

ITEM 7(b)

Procurement of learning disability and mental health services

North Tyneside Council Report to Cabinet Date: 11 April 2016

Portfolio(s): **Adult Social Care**

Health and Wellbeing

Cabinet Member(s): **Councillor Alison Waggott-Fairley**

Councillor Lesley Spillard

Report from Service Area: **Health, Education, Care and Safeguarding**

Responsible Officers: **Jacqui Old** (Tel: (0191) 643 7317)

Mark Longstaff (Tel: (0191) 643 8089)

Wards affected: **All wards**

PART 1

1.1 Executive Summary:

The purpose of the report is to seek Cabinet approval to undertake two procurement exercises to set up framework agreements for:

- Learning disability supported living and community support services from 1 April 2017;
- Mental health services from 1 September 2016.

In addition to extend the current Independent living services agreement for contracts transferred from the Northumberland Tyne and Wear NHS Trust. These contracts will then be commissioned from the learning disability supported living and community support framework from April 2017.

Cabinet approval is required in accordance with Contract Standing Orders as the value of the services will exceed £500,000.

1.2 Recommendation(s):

It is recommended that Cabinet authorise the Head of Health, Education, Care and Safeguarding, in consultation with the Head of Law and Governance and the Head of Finance to:

- 1.2.1 Undertake a Public Contract Regulations 2015 compliant procurement exercise to procure providers to deliver the proposed new services, as outlined in section 1.5.2; and
- 1.2.2 Following the open procurement exercise carried out in accordance with 1.2.1 above, to proceed with the award of contracts, and
- 1.2.3 Approve the extension of the existing contractual provisions from 1 June 2016 to 31 March 2017 for seven services commissioned from United Response.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 4 March 2016.

1.4 Council Plan and Policy Framework

- 1.4.1 This report relates to the following priorities contained within the 2014 - 18, Our North Tyneside Plan:
 - (a) Our People will be listened to by services that respond better and faster to their needs
 - (b) Our People will be supported to live healthier and longer lives
 - (c) Our People will be cared for and kept safe if they become vulnerable
- 1.4.2 This report relates to following plans and strategies in the Policy Framework:

Building the right support October 2015 published by NHS England, the Local Government Association and the Association of Directors of Adult Social Care.
- 1.4.3 Delivery of the services set out in this report will contribute to:
 - (a) Priority One: Offering greater choice of services
 - (b) Priority Two: Support people to secure and maintain a home in the community
 - (c) Delivery of services that proactively work towards a progression model and meet individual outcomes
- 1.4.4 The new service will also contribute to the achievement of the Creating a Brighter Future Programme priorities of:
 - (a) Cared for, safeguarded and healthy
- 1.4.5 In addition, the service will specifically contribute positively towards the outcomes of:
 - (a) Cared for, safeguarded and healthy
 - (b) Encouraging our customers to be more independent; and
 - (c) Better managing demand for services so people access the right services at the right time.

1.5 Information:

1.5.1 Background

Learning disability supported living and community support services

A framework of providers to deliver Independent Support Living (ISL) and Community Support services to people with a learning disability and/or mental health needs was commissioned to commence delivery from 1 April 2013. The contractual period was for two years with the option to extend for a further two years. Following the agreed extension, the contractual arrangements for these services are due to end on 31 March 2017.

A number of new services have been commissioned from the framework in the form of a competitive mini tenders focussing 100% on quality. The commissioning model that was implemented as part of this framework has led to efficiencies within the Adult Social Care budget. This model reflects the Target Operating Model (TOM) principles and progression model for people to live as independent as they are able to with the right level of support. The newly commissioned framework will continue to embed this progression model as well as emphasise the TOM principles.

Currently, there are 201 clients living in 97 properties that receive an ISL service commissioned directly by the Authority.

Over the last two years, the Authority has undertaken work with all learning disability support providers to embed a new commissioning model that supports the TOM principles of managing demand and supporting people to do more for themselves. This work has resulted in the delivery of services and support to individuals that has resulted in improved value for money through obtaining greater economies of scale and reducing potential overlaps between services.

Northumberland, Tyne and Wear NHS (NTW) transferred independent supported living services

The Authority has commissioned seven independent supported living (ISL) services for a number of individuals that were previously the responsibility of the National Health Service. Funding in the form of a Valuing People Now grant was transferred to the Authority to support this.

This included TUPE transfer arrangements for members of staff from the NHS to the commissioned provider. The costs for this were therefore higher than would ordinarily be paid for other commissioned ISL services.

Contracts were awarded to a new provider for services delivered from 2 June 2011 for a period of three years with an option to extend for a further two years. The contracts were extended and are due to run to 31 May 2016.

