

Forward Plan reference number: FP/171/09/2021

Report title: Extension of Mental Health Supported Housing Contracts - Intensive Enablement and Supported to Independence	
Report to: Councillor John Spence, Cabinet Member for Adult Social Care and Health	
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Date: 2 November 2021	For: Decision
Enquiries to: Emily Oliver, Head of Commissioning, emily.oliver@essex.gov.uk	
County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1. Everyone's Essex, our new organisation strategy, sets out four strategic aims and 20 commitments. Within the strategic aim of health, wellbeing and independence for all, it includes a commitment to support people to live healthy lifestyles. Everyone's Essex also makes a commitment to place based working to deliver better care to meet the needs of Essex residents by joining up with partners to deliver services.
- 1.2. Consistent with achieving these commitments, this paper sets out a proposal to extend current arrangements to allow for the redesign and recommissioning of mental health services in Essex with the Council's CCG partners that will meet current and future needs and develop a transformational model of care.

2 Recommendations

- 2.1 Agree to extend the Supported to Independence framework agreements and the Intensive Enablement contract for 46 weeks from 18 November 2021 to 5 October 2022 at a value of £2.247m.
- 2.2 To agree to delegate to the Director of Commissioning, Adult Social Care to agree the terms of a variation of the term of the S256 Agreement between the Council and the three CCGs serving the North East, Mid and West of the County including the level of funding to be received.

3 Background and Proposal

- 3.1 The Council and the CCGs have a joint duty under the Mental Health Act 1983 (s117) to make provision for health, care and support for individuals leaving hospital or other institutional settings such as prison and to reduce the risk of deterioration of individuals with mental health conditions. These duties remain

with the Council and the CCGs until such time as the individual is deemed to no longer require this support.

- 3.2 In addition, the Council must comply with the Care Act 2014 which requires local authorities to assess adults who may have eligible care and support needs and to ensure that these needs are met.
- 3.3 The Council's Supported Housing services, delivered through the Supported to Independence and Intensive Enablement services, provide support within accommodation for people with mental health needs and enable the Council and the CCGs to discharge their statutory duties for local residents with mental health needs. The support provision delivered in these services helps in meeting individuals' assessed needs in a manner that enables their recovery pathway and the move into independent living in the wider community.
- 3.4 The Council has partnered with three CCGs to co-ordinate delivery of services to adults with mental health needs:
 - NHS North East Essex CCG (serving Colchester and Tendring);
 - NHS West Essex CCG (serving Epping Forest, Harlow and Uttlesford);
 - and
 - Mid Essex CCG (serving Braintree, Chelmsford and Maldon).
- 3.5 These services are delivered by various providers:
 - Supported to Independence framework – four providers: Metropolitan Thames Valley Housing, Bridge Support, Sanctuary Housing Association and Advance Housing and Support; and
 - Intensive Enablement contract – single provider: Metropolitan Thames Valley Housing.
- 3.6 Both the Supported to Independence Framework and Intensive Enablement Contract commenced in 2018 for a period of 2 years with no option to extend, however due to the impact of the Covid-19 pandemic in 2020, both contracts were extended for 12 months until 18 November 2021 (pending a re-design and re-procurement of these services).
- 3.7 Due to the second wave of the Covid-19 pandemic and the challenges experienced by the Council, CCGs and providers, the proposed engagement and due diligence activities necessary to inform the re-design of the services and agreement of the proposed service model were impacted. Providers have been focused on ensuring ongoing services to adults through some of the most difficult recruitment and operational conditions ever experienced in this sector which compromised their ability to participate in and respond to the market engagement activities required to build and scope the new model. Therefore, a further extension of 46 weeks is proposed for the current contracts while the Council

undertakes its Mental Health Accommodation Pathway Project for post-Covid design of future services and while these are recommissioned.

- 3.8 The Mental Health Accommodation Pathway Project is currently carrying out engagement with providers in the market and with key stakeholders on the proposed new service delivery model. It is anticipated that the new service model will be prepared by January 2022, and that the Council will go out to tender by April 2022. Extension of the current contracts will give providers the time to respond to a tender process (which will require engagement with housing partners to ensure adequate supply) while managing their current service priorities and also provide time for post-award mobilisation and transfer of services to a new provider.
- 3.9 The Council has engaged with the existing providers of services under these contracts to confirm their willingness and ability to extend the contracts for the period stated. To date, providers have confirmed they are both willing and able to work with the Council for the period of the proposed extension. The contracts are between the Council and the providers and the Council is responsible for payment of the whole extension amount and delivery of the obligations under the terms of the contracts.
- 3.10 The Council currently has two agreements: a S75 Agreement and a S256 agreement in place with the CCG's related to funding contributions from the CCGs for the current services. These will need to be amended to detail the level of funding that will be made available to the Council for the proposed extension and also extend the term of the agreements.
- 3.11 While the CCGs will no longer be in place after March 2022, the contractual and financial commitments and responsibilities of CCGs will formally transfer to ICSs from April. We have therefore been working closely not only with the CCGs but with the ICS / STP leads, to ensure a comprehensive and durable process. Each of the 3 ICS Mental Health Programme Boards has endorsed the overall approach and model being planned.
- 3.12 Funding from the three CCGs serving the North East, Mid and West of the County has been agreed in principle for the entirety of the proposed extension however this is subject to their respective approval processes. It is anticipated that the funding available will be £837,000.

