

MAYOR'S EXECUTIVE DECISION MAKING

Thursday, 29 June 2017

Mayor's Decision Log No. 160


1. **INDEPENDENT LIVING COMMUNITY SUPPORT - CONTRACT VALUE
AMENDMENT (Pages 1 - 14)**

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: Matthew Mannion, Committee Manager, Democratic Services

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Agenda Item 1

Individual Mayoral Decision Proforma Decision Log No: <u>160</u>	 TOWER HAMLETS
Report of: Denise Radley, Director Adult Services	Classification: Unrestricted
Independent Living Community Support – Contract Value Amendment	

Is this a Key Decision?	No
Decision Notice Publication Date:	22 June 2017
General Exception or Urgency Notice published?	No
Restrictions:	Not Restricted
Reason for seeking an Individual Mayoral Decision:	The contract value attributable to the original delegation was not high enough to ensure that the contract was economically viable

EXECUTIVE SUMMARY

The Independent Living Community Support (ILCS) service supports 170 people to develop or maintain their independence within their own homes, thus preventing unnecessary use of more institutional forms of care and hospital admission by providing recovery orientated floating support to individuals. Service users may have a forensic history or dual diagnosis, substance misuse and mental health issues.

The service is recognised by stakeholders to be a valuable resource supporting people with significant mental illness to remain in the community and live independently. This service plays a key role in the delivery of the Mental Health Accommodation Strategy 2014- 2019 providing support to the cohort in transition from residential care as well as providing support to individuals across the Mental Health pathway.

The service, which is provided under contract with the Local Authority Health and Adults Directorate, focuses on engaging with and assisting service users to make good use of the community mental health services available to them whilst developing the knowledge, life skills and ability to manage and sustain a tenancy successfully. The service provides one-to-one support at an individuals' home, as well as offering opportunities for service users to meet together, developing options for peer support and appropriate facilitated support groups relating to key areas or tasks.

The contract for this service expires at the end of June 2017 and authority to commence the procurement, at the existing contracted value of £468,000, was granted by the Mayor in Cabinet in January 2016. The tender exercise commenced in December of the same year and is coming to a conclusion; however there is a need to review the original contract envelope to ensure the future sustainability of the service.

As part of the tender process further evaluation of the sustainability of the contract has highlighted that the original contract threshold of £468,000 per annum is now significantly below current market rates. When originally awarded in 2014 a staff hourly rate of £13.14 was achieved however due to increases in London living wage, inflation and other market factors we are aware that the current market rate for similar services is between £15-16. As a result there is a need to increase the contract envelope to £550,000 per annum to enable the contract to be awarded without making significant reductions in the current service provision.

Consideration has been given to the latter option but rejected given the established need for this service in meeting the needs for whom the Authority has a statutory responsibility to provide support. It is also acknowledged that any change to the capacity of the current service will adversely impact on the 170 service users currently in receipt of a service. This approach has been considered and ratified by the Competition Board, which has oversight of the procurement processes for the Authority.

No significant budgetary pressures will arise as a result of this decision as the increased budget envelope will be funded from within current commissioning budget thresholds for services of this type.

DECISION

Recommendations:

Authorise the increased contract threshold from £468,000 to £550,000 per annum to maintain the current service capacity. This will enable the contract to be awarded as a result of the current procurement exercise

APPROVALS

1. (If applicable) Corporate Director proposing the decision or his/her deputy

I approve the attached report and proposed decision above for submission to the Mayor.

Signed *James C. Kelly* Date 21/06/17

2. Chief Finance Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed *[Signature]* Date 21/06/17

3. Monitoring Officer or his/her deputy

I have been consulted on the content of the attached report which includes my comments.

Signed *[Signature]* Date 21/06/17

4. Mayor

I agree the decision proposed in the recommendations above for the reasons set out in the attached report.

Signed *[Signature]* Date 28/6/17

No 1000 WHD TMS HAS
TAKEN SO LONG TO REACH MG
WOULD LIKE TO KNOW? *[Signature]*

ALL INFORMATION BEYOND THE HEADINGS ABOVE SHOULD BE INCLUDED IN A REGULAR CABINET STYLE REPORT THAT SHOULD BE APPENDED TO THE PROFORMA.