Mental health services

There were four specific community mental health services commissioned to commence on 1 September 2012. All contracts were awarded following a competitive open tender process for a contract period of three years with the option to extend for a further year. All contracts come to an end on 31 August 2016. These services include:

- Intensive rehabilitation service – commissioning of specific beds to support people with a high level of mental health need and two crisis beds. The focus is to prevent hospital admission; manage current behaviour and support people to successfully move to their own property and live independently in the community with the right level of support.
- Employment support service – provider commissioned to support people into employment or into an employment pathway.
- Housing related support service – to support people in their own homes and provide housing related support and outreach on a 1:1 basis.
- Activity related support service – this supported people in a number of different groups and support mechanisms, including day activities and community support.

There are a number of other commissioned services where the contracts are due to expire on 31 August 2016 that have been reviewed and consideration given as to future commissioning arrangements. These services are included within the new framework agreements to be commissioned.

1.5.2 Services to be commissioned

There are two framework agreements to be commissioned:

- Learning disability supported living and community support services from 1 April 2017;
- Mental health services from 1 September 2016.

Learning disability supported living and community support services

A new framework agreement to be established from 1 April 2017 for independent supported living and community based services for people with a learning disability, this will also include those who have autism. The Authority will determine the costs of the services to be commissioned under this framework. It is also proposed to include service provision for children with a disability within this framework agreement.

The new framework agreement will be underpinned by the TOM principles, be outcome focussed and will follow a progression model of service delivery. This learning disability framework agreement will have a contract period from 1 April 2017 to 31 March 2020 with the option to extend for a further two year period, ie to 31 March 2022. The value of this framework agreement is in excess of £500,000 per annum and therefore requires Cabinet approval

The contract for the NTW transferred independent supported living services expires on 31 May 2016 and it is proposed that these are extended to 31 March 2017, to enable the services under this contract to be brought into the learning disability supported living framework agreement, as detailed above. The value of this contract extension is approximately £1,850,000 for the period up to 31 March 2017 and therefore requires Cabinet approval.

Mental health services

The procurement of a new framework agreement to meet the needs of people with mental health needs will move away from block funded services; offer greater choice to people regarding the services they access and provide an opportunity for mental health

service providers to adopt a recovery focussed model for individuals. A review of the current mental health service provision has been completed by the Authority and it has highlighted that there is a need for longer term support for people to maintain their own homes and achieve and maintain greater independence. It is expected that future services will also meet the needs of people in crisis.

This also includes moving away from current block funded agreements in favour of developing a framework agreement that covers the following service areas in relation to mental health support:

- Supported living and home support
- Day opportunities and group support
- Employment and volunteering support
- Crisis support

This mental health framework agreement will have a contract period from 1 September 2016 to 31 March 2020 with the option to extend for a further two year period, ie to 31 March 2022. This will ensure the contract term is aligned to the learning disability framework agreements.

The value of this framework agreement is in excess of £500,000 per annum and therefore requires Cabinet approval

1.5.3 Links to the Target Operating Model (TOM)

The principles that underpin the Authority's Target Operating Model will be integral to the specification and standards for the learning disability and mental health framework agreements identified in this report to each of these service areas identified within this report, the principles include:

- Enabling people to support themselves
- Target resources to people who need it most
- Understand and manage demand
- Identify innovation
- Reduce long term costs through the use of technology

The service models in each of the framework agreement will support people to access a range of different universal services (Tier 1). The services will adopt a recovery / progression focus to provide a clear pathway to living independently without the need for costly commissioned services or a personal budget. Services will be performance monitored against how well people have been supported to progress towards achieving agreed outcomes, this will be at an individual level and also a service level.

1.5.4 Social Value

The Public Services (Social Value) Act 2012 requires public bodies to consider how the services they commission and procure might improve the economic, social and environmental well-being of the area. It is a requirement of the service that providers will evidence how they will deliver social value through the delivery of these services. The tender process employed to choose an appropriate provider to deliver the service will assess this ability specifically.

1.5.5 Indicative Timeline

Should Cabinet approval be received, the timescales for procurement of new framework agreements / contracts are as follows:

- Following a procurement process, the contracts for learning disability supported living and community services framework will be in place from 1 April 2017;
- Following a procurement process, the contracts for mental health services will be in place from 1 September 2016;
- The contract duration for all contracts will be for 36 months with an option for the Authority to extend for a further 24 months. Prior to the expiration of the initial contracts the services will be subject to a review to assess their relative effectiveness.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Agree the recommendations set out at section 1.2.

Option 2

Not agree the recommendations set out at section 1.2.

Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

Option 1 is recommended for the following reasons:

- (a) Current contracts will have expired and in order to comply with procurement regulations, the Authority must undertake a competitive procurement exercise and put the new services in place;
- (b) The new service will provide a flexible service which provides the right level of support to those who need it the most;
- (c) The adoption of a collaborative approach to service provision is likely to produce more seamless services to vulnerable individuals who often have Care Act eligible social care needs.

1.8 **Appendices:**

None.

1.9 **Contact officers:**

The names, titles and contact numbers of the key officer who has contributed to the report and other relevant officers should be set out here in the following format:

Scott Woodhouse, Strategic Commissioning Manager, People Based Commissioning,
Tel. (0191) 643 7082

Helen Wells, Commissioning Manager, People Based Commissioning,
Tel. (0191) 643 7561

Craig Nicholson, Commissioning Manager, People Based Commissioning,
Tel. (0191) 643 7785

Judith Robson, Category Manager, ENGIE, Tel. (0191) 643 5660

Alison Campbell, Senior Business Partner, Finance, Tel (0191) 643 7038

1.10 Background information:

None.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Any procurement exercise will need to take account of the introduction of the National Living wage from 1 April 2016. The 2016/17 Budget, approved by Council on the 18 February 2016 includes some contingency for the pressures that the National Living Wage will bring. It is anticipated that the new contract will deliver the £2.490m savings in Business Case 9 Commissioning VFM Adult Care services, approved as part of the 2016/17 Financial Planning and Budget process. If this is not the case a report will be brought back to Cabinet / Council, as appropriate for a decision before any expenditure is incurred.

Part of the overall funding for mental health services comes from income received from North Tyneside Clinical Commissioning Group (CCG). There are on-going discussions about the funding level from the CCG for 2016/17 and it is unlikely this will be resolved by the date this report is presented to Cabinet.

The introduction of a framework agreement is not impacted by the income received from the CCG; the level of funding would however impact at an individual level once the framework agreements are in place and service levels for each individual client agreed.

2.2 Legal

In compliance with the Care Act 2014, the Authority has a statutory duty to meet the social care needs of people in the borough.

The Authority will also be required to comply with the provisions of the Public Contracts Regulations 2015 and the Authority Contract Standing Orders when procuring the service.

Contracts will be awarded to the providers who submit the most economically advantageous tenders to the Authority.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

The process of establishing a detailed specification for the services will be done in close conjunction with key colleagues within Adult Social Care. The process of evaluating tenders will be carried out with colleagues with specialist knowledge from the relevant sections of the Authority.

2.3.2 External Consultation/Engagement

There is continuous engagement with learning disability and mental health providers, service users and family carers of the services through various forums. Additionally, there are regular contract review meetings with existing contracted providers. As service specifications and service standards are reviewed and updated, these external groups will be consulted on any changes.

2.4 Human rights

The proposals contained in this report relate to the following human rights:

- Right to liberty and security
- Right to respect for private and family life
- Freedom of thought, belief and religion
- Freedom of expression
- Protection from discrimination

2.5 Equalities and diversity

The Contract stipulates that the Provider will ensure compliance with the 2010 Equality Act and Public Sector Equality Duty and therefore will not unlawfully discriminate against employees or service users with protected characteristics. The contract also stipulates that the Provider must ensure that its workforce receives appropriate training in order to understand their roles and responsibilities under the Equality Act e.g. implementing Equal Opportunity requirements, and to promote equality and prevent discrimination.

An Equality Impact Assessment was undertaken when preparing the business case for the budget proposals and this has helped to inform the service specification for the service. The procurement process and on-going performance monitoring against the requirements set out in the service specification will be used to assess and monitor the values and practices of providers in relation to equal opportunities.

2.6 Risk management

Risks have been considered and evaluated. Actions that could be taken to mitigate identified risks have been identified. During the process of contracting, risks will be discussed, evaluated and actioned as appropriate.

Any risks associated with the process of putting new contracts in place have been mitigated through the employment of the NEPO portal as the mechanism to ensure that an open and transparent procurement process is in place.

2.7 Crime and disorder

The services that will fall under the mental health framework are likely to lead to a reduction in crime and disorder within North Tyneside. It is anticipated that this will be achieved through engaging vulnerable clients into activities designed to increase their independent living skills and encouraging clients away from activities such as substance misuse and crime.

2.8 Environment and sustainability

The evaluation framework for this procurement will include scoring on the grounds of environmental sustainability.

PART 3 - SIGN OFF

- Deputy Chief Executive x
- Head(s) of Service x
- Mayor/Cabinet Member(s) x
- Chief Finance Officer x
- Monitoring Officer x
- Head of Corporate Strategy x