

Decision Maker: EXECUTIVE

With pre-decision scrutiny from Adult Care & Health Policy Development and Scrutiny Committee on 22 November 2022

Date: 30 November 2022

Decision Type: Non-Urgent Executive Key

Title: GATEWAY 1 ADULT MENTAL HEALTH RECOVERY AND REHABILITATION SUPPORT @ HOME SERVICE

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

Ward: All Wards

1. REASON FOR REPORT

- 1.1 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.
- 1.2 The LBB Mental Health Flexible Support Service contract expires on 30 September 2024. The current contract has been in place since 1 October 2019 and has an estimated value of £319k per annum. The contract has no further options to extend and has a cumulative value of approximately £1,890k over the 5-year term.
- 1.3 The South East London Integrated Care Board (SELICB) Adult Mental Health Residential and Supported Accommodation Services contract expires on 30 September 2024. The current contract has been in place since 1 April 2019 and has an estimated value of £1,432k per annum. The contract has no further extension options remaining and has a cumulative value of approximately £6,963k over the 5-year term.
- 1.4 In addition, LBB holds individual placement contracts for clients placed into SELICB contracted provision. In 2021/22 the combined annual value of these placements is estimated to be approximately £1.12m per annum. In total these two services have an estimated combined value more than £2.94m per annum.
- 1.5 The Gateway 0 report ACH22018, presented to Executive on 29 June 2022, advised members on the procurement options for future housing support mental health services in Bromley and gained 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 SELICB, and with a combined total contract value estimated at £2.66m per annum, split 50:50 between LBB and SELICB.

1.6 This report seeks Executive approval to commence the procurement of the service in accordance with the arrangements set out in this report to commence the new service on 1 October 2024. Contracts with a whole life value of £1m and above require Executive approval prior to proceeding to procurement.

2. RECOMMENDATION(S)

2.1 Adult Care and Health Policy Development and Scrutiny Committee are asked to review this report and provide any comment prior to the report proceeding to Executive for decision.

2.2 Executive is recommended to:

- i. Approve the commencement of a tender process for the housing support mental health services 'support@home' contract:
 - for an initial period of 5 years from 01 October 2024 to 30 September 2029
 - with two options to extend for a further period of 2 years from 01 October 2029 to 30 September 2031 and 1 October 2031 to 30 September 2033
 - at an estimated total contract value of £23.4m; and
- ii. Delegate authority to the Chief Officer in consultation with the Portfolio Holder to approve the contract extension period(s) on satisfactory achievement of the contract performance indicators.

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

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

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

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

1. Legal Requirement: Statutory Requirement
 2. Call-in: Applicable:
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Procurement

1. Summary of Procurement Implications: This report seeks Approval to commence the procurement of a joint mental health support service. The contract will commence in October 2024 for a period of 5 years with the option to extend for two further periods of up to two years each. The procurement will be conducted in accordance with the Public Contract Regulations 2015.
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): 140 current service users / up to 227 projected beneficiaries utilising existing recovery & rehabilitation services.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments: Not Applicable

