

Forward Plan reference number: FP/533/10/19

Report title: Employment Support for individuals who experience mental ill health	
Report to: Cabinet	
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Date: 26 November 2019	For: Decision
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County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 Supporting adults who experience mental ill-health to gain employment, while helping those in work who experience mental ill-health to retain their employment, are priorities both for the county council and the NHS. Research demonstrates the positive impact of employment on self-esteem, life satisfaction and actually reducing the symptoms of mental ill health themselves. This desire to help and support those experiencing mental ill health and improve their quality of life is central to our approach.
- 1.2 This report asks the Cabinet to extend the current commissioned services to provide employment intervention for individuals who experience mental ill health. This will replace a contract which expires on 30 June 2020.

2. Recommendations

- 2.1 That the current contract with Essex Partnership University Trust is extended by 2 months to 30 June 2020 and the necessary waiver from ECC's Procurement Rules be granted to achieve this.
- 2.2 That ECC will act as lead commissioner and procure, in partnership with the five Essex Clinical Commissioning Groups (CCGs) plus Southend CCG, employment support for individuals who experience mental ill health in Essex. Essex County Council will be the lead commissioner.
- 2.3 That the contract will be awarded in two lots as set out in paragraph 3.11 and the contract will be for a period of two years and nine months starting on 1 July 2020, with the option of a two-year extension.
- 2.4 That the funding envelope outlined in paragraph 5.1.1 will form the maximum value of the contract to be awarded.
- 2.5 That the evaluation criteria will be based on 50% quality, 40% cost and 10% social value.

- 2.6 That the contract will be procured using the Open Procurement method in line with the Public Contracts Regulations 2015
- 2.7 That the approval of the detailed evaluation model and contract award is delegated to the Executive Director for Adult Social Care.

3. Summary of issue

- 3.1 Research from the 1930s to the present day has demonstrated the psychological consequences of unemployment. It is well-known that unemployment itself can have significant negative impact on an individual's mental health, leading to "stress-related illnesses and a lowered self-esteem as a result of unmet psychological and social needs in such contexts as: time structure, social interaction, common goals, status, identity, recognition and also uncertainty about the future, financial instability, and loss of vocational identity"¹. Research also demonstrates that "work is the best treatment we have for serious mental illness (i.e., people with schizophrenia spectrum disorder, bipolar, or depression) ...Competitive employment has a positive impact on self-esteem, life satisfaction, and reducing symptoms"²
- 3.2 Mental Health Supported Employment Services are a non-statutory service aimed at improving the wellbeing of people with severe and enduring mental ill health and preventing further deterioration which would require the intervention of more expensive and longer-term health and social care services. We have identified two target cohorts: individuals known to secondary mental health services, with identified vocational needs who require support into paid employment; and individuals who are currently employed, experiencing mental ill health and need some support to retain their employment. In the case of the latter group, these individuals may or may not be known to mental health services.
- 3.3 The model used to support recruitment into employment is the Individual Placement and Support (IPS) model. IPS supports people with severe mental health difficulties into employment. It involves intensive, individual support, a rapid job search followed by placement into paid employment and time-unlimited in-work support for both the employee and employer³. Retention support seeks to empower individuals to retain employment, including via support to create Wellness Action Plans, have conversations with managers and colleagues, mental health awareness training to employers and a range of other interventions.
- 3.4 The existing contract is delivered by Essex Partnership University Trust (EPUT) and Employ-Ability working in partnership and it is one of 13 Individual Placement and Support (IPS) Centres of Excellence recognised by the Centre

¹ Asmund A., Keenan W., Sedmak C. & Van Der Zijden L. (2012) *Resilience and Unemployment*

² Luciano A., Bond G., & Drake R. (2014) *Does employment alter the course and outcome of schizophrenia and other severe mental illnesses?*

³ Centre for Mental Health, <https://www.centreformentalhealth.org.uk/what-ips>

for Mental Health. The current contract with EPUT started on 1st May 2015 and is due to end on the 30th April 2020.

- 3.5 The current service has performed very positively and good outcomes for individuals have been secured. The services provide individual support in placements with existing employers, or with the employee's current employment.
- 3.6 Year on year, the number of individuals supported by the current service has increased. It is noted that the annual increase in the number of individuals supported with recruitment has been slower than those supported with retention. The service is performing well, and is managing the demand, although it is recognised that there can be a challenge in balancing the target-driven IPS recruitment service with the immediate needs of an individual requiring support with retention.
- 3.7 The recent NHS Long Term Plan outlines how wider social goals around health and employment will be supported, emphasising the importance of fast and convenient access to health services for those in work, the need for stable employment to support good mental health and recovery and the role of employers in supporting their staff to stay well and in work. The plan states that the NHS is on track to support up to 20,000 people with severe mental illness to find and retain employment by 2020/21 and pledges a commitment to increase access to IPS that will support an additional 35,000 people with a severe mental illness where there is a personal goal to find and retain employment by 2023/24.
- 3.8 The provision of employment support for individuals who experience mental ill health is clearly linked to Essex County Council's strategic objectives, including:
 - Help people in Essex prosper by increasing their skills
 - Enable more vulnerable adults to live independent of social care
 - Improve the health of people in Essex

Further, supporting more individuals into employment takes some pressure from statutory provision and reduces demand on other services, such as Day Opportunities.