A – NOTES ON COMPLETING THIS FORM

- Delete this page onwards before submitting your decision.
- This form is only to be used where the signature of the Chief Executive (in his Head of Paid Services (HoPS) role) is not required. Should his signature be required please use the other form.
- Please delete any guidance notes in square brackets [] before submitting your form for signature.
- The decision log number will be hand written onto the form on completion by Democratic Services so you do not need to find this out early on.

B – NOTES ON EXECUTIVE DECISION MAKING

1. Where an Executive decision, including a Key Decision, falls to be made and either:-
 - (i) authority to make that decision has not been delegated by the Mayor under this Executive Scheme of Delegation; or
 - (ii) authority has been delegated but the person or body with delegated powers declines to exercise those powers; or
 - (iii) authority has been delegated but the Mayor nevertheless decides to take the decision himself,

the decision shall be made by the Mayor individually, after consultation with the Head of Paid Service (if appropriate – use other form including his signature space if necessary), the Monitoring Officer, the Corporate Director, Resources and such other Corporate Director(s) or Cabinet Member(s) the Mayor may determine.
2. Executive decisions (including Key Decisions) to be taken by the Mayor in accordance with paragraph 1 above shall either be taken:-
 - (a) at a formal meeting of the Executive, notice of which has been given in accordance with Part 4.4 of the Constitution and to which the Access to Information Rules at Part 4.2 of the Constitution shall apply; or
 - (b) in accordance with the procedure at 5 below.
3. In the case of a decision taken at a formal meeting of the Executive, the Mayor will take the decision having received written and oral advice from appropriate officers and consulted those members of the Executive present. In the event that a meeting of the Executive is not

quorate, the Mayor may still take any necessary decisions having consulted any Executive members present. All Mayoral decisions taken at a formal meeting of the Executive shall be recorded in the minutes of the meeting.

4. The Cabinet Meeting is not authorised to exercise the Mayor's powers in the absence of the Mayor. If the Mayor is unable to act for any reason, and only in those circumstances, the Deputy Mayor is authorised to exercise the Mayor's powers.
- 5 The Mayor may at his discretion make a decision in relation to an Executive function, including a Key Decision, alone and outside the context of a meeting of the Executive. In relation to any decision made by the Mayor under this provision:-


- (i) The decision may only be made following consideration by the Mayor of a full report by the relevant officer(s) containing all relevant information, options and recommendations in the same format as would be required if the decision were to be taken at a meeting of the Executive;
- (ii) In the case of a Key Decision as defined in Article 13 of the Constitution, the provisions of the Access to Information Procedure Rules in relation to prior publication on the Forward Plan, and the provisions of the Overview and Scrutiny Procedure Rules in relation to call-in, including the rules regarding urgent decisions, shall apply; and
- (iii) The decision shall not be made until the Mayor has confirmed his agreement by signing a Mayoral Decision Form (sample as attached at Appendix A) which has first been completed with all relevant information and signed by the relevant Chief Officers.

6. All Mayoral decisions taken in accordance with paragraph 5 above shall be:-

- (i) Recorded in a log held by the Service Head, Democratic Services and available for public inspection; and
- (ii) Published on the Council's website

save that no information that in the opinion of the Head of Legal Services is 'exempt' or 'confidential' as defined in the Council's Access to Information Procedure Rules shall be published, included in the decision notice or available for public inspection.



<p>Individual Mayoral Decision</p> <p>23rd May 2017</p>	 <p>TOWER HAMLETS</p>
<p>Report of:</p> <p>Denise Radley Director of Adults Services</p>	<p>Classification:</p> <p>Unrestricted</p>
<p>Independent Living Community Support – Contract Value Amendment</p>	

Lead Member	Councillor Rachel Saunders, Cabinet Member for Health and Adult Services
Originating Officer(s)	Phil Carr – Commissioning Manager
Wards affected	All wards
Key Decision?	No
Community Plan Theme	'A Healthy and Supportive Community'

Executive Summary

The Independent Living Community Support (ILCS) service supports 170 people to develop or maintain their independence within their own homes, thus preventing unnecessary use of more institutional forms of care and hospital admission by providing recovery orientated floating support to individuals. Service users may have a forensic¹ history or dual diagnosis, substance misuse and mental health issues.

The service is recognised by stakeholders to be a valuable resource supporting people with significant mental illness to remain in the community and live independently. This service plays a key role in the delivery of the Mental Health Accommodation Strategy 2014- 2019 providing support to the cohort in transition from residential care as well as providing support to individuals across the Mental Health pathway.