4 Links to our Strategic Ambitions

- 4.1 This report links to the following aims in the Essex Vision
- Enjoy life into old age
 - Strengthen communities through participation
 - Connect us to each other and the world
- 4.2 Approving the recommendations in this report will have the following impact on the Council's ambition to be net carbon neutral by 2030: these contracts represent a drive towards equality by enabling people to move out of positions of

vulnerability and potential deprivation, illness and homelessness – there will be a positive but limited impact on the Council's aspirations around climate change.

- 4.2 This report links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- Health wellbeing and independence for all ages

5 Options

5.1 Option 1 – Do nothing – let the current framework and contract expire and commission from the residential care market

This is not recommended because:

- 5.1.1 New placements would have to be made on a "spot" purchase basis and would be in breach of the Council's procurement policies and the Public Contracts Regulations 2015 (the Regulations).
- 5.1.2 Existing placements would continue under the terms of the current contracts, but there is a risk that providers would withdraw services from the market or not renew their leases on premises used to deliver services without the assurance of a contract in place. This would risk the stability of services and lead to disruption for adults in receipt of services.
- 5.1.3 It is extremely unlikely in the current housing climate that the Council would be able to find accommodation for intensive enablement services where wrap-around support could be sourced.
- 5.1.4 Should the expiry of the contracts affect the provision being made available in the market, then there could be an increased reliance on residential services to fill gaps, which is more expensive to the Council and a less independent solution for the adult.

5.2. Option 2 – Extend the current framework and contract (recommended)

- 5.2.1. This is the preferred option because:
- 5.2.2. It will maintain continuity of service provision and enable the Council and the CCGs to continue to meet their statutory duties.
- 5.2.3. Extending the current service provides an alternative to more expensive residential care when discharging from hospital.
- 5.2.4. The extension of 46 weeks until 5 October 2022 will give the Council sufficient time to tender the services and allow providers to be able to engage with the tender.

5.2.5. The risk of challenge from the market remains but is considered to be low based on engagement to date, particularly in light of the short-term nature of the proposed contract extensions.

5.2.6. It allows adequate mobilisation for a new provider. It will also enable the incumbent provider and the new provider to consult and prepare service users for transferring into the new service.

5.3. Option 3 – Undertake a competitive procurement process to appoint a new provider

5.3.1. This is not recommended because there is not sufficient time to run a full procurement process. Given the need for providers to prepare bids inclusive of suitable accommodation, the procurement timescales cannot be shortened without negatively impacting the ability of the market to respond.

6 Issues for consideration

6.1. Financial implications

6.1.1. The current annual combined value of the two contracts, Intensive Enablement and Support to Independence, is £2.4m, of which £903,000 is funded by three CCGs serving the North East, Mid and West of the County.

6.1.2. The cost to extend both contracts for a further 46 weeks will be £2.247m, of which £837,000 is expected to be funded by the three CCGs serving the North East, Mid and West of the County, with the remaining £1.4m funded by ECC.

6.1.3. Expenditure across 2021/22 and 2022/23 is set out in the table below.

Expenditure (£000s)	2021/22	2022/23	Total
ECC	582	828	1,410
CCG	346	491	837
Total	928	1,319	2,247

6.1.4. The Council's £1.41m cost of the extension will be contained within the ASC budget in 2021/22 and the current MTRS for 2022/23.

6.1.5. There is a memorandum of understanding that is running concurrently with this paper to agree with the three participating CCGs that health will continue contributing towards the s256 agreement beyond the current financial year. All CCGs have been engaged and are supportive of this proposal and the associated re-procurement of services in the future.

- 6.1.6. Extending the contracts will provide better value for money than spot purchasing these placements, as well as allowing sufficient time to procure the new Mental Health accommodation pathway.

6.2. Legal implications

- 6.2.1. It is noted that these contracts were previously extended by placing reliance on Regulation 72(1)(c) of the Public Contracts Regulations 2015 due to the procurement activity being impacted by the first Covid-19 lockdown.
- 6.2.2. Due to the additional delays caused by the second wave of Covid-19 impacting on the procurement activity, the proposed 46-week extension would likely be compliant under Regulation 72(1)(e) i.e. this is not a substantial change to the framework and contract. This extension is required due to the impact of Covid-19 on the market's ability to engage with the commissioning activities in the last 12 months.

7 Equality and Diversity Considerations

- 7.1 The Public Sector Equality Duty applies to the Council 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

- 8.1 Equality Impact Assessment

9 List of background papers

Not applicable

I approve the above recommendations set out above for the reasons set out in the report.	Date
Cabinet Member for Adult Social Care and Health	18.11.21

In consultation with:

Role	Date
Executive Director, Adult Social Care	11 October 2021
Nick Presmeg	
Executive Director, Corporate Services (S151 Officer)	10 November 2021
Stephanie Mitchener on behalf of Nicole Wood	
Director, Legal and Assurance (Monitoring Officer)	2 November 2021
Laura Edwards on behalf of Paul Turner	
Director, Policy Unit	16 November 2021
Patrick Guthrie, on behalf of Richard Puleston	