

Forward Plan reference number: FP/092/03/23

Report title: Procurement of a service to deliver positive outcomes for people with multiple and complex needs	
Report to: Cabinet	
Report author: Councillor John Spence, Cabinet Member for Adult Social Care and Health	
Date: 20 June 2023	For: Decision
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County Divisions affected: All Essex	

1. Everyone's Essex

- 1.1 Everyone's Essex sets out ECC's ambition to tackle different forms of disadvantage and improve outcomes for Essex residents, thereby ensuring that support is available and accessible to all members of the community, however challenged or vulnerable they may be.
- 1.2 Many individuals who come into contact with the criminal justice system are vulnerable adults with a range of multiple and complex needs, including, for example, combinations of mental ill health, alcohol addiction, substance misuse and homelessness. Due to their complexity, they 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 support 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 ECC's four-year plan, Everyone's Essex, notably to support healthy lifestyles and level up health.
- 1.5 The service has a significant impact on the Council's commitment to safety. Seeking to address conditions that may influence offending behaviour can help prevent reoffending and rehabilitate them back into mainstream society and realise their full potential. It can also divert those who are on the periphery of offending, for example victims of criminal exploitation, from entering the criminal justice system.
- 1.6 The service 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.

- 1.7 Given the additional travel required in this proposal, commissioning this service will not be carbon neutral. However, it will work towards the Essex Climate Change Commission recommendations.

2 Recommendations

- 2.1 Agree to launch a competitive procurement using the open procedure to procure a provider to deliver an Essex-wide Multiple and Complex Needs Service at a maximum total value of £9.5m over the initial five-year contract period. The estimated cost in year one is £1.9m.
- 2.2 Agree that the contract length will be five years with an option to extend for four years on a two plus two-year basis.
- 2.3 Agree that the following award criteria is applied in the procurement: 30% price: 70% quality of which 10% of the quality score will assess social value.
- 2.4 Agree that the Cabinet Member for Health and Adult Social Care is authorised to award the contract to the successful bidder following completion of the procurement process.

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 multiple and complex needs, including combinations of substance misuse, mental ill-health, homelessness and domestic violence (victims and perpetrators) (often referred to as Severe Multiple Disadvantage – SMD). Many also have poor physical health, learning disabilities, autism and or neurological conditions.
- 3.2 Largely due to the way services are commissioned or designed to deal with single issues only, many struggle to access support. Similarly, they invariably do not reach the thresholds for statutory services, whilst still clearly needing some level of support. Coupled with often chaotic lifestyles, individuals with SMD are unable to navigate services and complex referral pathways, which prevent them from accessing the support they need at the time they need it. Instead, they are passed from service to service, and ultimately end up presenting in crisis to emergency and costly specialist services. This creates undue pressure on public services, and more importantly, destabilizes the person further, causing their needs to escalate.
- 3.3 In addition, they are often socially isolated, with little or no connection with their families, or local community. As highlighted in a report in 2021, *Making Every Adult Matter*, the culmination of these factors also means individuals impacted by SMD are at higher risk of premature death and likely to have high rates of suicide compared to the general population.

- 3.4 Other research, such as that undertaken by the Lankelly Chase Foundation in 2015, highlights the ripple effect caused by not effectively responding to the needs of those with SMD. By way of example, they found that almost 60% of adults with SMD live with children or have ongoing contact with them. The report refers to the potential indirect social cost and detrimental impact to children caused by substance misuse, chaotic lifestyle etc, and moreover, increased risks of neglect, abuse and domestic violence.
- 3.5 In 2016, ECC commissioned the Offenders with Complex and Additional Needs service, to provide practical support to those in contact with the criminal justice system, such as advocacy and attending appointments, to enable them to access necessary support.
- 3.6 ECC currently has a contract with Phoenix Futures, to deliver the Offenders with Complex and Additional Needs service. The contract was awarded following the completion of a competitive procurement process.
- 3.7 This contract commenced on 1 April 2016 and was due to expire on 31 March 2023. The contract was extended for a further 12 months until 31 March 2024, but cannot be extended further because all contract extensions have been utilised.
- 3.8 Over time, in response to increasing recognition of the barriers to accessing support for those with multiple and complex needs, the provision of the Offenders with Complex and Additional Needs service was broadened to encompass therapeutic, holistic, wrap around intensive support (referred to as Full Circle) which together with Offenders with Complex and Additional Needs is referred to as the 'Service'.
- 3.9 The current contract with Phoenix Futures provides support across Essex to people who have a range of multiple and complex needs. The Service offers both practical and therapeutic support which is person-centred, non-time limited, and non-punitive, i.e., they will continue to work with service users when they struggle to engage or following disengagement. The Service is able to flex, increasing or decreasing support to meet individuals needs and circumstances which may fluctuate over time. Service users are encouraged to identify their own positive outcomes, including the pursuit of enjoyable recreational and educational/learning activities, which help them connect with others and their wider community, and ultimately enable them to live healthier and more fulfilling lives.
- 3.10 The Service has continued to forge strong links with partners from across all sectors including for example, police, probation, drug and alcohol treatment, housing, and social care. Rather than passing individuals from service to service, they form a multi-disciplinary team to address all of their needs at one time, while also ensuring that all services engaged fulfil their respective responsibilities.