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 Gateway 0 report to Executive on 29 June 2022 recommended a redesign of Mental Health recovery and rehabilitation services to incorporate the following core principles:
- i. remodelling current services to prevent a further “silting up” of the adult mental health recovery and rehabilitation pathway, which is currently resulting in more adults with mental health challenges requiring costly/inappropriate out of borough residential placements.
 - ii. creating a single support and housing service model across the Council and ICB with a common focus on independence and recovery/rehabilitation.
 - iii. ending the disparity between “supported housing” and “floating support” services, establishing instead a single model that supports clients no matter where they live. Services would no longer automatically end just because someone is ready to move on to their own home.
- 3.3 Following the report, further work has been undertaken to develop the procurement approach for the proposed support@home service. Work has also commenced to remodel the existing residential care home provision within the SELICB contract and convert these services to a supported living model by the end of the current contract term on 30 September 2024.
- 3.4 Incumbent service provider transformation activity and a program of service user review and reassessment will ensure that all existing service users are either supported to become tenants in the associated properties, move-on to appropriate step-down provision, or be re-provided with alternative residential provision where there is an assessed need for this type of provision.
- 3.5 The services referred to in this report relate to the provision of care and support across the accommodation-based and floating support services. Commissioned hours relating to the provision will be utilised flexibly across the contract and tailored to client needs independent from the accommodation in which they live.
- 3.6 However, some hours are expected to be delivered collectively within shared accommodation or utilised to provide shared care and support (for example, the provision of sleep-in or waking night staff) where clients living in shared accommodation require enhanced support. Tenants living in shared accommodation will also have the option to purchase their own personal support hours from a different provider via a Direct Payment, should they not wish to utilise the contracted service provider.
- 3.7 Support hours will not be fixed to a particular property, enabling the service to adapt with changing demographic or client needs. Where properties are no longer required or suitable to meet the identified needs, support hours will be able to be redirected to alternative provision or sites as required, enabling properties to be adapted, acquired or disposed of in line with changing needs and priorities.

Summary of Business Case

- 3.8 Recovery and rehabilitation housing support services have been provided through a combination of flexible floating support and accommodation-based (residential care home / supported living) service contracts separately commissioned by both LBB and SELICB.
- 3.9 Most recently, the floating support service has been contracted by LBB and residential and supported accommodation services have been commissioned by SELICB.
- 3.10 The current delivery model separates the provision of floating and accommodation-based support between two providers. The ability to support service users through the pathway is limited and results in changes to care and support staff as individuals progress through their recovery and onwards to

independence. This is resulting in individuals remaining in services for longer than anticipated and can lead to individuals being placed in inappropriate or expensive out of borough provision.

- 3.11 A joint and single approach to housing support services is considered to deliver better health and wellbeing outcomes and support individuals to maximise their rehabilitation and recovery. Additionally, working more effectively with health and housing partners to develop an integrated recovery and rehabilitation pathway will result in efficiencies and savings due to a reduction in delayed discharge or admission to residential care and increased move-on to lower support or independent living settings.
- 3.12 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.
- 3.13 The proposed market strategy for the new service model is to move away from the separate floating support / accommodation-based service provider split to a single operator model of care and support across the borough.
- 3.14 The proposed delivery model is intended to deliver improved personalised care and support throughout the recovery and rehabilitation service pathway, whilst enhancing the quality of provision within the market. The redesign of existing services is expected to provide clarity in the market with clearer expectation and autonomy to support individuals through their recovery and to respond more flexibly to changing needs and demands on the services.
- 3.15 The new service model is intended to provide a platform to enhance efficiencies that are currently unavailable from within the existing service model, via the application of local housing allowances and maximisation of benefits for clients who are currently unable to claim, delivering better value for money and increasing the rights and responsibilities available to clients who access the service.
- 3.16 A single service model, underpinned by a stakeholder codesigned and service user coproduced outcome-based specification is expected to deliver enhanced performance and measurable outcomes for service users. A strength-based assessment approach will also ensure that current service users are being supported to access the least restrictive model of support and reduce the length of time individuals access more costly and restrictive services.

Service Profile / Data Analysis

- 3.17 There are currently approximately 140 individuals receiving a contracted accommodation-based or flexible support service through these contracts. In total, approximately 227 individuals receive accommodation-based or floating support services (both in and out of borough) through these and other spot contracted services.
- 3.18 The Flexible Support Service supports between 75 and 80 clients per quarter. During the 12 months from April 2020 to March 2021, the service provided 519 hours of support in addition to the contracted service capacity. On average this equated to an additional 10 hours per week.
- 3.19 At the end of 2021, 75% of clients accessing the service had been receiving support for between 1 and 2 years, with the remaining 25% receiving services for less than 1 year.
- 3.20 In 2020/21, the floating support service accepted 89% of all referrals to the service, with 25 out of 28 referrals commencing service in the year.