The service, which is provided under contract with the Local Authority Health and Adults Directorate, focuses on engaging with and assisting service users to make good use of the community mental health services available to them whilst developing the knowledge, life skills and ability to manage and sustain a tenancy successfully. The service provides one-to-one support at an individuals' home, as well as offering opportunities for service users to meet together, developing options

¹ Forensic mental health services provide assessment and treatment of people with a mental disorder and a history of criminal offending, or those who are at risk of offending.

for peer support and appropriate facilitated support groups relating to key areas or tasks.

The contract for this service expires at the end of June 2017 and authority to commence the procurement, at the existing contracted value of £468,000, was granted by the Mayor in Cabinet in January 2016. The tender exercise commenced in December of the same year and is coming to a conclusion; however there is a need to review the original contract envelope to ensure the future sustainability of the service.

As part of the tender process further evaluation of the sustainability of the contract has highlighted that the original contract threshold of £468,000 per annum is now significantly below current market rates. When originally awarded in 2014 a staff hourly rate of £13.14 was achieved however due to increases in London living wage, inflation and other market factors we are aware that the current market rate for similar services is between £15-16. As a result there is a need to increase the contract envelope to £550,000 per annum to enable the contract to be awarded without making significant reductions in the current service provision.

Consideration has been given to the latter option but rejected given the established need for this service in meeting the needs for whom the Authority has a statutory responsibility to provide support. It is also acknowledged that any change to the capacity of the current service will adversely impact on the 170 service users currently in receipt of a service. This approach has been considered and ratified by the Competition Board, which has oversight of the procurement processes for the Authority.

No significant budgetary pressures will arise as a result of this decision as the increased budget envelope will be funded from within current commissioning budget thresholds for services of this type.

Recommendations:

The Mayor is recommended to:

Authorise the increased contract threshold from £468,000 to £550,000 per annum to maintain the current service capacity. This will enable the contract to be awarded as a result of the current procurement exercise.

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1. REASONS FOR THE DECISIONS

- 1.1 The contract for this service expires at the end of June 2017 and authority to commence the procurement, at the existing contracted value of £468,000, was granted by the Mayor in Cabinet in January 2016. The tender exercise commenced in December of the same year and is coming to a conclusion; however there is a need to increase the original contract envelope to £550,000 per annum to ensure the future sustainability of the service and enable the contract to be awarded.
- 1.2 Increasing the contract threshold will address the concerns regarding sustainability whilst maintaining the service at establish levels, so ensuring the Authority is able to continue to meet the needs for those to whom it has a statutory responsibility to provide support. It is also know acknowledged that any change to the capacity of the current service will adversely impact on the 170 service users currently in receipt of a service.
- 1.3 No significant budgetary pressures will arise as a result of this decision as the increased budget envelope will be funded from within current commissioning budget thresholds for services of this type.

2. ALTERNATIVE OPTIONS

- 2.1 The only alternative to this approach is to agree a significant reduction in the current level of provision, which in turn will adversely impact on the 170 individuals currently in receipt of a service. Consideration has been given to this option but rejected given the established need for this service in meeting the needs for whom the Authority has a statutory responsibility to provide support.
- 2.2 In order to deliver the service at the original contract price the number of weekly hours would need to be reduced from 670 to 588 (based on current market rates) which would mean supporting an estimated 22 less service users at any one time. This is not the favoured option as we are aware that the service currently operates a waiting list and the revised specification requires bidders to expand the cohort to include those not on CPA.
- 2.3 This approach has been considered and ratified by the Competition Board, which has oversight of the procurement processes for the Authority.

3. DETAILS OF REPORT

- 3.1 The Independent Living Community Support (ILCS) service supports 170 people to develop or maintain their independence within their own homes, thus preventing unnecessary use of more institutional forms of care and hospital admission by providing floating support to individuals, the majority of

whom are currently subject to Care Programme Approach² arrangements. Service users may have a forensic history or dual diagnosis, substance misuse and mental health issues.