Prison link support

- 3.11 The Service has a dedicated Prison Link Worker, who provides support for service users transitioning into the community following their release from prison, in particular, those with substance misuse issues requiring treatment, as well as those with mental ill health.
- 3.12 In addition, working in close collaboration with the police, probation and the courts, the Service also provides dedicated Criminal Justice Practitioners whose role it is to encourage and seek the use of Alcohol Treatment Requirements orders, Community Orders and Out of Court disposals where appropriate.
- 3.13 Co-production with service users is integral to the continued evolvement of the service. Service user feedback is continuously captured to inform service improvement and development. This includes engagement with key partners such as the Essex Recovery Foundation, and the wider recovery community. The Service also facilitates the growth and development of peer mentors, and where possible, supports them into paid employment.

Futures in Mind

- 3.14 The Service works in partnership with the Futures in Mind service which is funded through the Public Health Grant and provides mentoring advice and a broad range of meaningful and enjoyable activities which can help support and sustain service users' recovery. The Futures In Mind service is currently subject to a separate contract which is jointly commissioned by ECC Public Health and ECC Mental Health. Using a volunteer-led peer support model, activities are co-designed and co-produced by service users, their families and carers.
- 3.15 This contract commenced on 1 February 2017 and was due to expire on 31 January 2023. Following an extension of the contract for a period of 14 months, the contract is now due to expire on 31 March 2024, and cannot be extended further.
- 3.16 It is proposed that the current Futures in Mind service will be incorporated within the new Multiple and Complex Needs Service procurement.

Expansion of the service model

- 3.17 The positive outcomes achieved through delivery of the service model, have yielded a number of positive outcomes, in particular, helping to reduce the stigma often associated with and faced by individuals experiencing SMD, as well as being able to demonstrate the positive outcomes through delivery of therapeutic, non-clinical interventions. Local partners remain supportive of the service, and there is increasing recognition as to how the same approach can be adapted to support vulnerable individuals with a broader range of complexities within different settings. Key examples include two pilots currently

being delivered by Phoenix Futures under different contractual arrangements, namely:

Vulnerable Adults service

- 3.18 The project is being delivered in partnership with Adult Social Care and provides support to vulnerable adults who are known/open to the Learning Disability and Autism Team, and who are being, or who are at risk of criminal, sexual or financial exploitation by others. Originally piloted in the Mid and North of the County in 2020, it has now been extended to South and West Essex. There is increasing acknowledgement that a number of individuals who are known to Adult Social Care do not reach the statutory threshold imposed by the Care Act, but nevertheless are vulnerable and do require a level of support which this service brings. Adult Social Care has committed to providing additional funding for the new contract to ensure that this becomes a core part of the multiple and complex needs service going forwards.

Alcohol High Intensity User Pilot

- 3.19 The Alcohol High Intensity User (HIU) pilot is being delivered across three hospital sites. Working in partnership with Mid and South Essex NHS Foundation Trust, the HIU pilot identifies and offers support to individuals who regularly present in crisis to Emergency Services and/or their GP due to their alcohol use, but which is triggered or exacerbated due to a range of other underlying complex needs. The wrap around support helps stabilise and address individuals' needs, supporting them into recovery and thereby also alleviating pressure on hospitals. For example, one service user prior to referral had been admitted to hospital 27 times within 12 months. Following engagement and support over an 8-month period, this significantly reduced, equating to a 96% reduction in presentation rate. There are currently ongoing discussions with health partners as to if and how this service could be extended and incorporated as part of this procurement.