- 3.9. Based on the evidence within the current contract, and through conversations with the market and individuals with lived experience, ECC commissioners are very clear that job retention is the area with the biggest growth trajectory and must form a large part of the model to meet growing demand.
- 3.10 We must therefore focus on two outcomes: securing new jobs and job retention. These two outcomes deliver more sustainable health and social care outcomes. Within these two outcomes, consideration is being given to the importance of support that may be required and provided to local small and medium-sized employers.
- 3.11 As part of the commissioning exercise, consideration has also been given to the way in which support is accessed. The current service can only be accessed by

people who are already receiving mental health support from EPUT (secondary care). However, the prevention/early intervention emphasis of local commissioners indicates that this will be best served by some adjustment to this pathway, whilst being mindful of the work of other agencies in this space.

- 3.12 Following conversations with the CCGs, it has been agreed that Essex County Council will once again be lead commissioner of a service to provide employment support for individuals who experience mental ill health in Essex. The contract will be commissioned in two lots as follows:

Lot 1: Employment Recruitment – using the IPS model, supporting adults with severe and enduring mental health conditions who are in contact with secondary mental health services who have a vocational need into open/ paid employment. This service will operate in Essex and Southend.

Lot 2: Employment Retention – supporting adults in the workplace, who experience mental ill health, to retain their current employment. This service will have a clear focus on early intervention and prevention and be available to individuals at a much earlier stage, as other organisations, such as primary care providers, will be able to make referrals. This service will operate in the ECC administrative area only.

- 3.13 Essex County Council will run the procurement process and award and manage the contract. The CCGs will identify a named lead who will be responsible for the liaison between the Commissioner and the six CCGs.
- 3.14 The CCGs will fund Lot 1 of this contract via a s75 agreement and Essex County Council will fund Lot 2. Although these are separate lots, with different outcomes and access criteria, there will be a clear relationship between the two elements
- 3.15 It is proposed that the new contract will be for 2 years and 9 months to align with the end of the financial year, with an option to extend for a further 2 years.
- 3.16 Lot 1 of the new service will be a pure IPS model and it will continue to be the case that referrals will only be accepted for individuals in receipt of services from secondary mental health care. Lot 2, however, will be a much broader retention service, available to individuals outside of secondary care. To ensure that referrals are appropriate, referrals will be triaged to ensure that only those who really need the intensive support of an employment specialist receive it. Cases will be held for the shortest period of time needed to achieve outcomes for the individual, with individuals empowered to take control of their own employment needs and move on from the service. That way we believe that the cost of the new service will be similar to the cost of the current contract.
- 3.17 It is proposed that the tenders will be awarded on the basis of 50% quality, 40% cost and 10% social value linking with the procurement social value pilot. This gives a higher bias towards quality than ECC's standard approach. The Council will evaluate innovation and quality of proposed service delivery. In this instance, a supplier offering more innovative or better-quality services is likely to deliver additional and more sustainable outcomes that will have a positive impact on future demand and health and social care budgets. Based on market

knowledge and previous tenders for this type of service, modelling has been carried out and this shows that at a higher price biased split, the lowest priced tender would always win as long as all the minimum standards in the tender have been met. This could mean that the positive impact on future demand and health and social care budgets that could be achieved via a more quality biased evaluation would not be realised. Two thirds of the total budget (Lot 1) is from health partners who wish to maximise outcomes, rather than savings. The funding envelope outlined in paragraph 5.1.1 will form the maximum value of the contract to be awarded.

3.18 The subject matter of this contract supports one of our priority outcomes in terms of Social Value (Employment opportunities for working age adults with disabilities). Secondly providers may be encouraged by the 10% weighting to offer additional social value over and above the delivery of the contract against the ECC targets, outcomes and measures (TOMs). Within the TOMs there are three agreed areas that carry a higher weighting

- The development of employment opportunities for care leavers
- The development of employment opportunities for working aged adults with disabilities
- Environment measure - Savings car miles and the use of low emission vehicles

3.19 The proposed tender will use the Open Procurement method in line with the Public Contract Regulations. This method has been selected as it allows any provider to potentially submit a bid and as the market is not flooded with providers of this kind of service, an open procedure option is most suited to this tender.

3.20 To allow for additional time to mobilise the new service, which has some fundamental differences to the current service, for example in terms of the requirement to establish a triaging service, it is recommended that the current contract be extended by two months to 30 June 2020.

4. Options

The following options have been considered:

4.1 Decommission the service at the end of the contract period

4.1.1 The service is not statutory and decommissioning the service at the end of the contract period is an option. The CCGs could choose to recommission the IPS element of the contract independently in the future and ECC would have no direct commissioning responsibility in this area.