- 3.21 During the same period, 36 individuals departed the service. An analysis of the reasons for departure between July 2020 and December 2020 shows that just under one-third of clients moved on from the service to lower support packages, or because they no longer required the service. The remaining two-thirds of clients moved on to higher support settings or ceased services due to refusal of service or non-engagement.
- 3.22 Accommodation-based support services provide 61 units of residential and supported accommodation services to people with variable mental and physical needs. Move on from the services is expected to occur within 2 years of services commencement, however, the number of clients moving on or through accommodation-based support services remains low with an average of only 3 clients (5%) moving on per quarter.
- 3.23 Accommodation-based support received a total of 36 referrals into services in the 12 months to December 2021. Of these referrals, only 12 (33%) commenced in services, consistent with the number of clients moving on in the year. This indicates that referral acceptance is being driven by vacant service capacity rather than client need or referral criteria and will likely be contributing to clients needing placements out of borough or into alternative residential settings. The support reported the anticipated length of stay for 47 clients to be less than 2 years. An analysis of move on data for the 12 months to December 2021, shows that this ambition is yet to be achieved, with an average of only 21 clients residing in the services for less than 2 years.
- 3.24 This limited move on from supported living and low support settings is consistent with anecdotal and historic data suggesting that the accommodation-based support pathway is 'silting up' at supported housing / lower support settings, reducing the opportunity to step-down through services or to bring clients back from higher support out of borough settings.
- 3.25 Service utilisation and occupancy remain consistently high, with an average 95% utilisation in Q3 of 2021-22.

Options Appraisal

- 3.26 The Gateway 0 report presented to Executive on 29 June 2022 provided an options appraisal based on the following options:
- **Option 1** Do nothing – not recommended
 - **Option 2** Recommission existing services – not recommended
 - **Option 3** Procure a new joint adult mental health recovery and rehabilitation support@home service – preferred option.

Preferred Option

- 3.27 Following the Adult Care and Health Policy Development Scrutiny committee on 28 June 2022, Executive endorsed the preferred option to procure the new support@home service on 29 June 2022. This decision was latterly endorsed by the One Bromley Local Care Partnership Board on 5 July 2024

4. MARKET CONSIDERATIONS

- 4.1 High quality, mental health support can only be achieved where there is a vibrant, responsive market. From initial soft market testing, it is understood that the mental health support market is relatively mature, stable and well developed in Bromley and across the UK, with a good supply base of both small to large national providers.
- 4.2 Whilst providers in this market segment understand and have experience of delivering a range of services and models to respond to changing needs, the change in delivery model for Bromley means re-engaging with the market to promote the new service model and ensure the market is ready to respond.

- 4.3 An initial supply base assessment identified more than 18 providers in terms of size and capacity to provide the identified services. Nationally, there is a significant number of providers with capability and experience of operating in this sector who would be able to meet the service need.
- 4.4 It is proposed that this market is accessed via a restricted tender to allow care providers who do not have a base in the borough or within close proximity to bid.

5. SOCIAL VALUE AND LOCAL / NATIONAL PRIORITIES

- 5.1 The remodelling of mental health and rehabilitation support services provides economic and social value by employing local staff, accessing local amenities and sharing knowledge across key stakeholder and wider integrated care system.
- 5.2 This contract is also aligned with the national approach set out in the NHS Long Term Plan published in January 2019 which focuses on improving outcomes through a joined-up approach across primary, social care, community and secondary mental health services and the ongoing work of the NHS Southeast London ICS to foster common approaches across borough boundaries and the NHS England 10 years strategy which focuses on:
- preventing people from developing mental health problems where possible.
 - improving access to support for everyone who needs it.
 - supporting people to recover and live well in the community.
 - tackling inequality.