Proposed new contract

- 3.20 It is proposed to go out to the market to procure a provider to deliver a multiple and complex needs service on behalf of ECC so that arrangements will be in place when the existing contract expires on 31 March 2024.
- 3.21 The contract will be for five years in duration with the option to extend for a further four years (two plus two years).
- 3.22 A contract with a single provider is proposed. The service is unique in its approach and the type of wrap around support being provided which aims to prevent service users falling through gaps. Similarly, the level and complexity of needs of service users means that there are few providers who could deliver the service and therefore other options, such as a framework agreement, are not recommended.

- 3.23 The service covers the whole ECC area and is key in reducing demand on more specialist services. While benchmarking of the service is difficult as there are no other exact analogous services in the UK, commissioners know from developmentally commissioning this service for nearly eight years, that the proposed contract value is the minimum required to achieve these ambitions.
- 3.24 As commissioners continue to explore with wider partners how the overarching service model can be adapted to support broader combinations of complexity, it is vital to ensure that the market is able to respond in a way that evidences their ability to be flexible in developing future provision as needs change, and as new evidence is developed, and which enables ECC to support vulnerable residents.
- 3.25 Currently, only a very small proportion (around 5%) of service users re-present within 12 months following support from the service. Notwithstanding their multiple and complex needs, a high proportion of clients (47.1% for the year to date) have been closed with their outcomes met.
- 3.26 Service performance will be managed through quarterly contract monitoring meetings and the provision of 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. Where appropriate, remedial action will be taken to address any shortfall in relation to performance.
- 3.27 It is proposed that the current Futures in Mind service will also be incorporated within the new Multiple and Complex Needs Service.
- 3.28 The new contract may also have a number of partnership posts (the details of which are yet to be confirmed) which will be funded by the Probation Service but which will be hosted and managed by the new provider. The intention is that these new posts will provide an 'in-reach' service within probation across the County. This funding has not yet been agreed and will be confirmed before the procurement process commences.

Consultation and engagement

- 3.29 There has been an early engagement event with prospective providers, and there are plans for a further event, focusing on what is required to fulfil the social value element of the contract, planned for June 2023. There has also been ongoing consultation with other stakeholders including commissioners for Adult Social Care, Mental Health and Learning Disabilities.
- 3.30 Co-production of the specification with service users continues to be at the heart of the service. Evolvment and enhancement of the service has been driven by continuously taking on board and responding to the needs of service users.

Staffing resource and implications

- 3.31 The staff engaged in delivering the existing Offenders with Complex and Additional Needs contract are employed by Phoenix Futures. The incoming and outgoing providers will need to manage the transfer of staff, where necessary, in accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). Phoenix Futures will be expected to provide accurate TUPE information and prospective bidders will be expected to conduct their own due diligence to check the accuracy of the information provided.
- 3.32 The Futures in Mind service is a volunteer-led peer support model. However, it does also employ paid members of staff who will potentially be subject to a TUPE transfer.

Procurement approach

- 3.33 An open, one stage, procurement process will be undertaken for the Service in order to identify, evaluate and select suitable suppliers. The tender will be scored on a 30% price: 70% quality (of which 10% of the quality score will assess social value). Timescales are dictated by the procurement process and contract commencement is planned for 1 April 2024.

3.34 Timetable:

July 2023	Advertise procurement
July 2023	Invitation to Tender issued
Mid September	Tender closes
October - November	Tender evaluation and internal governance
November 2023	Delegated Authority to Award Contract
December 2023	Final Award
Jan – March 2024	Mobilisation and handover arrangements (including TUPE)
1 April 2024	Contract Commencement

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

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

- Health wellbeing and independence for all ages
- A good place for children and families to grow

4.3 This report 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

4.4 This report links to the following overarching priority areas in the Essex Joint Health and Wellbeing Strategy:

- Improving mental health and wellbeing
- Supporting long term independence
- Alcohol and substance misuse
- Health inequalities and the wider determinants of health