4.1.2 This is not the recommended option because:

- people in Essex suffering with mental ill health tell us is that one of their aspirations is to work;

- it is likely to mean that fewer adults with a severe and enduring mental health condition are able to achieve or maintain employment;
- the health of those people losing work is likely to deteriorate, meaning that additional costs would be incurred across the Health and Social Care system which would far outweigh the costs of providing the Supported Employment Service;
- there is a national drive to support people back into paid employment. The recently published report *Thriving at Work: a review of mental health and employers*, claims that poor mental health costs the UK economy up to £99bn each year; and
- the eastern region has a relatively low proportion of mental health clients in employment compared to national comparators and this is something we want to change

4.2 *Essex County Council and the CCGs to commission their respective elements of the service separately*

4.2.1 There are two clear and distinct aspects of the contract; the use of the IPS model to recruit adults with severe and enduring mental health conditions into employment and a service to retain adults experiencing mental ill health in employment. With a drive from Essex County Council around early intervention and prevention to focus on a move away from clinical pathways in supporting the retention outcome, there is some logic in commissioning two separate contracts.

4.2.2 This is not the recommended option because:

- commissioning two services completely separately could result in a disjointed offer and be confusing to the provider market and individuals engaging with the service;
- working together in an integrated way has many benefits across the health and social care system;
- commissioning the two elements of the service separately would be more costly across the broader system as it would not take advantage of the economies of scale that can be achieved through running one recommissioning process; and
- this is not conducive to our ambition to work across the system in an integrated way.

4.3 *Essex County Council to be the lead commissioner of a new co-produced service (preferred option)*

4.3.1 Following conversations with the CCGs, there is a commitment from health colleagues to continue to commission a service that addresses both recruitment and retention and a request that ECC continue to act as lead commissioner. To ensure that both outcomes are prioritised in synergy, the new service would be commissioned in two lots; one focusing on recruitment through an IPS model; and one focusing on retention. The contract term for the new service would be 33 months with a 2-year extension option.

4.3.2 This is the recommended option because:

- the Southend Essex and Thurrock Mental Health and Wellbeing Strategy 2017-2021, endorsed via the Health and Wellbeing Board, sets an ambition to shift towards earlier intervention and also to improve access to employment support. The recommendation supports this strategic goal, shared by all CCGs and Local Authorities in Greater Essex;
- the commissioning of a retention service with a flexible approach to service development allows us to embed any learning gained from the project around employment funded as part of the Council's additional investment in mental health announced by the Leader for 2019-20;
- commissioning one service within two lots enables a more joined up approach and encourages closer working across the early intervention landscape and secondary mental health services;
- there is a commitment from the six CCGs to continue to work closely with ECC and support the Council to execute their lead commissioning arrangements. Across the broader system there are economies of scale if we commission together, which is of clear benefit to the integrated agenda
- the CCGs have committed to fund this service via an agreement under s75 of the National Health Service Act 2006. The CCGs will work with ECC to monitor contracts; and
- the 33-month contract term allows for a level of security and stability in the contract, whilst taking into account the changing health landscape.

5. Issues for consideration

5.1 Financial implications

5.1.1. The funding envelope for this contract comprises the funds confirmed by CCGs plus the budget for mental health employment within the Medium Term Resource Strategy for Adult Social Care portfolio of £400,000 per annum. This funding envelope will form the maximum value of contract to be awarded. The phasing of these funds over financial years is set out in the table below.

By Financial Year	2020/21 (From 1 July) £	2021/22 £	2022/23 £	Total Contract (33 months) £
Lot 1 Recruitment				
Mid Essex	85,552	114,069	114,069	313,690
Basildon & Brentwood	96,800	129,068	129,068	354,936
Castle Point & Rochford	95,554	129,061	130,223	354,838
Southend	109,388	147,747	161,045	418,180
West Essex	112,063	167,800	194,432	474,295
North Essex	152,642	228,772	264,351	645,765
SubTotal	651,999	916,517	993,188	2,561,704
Lot 2 Retention				
Essex County Council	300,000	400,000	400,000	1,100,000
Total	951,999	1,316,517	1,393,188	3,661,704

5.1.2 There is an option with the contract to extend for a further two years. This is at an estimated cost of £1.7m across the 6 CCGs, plus £800,000 from the County Council.

5.2 Legal implications

5.2.1 This service is not one which ECC has to provide but it will help to achieve ECC's Corporate Outcomes. It also supports ECC to meet its duties of the Care Act 2014, by preventing or delaying the development of care needs with a focus on early intervention.

5.2.2 It is lawful to extend the current contract by two months under regulation 72 of the Public Contracts Regulations 2015.

5.2.3 The proposed way of procuring the new contract complies with the Public Contracts Regulations 2015.

6. Equality and Diversity implications

6.1 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.

6.2 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).

6.3 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.

7. List of appendices

Equality Impact Assessment

8. List of Background papers

Essex County Council Adult Social Care Business Plan
Mental Health Wellbeing Strategy 2017-2021