6. STAKEHOLDER ENGAGEMENT

- 6.1 Engagement with internal and external stakeholders is ongoing, with further engagement with providers, health, social care, housing and wider sector stakeholders and service users planned.
- 6.2 Bromley Experts by Experience (XbyX) have led a program of service user engagement to seek current service user views on services, move-on and barriers to well-being. Through a program of on-line and in person events, XbyX have provided opportunity for service users to engage, share their views and stories and complete a survey.
- 6.3 The outcome of this engagement is pending, however, the results and views from service users will be used to inform the ongoing specification development for the new support@home service.
- 6.4 A further program of engagement and co-design with service users is in development using co-production principles to ensure continued and meaningful input is gained into the final support@home service specification. This is planned to include identification of individuals who wish to participate in a series of co-production forums and training in coproduction.
- 6.5 Engagement with internal stakeholders is planned throughout January to March 2023 to define particular service specialisms, training needs or client groups that will underpin the development of the final service specification prior to tender. This will include representation from:
- MH recovery & rehabilitation service providers, voluntary and community sector
 - Oxleas mental health community teams
 - Mental Health Social Care
 - LBB Housing and Brokerage
 - LBB and SELICB Integrated commissioning
- 6.6 Key Performance Indicators and outcome-based measures will be refined during the market and stakeholder engagement exercise with input from providers, professionals and service users before being incorporated into the final service specification for tender.

6.7 In addition, a support@home steering group is established, with representation from LBB and SELICB stakeholders to oversee the delivery of stakeholder engagement activities and specification development.

6.8 A timeline of planned stakeholder engagement activity is provided below:

Engagement Activity	Target dates
XbyX Client Engagement	August - October 2022
Service user coproduction (training)	October – December 2022
Initial stakeholder engagement activity	October – December 2022
Market engagement EOI notice posted	January 2023
Market engagement forum	February 2023
Service user coproduction (Specification development)	January – March 2023
Stakeholder forums (Specification / KPI development)	January – March 2023

7. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

7.1 A two-stage process will be used based on the timetable below. To progress to Stage 2 providers must progress through Stage 1.

7.2 To ensure good quality providers are selected, the procurement will include technical abilities at Stage 1, for example, a requirement to submit two consecutive Quality Assurance reports to help access the consistency in the quality of services delivered.

7.3 At the invitation to tender stage (Stage 2), a minimum threshold of 5 on a 10-point evaluation matrix will be applied to all scores. This will ensure successful provider(s) have the relevant experience and knowledge to provide the service.

7.4 The contract will be awarded to a single provider who will manage all cases throughout, with the responsibility to support service users as they progress through their recovery stage.

7.5 The tender will be awarded on the most economically advantageous tender based on a 60% price weighting and 40% quality.

Procurement Timetable:

Stage	Target dates
Stage 1 - Advertise tender	April 2023
Evaluation & shortlisting decision	April 2023
Stage 2 - Invitation to Tender ITT	May 2023
ITT Live	June 2023
Scoring and clarification interviews	July 2023
Evaluate ITT submissions	August 2023
Executive Decision	November 2023
Contract award	December 2023
Contract mobilisation	January 2024
Service mobilisation (transition-on/out)	April 2024
Service commencement	October 2024

7.6 **Estimated Value of Proposed Action:** Based on the combined contract values and identified efficiencies, the new recovery and rehabilitation accommodation-based support and floating support service contract value is estimated to be £2.66m per annum (subject to inflation and service demand) split 50:50 between LBB and SELICB.

- 7.7 **Other Associated Costs:** SELICB 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.
- 7.8 **Proposed Contract Period:** as set out in the approved Gateway 0, the proposed contract period is 5 years, with a further two 2-year extension options (5+2+2).

8. IMPACT ASSESSMENTS

- 8.1 The recommissioning of these services in itself does not create any diversity implications. A full Equalities Impact Assessment was undertaken as part of the development of the commissioning strategy and proposals.