4.5 This report links to the outcomes in the Children and Young People's Plan:

- Stable and thriving families
- Safe and accessible neighbourhoods

4.6 The recommendations in this report will have a direct environmental or climate change implications. However, Providers undertaking this contract will be expected to demonstrate how they are upholding and contributing to the themes of the Essex Climate Change Commission recommendations including a focus on low carbon transport, waste reduction and recycling, effective use of energy contributing towards the carbon neutral agenda

5 Options

5.1 Option 1: Proceed with the procurement

For the reasons set out above in this report, it is recommended that the Council undertakes a procurement process to appoint a provider for the Multiple and Complex Needs Service. A new contract needs to be in place on expiry of the existing contract to ensure that the services will continue to be delivered without a gap in the provision. **This is the recommended option.**

5.2 Option 2: Do nothing

This option is not recommended. The existing contractual arrangements for delivery of the service will expire on 31 March 2024. The Council has committed to improving the health and wellbeing of Essex residents, and to address health inequalities; for the reasons outlined above, this option would be contrary to the Council's commitment to Levelling Up. This would also be detrimental to the needs of vulnerable adults experiencing SMD who are unable to navigate complex service pathways without support, and which would result

in them presenting in crisis to emergency and specialist services who do not have the capacity or expertise/experience to provide support.

6 Issues for consideration

6.1 Financial implications

6.1.1 Both the Offenders with Complex and Additional Needs and the Futures in Mind contracts are due to expire in March 2024. They are currently funded annually from the overall annual Public Health Grant, the value of which is £67.76m in 2023/24.

6.1.2 The funding structure for the proposed procurement of the multiple and complex needs service from 2024/25 is as follows. There is no assumed inflationary uplift included year on year, the service will be procured at a maximum cost of £9.5m over 5 years within which, any assumed inflation will be included. Nevertheless, commissioners are mindful of the impact of inflation on services and will keep this under review:

Funding source	2024/25 £000	2025/26 £000	2026/27 £000	2027/28 £000	2028/29 £000
Public Health grant	1,367	1,367	1,367	1,367	1,367
Supplementary Alcohol/Criminal Justice grant	270	270	270	270	270
Vulnerable Adults Service grant	112	112	112	112	112
Probation Service: Substance misuse contribution	151	151	151	151	151
Total Income	1,900	1,900	1,900	1,900	1,900

6.1.3 The element of the funding provided from the Public Health grant assumes that the grant does not fall below current levels. The 2021 Comprehensive Spending Review confirmed that the Public Health grant will be maintained in real terms at 2022/23 levels and therefore it would seem reasonable to assume this revenue cost can be contained in 2024/25. For the period from 2025/26 until the contract expires, there is no further assurance at this time about the level of funding of the public health grant and as such, should a pressure arise as a result of a reduction in funding levels, action would need to be taken to mitigate any crystallising pressure including re-prioritisation of existing resources from other services if no solution can be found within the public health service.

6.1.4 The additional drug and alcohol treatment grant funding allocations are published until 2024/25, beyond which, there is no further assurance about the level of funding expected. Therefore, similarly to the public health grant, should a pressure crystallise as a consequence of a reduction in future grant funding, action would be required to mitigate that pressure as above.

6.1.5 The partnership posts funded by the Probation Service are dependent on agreeing and receiving this funding. If the financial contribution from the Probation Service were to cease, this element of the service would also cease, therefore mitigating any financial risk to ECC for this element of the contract.

6.1.6 Option 2 is not recommended as it goes against ECC's commitment to levelling up and addressing health inequalities within Essex.

6.2 Legal implications

6.2.1 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.

6.2.2 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended) are likely to apply to some or all staff delivering transferring between provider organisations.

6.2.3 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.

6.2.4 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.

6.2.5 The proposed funding from the Probation Service has not yet been confirmed and should be agreed before the procurement commences. ECC will need an agreement in place with the Probation Service relating to the provision of this funding and any risks arising from the incorporation of these posts in the contract.

6.2.6 Changes to a contract during its term are permitted subject to compliance with the Public Contract Regulations 2015 and internal decision-making processes. Any changes to the outcomes to be delivered during the term of the contract, the provision or withdrawal of a probation service or the inclusion of the Alcohol High Intensity User service, should be clearly set out in the procurement documents and included in the contract as clear, precise and unequivocal review clauses.

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, sex, 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 Equalities Comprehensive 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 1 - Equalities Comprehensive Impact Assessment

9 List of Background papers

None