service model will continue to ensure that LBB and SELCCG provide their statutory duties under the Care Act 2014 and Mental Health Act 1983. It will aim to improve the current offer by providing better outcomes for individuals and ensuring a more effective way of procuring the service. However, it is recognised that as a result of changing the way this service is configured, some people currently accessing services may need to use a different service provider or service from the one they currently receive. This will be managed effectively through the CMHT and social care review and assessment process and through any future service mobilisation period.
- 8.2. The recommissioning of these services in itself does not create any diversity implications. A full Equalities Impact Assessment has been undertaken as part of the development of the commissioning strategy and proposals.

9. POLICY CONSIDERATIONS

- 9.1. The provision of adult mental health recovery and rehabilitation services collectively meets a number of NHS and local authority duties in accordance with the Care Act 2014, Mental Health Act 1983 and Housing Act 1996.
- 9.2. The recommended option to remodel and commission a new mental health support@home service is consistent with the actions and objectives set out in Priority 5 'Recovery and Rehabilitation' of the Bromley Mental Health and Wellbeing Strategy (2020 to 2025).

10. IT AND GDPR CONSIDERATIONS

- 10.1. The new service specification will include the standard wording and expectations upon providers in relation to IT and GDPR.

11. STRATEGIC PROPERTY

- 11.1. An opportunity exists to increase rental revenue from the residential care home properties where rents are either not currently charged or are inclusive within the contracted services fees.
- 11.2. Deregistration of residential care homes and conversion to supported accommodation enables clients residing in these properties to receive housing and other benefits and to hold their own tenancies.
- 11.3. A number of properties are currently leased on a peppercorn rent and owners have indicated that they will start to charge rents for these properties. Modelling based on current Local

Housing Allowances and existing rental/service charges for mental health supported-accommodation properties indicates that the total available increase in rental revenue to property owners is approximately £400k per annum. This increased rental income will contribute to both rents charged for the properties and the identified savings to both LBB and BCCG contracted service fees.

12. PROCUREMENT RULES

- 12.1. This report seeks agreement of the commissioning strategy set out for the provision of a new joint mental health support@home service. The new contract will commence in October 2024, with an annual value of £2.66m. The intended contract period is 5+2+2 years, meaning a whole life value of £23.94m.
- 12.2. 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.
- 12.3. A further report will follow containing the details of the procurement strategy. The Council's specific requirements for authorising proceeding to procurement are covered in Rules 1 and 5 of the Contract Procedure Rules with the need to obtain the formal Approval of the Executive, following the Agreement of the Portfolio holder, the Chief Officer, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance for a procurement of this value. In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 12.4. 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 current cost of the services to be included in the proposed procurement exercise is around £2,942k per annum. Although the contracts are mainly of a block nature, the actual costs do vary as a result of the specific needs of individual service users.
- 13.2. The estimated cost of the proposed contract is £2,666k per annum, with a whole life value of over the maximum 9 year term of around £24m.
- 13.3. It is proposed that the new contract is funded 50:50 between the Council and CCG, which will result in estimated savings of £166k per annum to the Council and £110k to the CCG as set out in the table below:

| | LBB | CCG | Total |
|--|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 |
| <u>Current costs</u> | | | |
| Residential/supported living block contracts | 1,118 | 1,433 | 2,551 |
| Supported living recharge | -10 | 10 | 0 |
| Floating support | 391 | 0 | 391 |
| | 1,499 | 1,443 | 2,942 |
| | | | |
| <u>Proposed contract</u> | | | |
| Supported living | 903 | 903 | 1,806 |
| Floating support | 430 | 430 | 860 |
| | 1,333 | 1,333 | 2,666 |
| | | | |
| Estimated saving | 166 | 110 | 276 |

13.4. As set out in paragraph 7.3, the CCG have identified funding of £360k which will help facilitate the proposed changes in service provision.

13.5. Any changes to the estimated costs of the proposed contract and any other financial implications will be reported in the Gateway 1 report.

14. PERSONNEL CONSIDERATIONS

14.1. There are no personnel implications for SELCCG or Council employees arising from the procurement options outlined in this report.

15. LEGAL CONSIDERATIONS

15.1. This report requests the Adult Care and Health PDS Committee to note and comment on the contents of this report and for the Executive to approve the procurement of a new joint adult mental health recovery and rehabilitation service to replace the two existing mental health recovery and rehabilitation accommodation-based support and floating support services. As is explained within this report, the Council has a statutory duty to provide these services.

15.2. The services are to be commissioned under the overarching Section 75 arrangements the Council has with SELCCG. As this service is to be procured by the Council on behalf of both the Council and SELCCG, then a procurement of this value must be approved by the Executive after the requisite agreement of the Budget Holder, Chief Officer, AD Governance & Contracts, AD Legal Services, Director of Finance and Portfolio Holder.

15.3. These services are health services and, as such, they are regulated under Schedule 3 of the Public Contract Regulations 2015. The rules of procedure governing the procurement of such services are set out in Regulations 74 to 76.

15.4. Officers are requested to instruct Legal Services for any necessary support and assistance required for this procurement exercise.

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|---|---|
| Non-Applicable Sections: | NA |
| Background Documents: (Access via Contact Officer) | <p>Integrated commissioning strategy: Adult mental health support@home service.</p> <p>LB Bromley and NHS Bromley CCG_ Equalities Impact Assessment: Integrated adult mental health recovery and rehabilitation accommodation-based support and floating support services transformation project. May 2022.</p> |