

Forward Plan reference number: N/A

Report title: Multiple and Complex Needs Service – Contract Award	
Report to: Councillor John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration	
Report author: Lucy Wightman, Director, Wellbeing, Public Health and Communities	
Date: 10 November 2023	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex means what it says – that we strive to engage with, and meet the needs of, all parts of our population, including those whom some might see as being a threat or a problem, and who might, themselves, feel written off.
- 1.2 A small but important proportion of individuals who come into contact with the criminal justice system are vulnerable adults with multiple and often complex needs, including, for example, combinations of mental ill health, alcohol addiction, substance misuse and homelessness. Due to this complexity, the individuals are prevented from successfully engaging with treatment or support, and so end up falling through the gaps in conventional services, leading to poor health outcomes and health inequalities.
- 1.3 In 2016, ECC commissioned the Offenders with Complex and Additional Needs service, which provides effective, wrap around support to stabilise, and help individuals with complex needs into recovery, and ultimately enable them to lead healthy and more fulfilling lives.
- 1.4 The service contributes to a number of commitments within Everyone's Essex, notably around healthy lifestyles and levelling-up health; but also regarding safety: by seeking to address conditions that may influence offending behaviour, it can help prevent re-offending, as well as divert those who are on the periphery of offending, for example victims of criminal exploitation, from entering the criminal justice system.
- 1.5 The service, which has grown and evolved over the course of the contract, is currently funded from the main Public Health grant and continues to be extremely effective. The existing contract comes to an end on 31 March 2024 and cannot be extended.
- 1.6 In June 2023, Essex County Council's (ECC) cabinet agreed to procure a new contract for this service, now called the Multiple and Complex Needs Service. Following the completion of the procurement process, the purpose of this

paper is now to seek agreement to award the contract to the successful provider.

2 Recommendations

- 2.1 Agree to award a contract for the Multiple and Complex Needs Service to Phoenix House (trading as Phoenix Futures) for an initial term of five years, with an option to extend for a further four years on a two-plus-two-year basis.

3 Background and Proposal

- 3.1 As part of Everyone's Essex, ECC is committed to improving the health of Essex residents. Individuals in contact with the criminal justice system (both offenders and victims of exploitation) often have a range of co-occurring and compounding unmet health needs, which in turn, results in them presenting to costly, severely pressurised public services.
- 3.2 Cabinet decision FP/092/03/23, taken on 20 June 2023, approved the procurement of a provider to deliver an integrated, countywide Multiple and Complex Needs Service for a period of five years, with the option to extend for a further four years.
- 3.3 This included agreement to use a single-stage tender process, with bids to be evaluated on 70% quality (of which 10% will be allocated to social value), and 30% price.
- 3.4 The decision authorised the Cabinet Member, Adult Social Care and Health, to award the contract to the successful provider following completion of the procurement process.
- 3.5 As part of this decision, the current Futures in Mind service, and Vulnerable Adults service were to be incorporated in the procurement of the new Multiple and Complex Needs Service. The existing contracts and grant agreement for delivery of the current Futures in Mind service, and Vulnerable Adults service end on 31 March 2024, and a new contract agreement needs to be in place to coincide with the implementation and mobilisation of the new Multiple and Complex Needs Service.
- 3.6 Following market engagement, a competitive procurement exercise was undertaken, using a single-stage, open tender process. Tenders were evaluated with a ratio of 70% quality, of which 10% of the quality weighting was allocated to social value, and 30% price.
- 3.7 Fifteen bids were received for this tender, which were evaluated in accordance with the criteria set out within the published tender documentation. Of the fifteen bids, only two were deemed to satisfy the minimum 50% scoring threshold in respect of the candidates' responses to the Council's Standard Selection Questionnaire.

- 3.8 The two compliant bids were progressed to the second stage of the evaluation, namely evaluation of the candidates' responses to the Technical and Commercial questions.
- 3.9 The bids were evaluated in accordance with the published criteria by the evaluation panel. The consensus scores of the bidders' qualitative and social value submissions were combined with the results of their responses to the pricing schedule in order to gain an overall total weighted score for each bidder.
- 3.10 On the basis of the results of this evaluation, it is recommended that the provider with the highest overall score, Phoenix House (Phoenix Futures) be awarded the contract to deliver the Multiple and Complex Needs Service.
- 3.11 The successful bidder is the incumbent provider of the current services which expire on 31 March 2024. Under the new contract, mobilisation of the new service is planned to start on 2 January 2024, and must be completed prior to the contract formally commencing on 1 April 2024.
- 3.12 The contract will be managed through quarterly contract monitoring meetings and the provision of quarterly reports detailing management information and performance against outcomes as detailed in the service specification. Using current performance measures as a baseline, commissioners will work with the provider to develop these during the term of the contract to adapt and meet changing needs.
- 3.13 This will include monitoring of the social value measures which will form part of the contract; and which will be included within their quarterly reports. Where appropriate, remedial action will be taken to address any shortfall in relation to performance.
- 3.14 Annual review meetings will also take place with the commissioners, to agree future annual plans and performance measures set to ensure continued service quality.