9. POLICY CONSIDERATIONS

- 9.1 Effective housing support services will support the Council to demonstrate key priorities within the Transformation Bromley Roadmap themes (2019-2023).
- Priority One: Safeguarding
 - Priority Three: Life chances, resilience and wellbeing
 - Priority Five: Integrated health and social care
 - Priority Six: Ensuring efficiency and effectiveness
- 9.2 A joint approach to this commissioning and procurement will ensure that the service delivery aligns to the current and developing wider health and social care pathways as part of our integrated commissioning alongside the ICB.

10. IT AND GDPR CONSIDERATIONS

- 10.1 Mobilisation will involve data transfer which include incumbent provider TUPE data and service users information. This transfer will be done in compliance with the GDPR.
- 10.2 The Council, as part of its on-going commitment to fostering and sustaining an evolved approach to data protection and information management requires the following to be considered and evidenced:
- Privacy by Design – A Data Protection Impact Assessment is carried out for this service by commissioning
 - Controls on sub-contracting – The Council must be consulted prior to any award. Where an award is to be made, the provider must reflect the Council's contractual requirements in any subcontract.
 - Providers must have necessary GDPR compliance evidence in place including policies, training, and information asset register.
 - Data protection officer – Providers must appoint one where required.
 - Breach notification – The providers must alert the Council of a breach within 24 hours of becoming aware of it, to allow the Council to meet its 72 hour reporting commitments.
 - Data Sovereignty – Providers that use hosted or cloud based services must ensure they are in UK data centres
 - Rights of Data subject – Any exercise of the rights of the data subject must be actioned within 30 days where legally obliged to comply. The provider is required to take all reasonable steps to assist the Council in complying
 - Information management control – The provider must employ and evidence appropriate information security and management controls to safeguard personal and sensitive personal data
 - Providers must allow the Council to conduct periodic data protection audits
 - Providers should subscribe to a certification mechanism to evidence compliance to the GDPR and UK Data Protection Bill

- A retention period for personal and sensitive data must be identified and documented.
- Explicit determination of what happens to the information collected and stored by providers after the contract finishes must be identified, documented and actioned as appropriate.

11. STRATEGIC PROPERTY

- 11.1 There is no LBB property associated with the provision of these services. However, an opportunity exists to increase rental revenue from existing 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 SELICB contracted service fees.

12. PROCUREMENT RULES

- 12.1 This report seeks agreement to proceed to procurement 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 for a period of 5 years with the option to extend for two period of up to two years each.
- 12.2 This is an above threshold contract, covered by Schedule 3 of the Public Contracts Regulations 2015. A Restricted process will be used and a timetable is included at Section 7 above.
- 12.3 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 Executive, following Agreement of the Portfolio Holder, the Assistant Director Governance & Contracts, the Director of Corporate Services and the Director of Finance, for a procurement of this value.
- 12.4 In accordance with CPR 2.1.2, Officers must take all necessary professional advice.
- 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 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 ICB, which will result in estimated savings of £166k per annum to the Council and £110k to the ICB as set out in the table below:

	LBB	ICB	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 7.7, the ICB have identified funding of £360k which will help facilitate the proposed changes in service provision.

14. PERSONNEL CONSIDERATIONS

14.1 There are no personnel implications for SELICB or LBB employees arising from the procurement outlined in this report.

15. LEGAL CONSIDERATIONS

15.1 This report follows the June report to the Executive which gained approval of the new service model for adult mental health and recovery. This report now requests Members to approve the procurement process detailed in Section 7.

15.2 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

15.3 The services are to be commissioned under the overarching Section 75 arrangements the Council has with SELICB. As this service is to be procured by the Council on behalf of both the Council and SELICB, 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.

15.4 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.

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

Non-Applicable Sections:	NA
Background Documents: (Access via Contact Officer)	ACH22018 Proceeding to procurement (Gateway 0): Housing support mental health services