4. Links to our Strategic Ambitions

- 4.1 The proposed decision supports the strategic priorities in the Organisational Strategy, Everyone's Essex:
- Health and wellbeing and independence for all ages
 - A good place for children and families to grow
- 4.2 The proposed decision links to the commitments in Everyone's Essex and plans for levelling up the County:
- Health lifestyles
 - Promoting independence
 - Place based working
 - Levelling up health

- Family resilience and stability
- Safety
- Levelling up outcomes for families

4.3 Approval of the recommendations in this report will not have direct environmental or climate change implications. However, the provider has committed to having a carbon reduction plan in place within six months of commencement of the contract to ensure that the new service upholds and contributes to the themes of the Essex Climate Change Commission recommendations, including a focus on low carbon transport, waste reduction and recycling, and effective use of energy, thereby contributing towards the carbon neutral agenda.

5. Options

Option 1: Award the contract to Phoenix Futures

5.1. It is recommended that ECC awards the contract to Phoenix Futures following the outcome of the procurement process. This option would support ECC's commitment to Levelling Up and would support vulnerable residents.

This is the recommended option.

Option 2: Do not award the contract

5.2. This option is not recommended. ECC has committed to improving the health and wellbeing of Essex residents, and to address health inequalities. This option would be detrimental to the needs of vulnerable residents, whom without the necessary support, are at heightened risk of their needs escalating and potentially end up presenting in crisis to emergency and specialist services who do not have the capacity or expertise/experience to provide the necessary support. Delays to the award of the contract put at risk the mobilisation of the new Multiple and Complex Needs Service.

5.3 Subject to approval of this decision, the Council will enter into the contract with Phoenix Futures to deliver the Multiple and Complex Needs Service, which will mobilise from 2 January 2024.

6. Issues for consideration

6.1 Financial implications

6.1.1 The cabinet decision taken in June 2023 (FP/092/03/23) approved a procurement for the Multiple and Complex needs service with the contract commencing from 1 April 2024. Following a one- stage procurement process, quality and financial scores were combined in line with the evaluation criteria resulting in Phoenix Futures receiving the overall highest score. The financial

assumptions contained within the confidential appendix to the cabinet decision (referenced above) have been adhered to in the winning bid.

- 6.1.2 The proposed total contract value of option 1, awarding the contract to Phoenix Futures, is £9.5m for five years with an option to extend for up to four years on a two plus two basis. The overall contract value is fixed for the life of the contract with the annual contract cost equalling £1.9m per annum.
- 6.1.3 The contract will be funded in line with the detail set out within the Cabinet decision (FP/092/03/23). As noted in this decision, there is reasonable assurance over funding for both the Public Health grant and the drug and alcohol treatment grants in real terms until 2024/25. For the period from 2025/26 until the contract expires, there is no assurance about the levels of funding. Should a pressure crystallise due to reductions in future grant funding, mitigating action would be required including re-prioritisation of existing resources from other services if no solution can be found from with Public Health.
- 6.1.4 As the proposed contract award is to the existing provider of services, there will be no TUPE costs or startup costs associated with the award.
- 6.1.5 Option 2 is not recommended as it goes against ECC's commitment to levelling up and addressing health inequalities within Essex. Therefore, financial implications are not set out for this option.

6.2 Legal implications

- 6.2.1 The Public Services (Social Value) Act 2012 replaces a requirement on contracting authorities to consider, when procuring services, how the economic, environmental and social wellbeing of the local area may be improved and how this can be delivered through the procurement.
- 6.2.2 Contracts should be awarded on the basis of the most economically advantageous tender and qualitative, environmental and/or social aspects should be linked to the subject matter of the contract.
- 6.2.3 These services are subject to the 'light touch' regime in the Public Contracts Regulations 2015. This means that the Council is required to undertake a competitive process before awarding any contract with a value of over £663,540. ECC can use one of the main procurement routes, such as the open procedure, for light touch services but is not obliged to.
- 6.2.4 Any third party funding should be in place in a legally enforceable agreement.

7. Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to ECC when it makes decisions. The duty requires us to have regard to the need to:

- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
- (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
- (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.

7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).

7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of Appendices

Appendix A – Equality Impact Assessment

9. List of Background Papers

None

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor John Spence, Cabinet Member for Health, Adult Social Care and ICS Integration	24.11.23

In consultation with:

	Date
Tom Walker, Executive Director, Economy, Investment and Public Health	22.11.23
Executive Director, Corporate Services (S151 Officer)	19.11.23
Stephanie Mitchener on behalf of Nicole Wood Director, Legal and Assurance (Monitoring Officer)	14.11.23

Katie Bray on behalf of Paul Turner	
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