- 3.2 The service focuses on engaging with and assisting service users to make good use of the community mental health services available to them whilst developing the knowledge, life skills and ability to manage and sustain a tenancy successfully. One-to-one support is provided at an individuals' home, as well as offering opportunities for service users to meet together, developing options for peer support and appropriate facilitated support groups relating to key areas or tasks. The service also delivers crisis intervention and support to service users who require short term support to deal with a crisis or challenge that they are experiencing. The level of support depends on individual need and ranges from one hour a week, with no upper limit. Support is service user led and responds flexibly to changes in service users' circumstances.
- 3.3 The Independent Living Community Support (ILCS) service is recognised by stakeholders to be a valuable resource supporting people with significant mental illness to remain in the community and live independently. This service plays a key role in the delivery of the Mental Health Accommodation Strategy 2014- 2019 providing support to the cohort in transition from residential care as well as providing support to individuals across the Mental Health pathway.
- 3.4 The contract for this service expires at the end of June 2017 and authority to commence the procurement, at the existing contracted value of £468,000, was granted by the Mayor in Cabinet in January 2016. The tender exercise commenced in December of the same year and is coming to a conclusion; however there is a need to review the original contract envelope to ensure the future sustainability of the service.
- 3.6 As part of the tender process further evaluation of the sustainability of the contract has highlighted that the original contract threshold of £468,000 is now significantly below current market rates. When originally awarded in 2014 a staff hourly rate of £13.14 was achieved however due to increases in London living wage, inflation and other market factors we are aware that the current market rate for similar services is now between £15-16. As a result there is a need to increase the contract envelope to £550,000 to enable to contract to be awarded without making significant reductions in the current service provision.
- 3.7 We know from recent procurements run in the last 6 months that the current competitive market rate for similar services is between £15-16
- 3.8 This report recommends that the Mayor increase the contract threshold from £468,000 to £550,000 per annum (+£82,000) to achieve the required number

² The Care Programme Approach (CPA) is a way that services are assessed, planned, co-ordinated and reviewed for someone with mental health problems or a range of related complex needs. You might be offered CPA support if you are diagnosed as having a severe mental disorder

of hours at current market rates with no reduction to the service (£410,000 over five years). An additional £82,000 has been identified and ring-fenced from within existing commissioned budget thresholds to fund this increased contract envelope and therefore the increase in this contract can be met from within existing commissioning budgets with no additional cost pressure. The procurement has proceeded on this basis and is now in the award recommendation stage.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

4.1 Recurrent funding for the proposed increase of £82k in the cost of this contract from the original £468k identified budget to the proposed £550k budget has been identified within the 17-18 commissioning services existing budget allocation. Therefore no budget pressure is created as a result of this proposal

5. LEGAL COMMENTS

5.1 The Council must ensure that it follows its constitution at all times in order to ensure that its decision making processes are considered to be lawful and rational.

5.2 The department had previously sought authority to award a contract up to a maximum value of £468,000. Following approval the Corporate Director was delegated the authority to award such a contract. However, as the contract value resulting from the tender process is greater than the value attributable to the delegation, a further delegation is required in order to award a contract with a maximum value of £550,000.

5.3 The Council has a duty to ensure that its purchases represent Best Value in accordance with Section 3 of the Local Government Act 1999. The main way that the Council complies with this duty is subjecting its purchases to competition and awarding to the Most Economically Advantageous Tender where the tenders are evaluated of a preadvertised blend of price and quality.

5.4 The tender process is deemed to achieve the most economically advantageous tender available on the market at the particular time. It became clear early on in the process due to feedback from a number of suppliers that the market considered the estimated value of the contract advertised initially to be too low. This meant that the market considered the then advertised contract to be unviable at the price.

5.5 During the tender process the Council notified all the bidders of the change in estimated contract value which allowed all bidders to adjust their bids or in fact submit bids at all. All bidders were therefore treated equally and in a manner consistent with the Council's European Law duties detailed in accordance with the Treaty On The Operation Of The European Union. In particular the Council must treat all bidders fairly in an open and transparent way.

5.6 The nature of this decision does not change the nature of the contract itself and therefore, there should be no further impact on the Council as regards equalities than that which was originally considered in the original report.

6. ONE TOWER HAMLETS CONSIDERATIONS

6.1 The ILCS contract will support the effective delivery of One Tower Hamlets priorities.

7. BEST VALUE (BV) IMPLICATIONS

7.1 The service supports 170 people to develop or maintain their independence within their own homes, thus preventing unnecessary use of more institutional forms of care and hospital admission. As a result, this service plays a key role in pro-actively minimising the additional cost presented by use of these placements.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

8.1 The ILCS service specification requires bidding organisations to comply with obligations under Environmental legislation and local policies relating to the environment, including contributing to improving air quality. The winning bidder has received national recognition for their work linked to the therapeutic use and educational skills gained through 'green care' programmes.

9. RISK MANAGEMENT IMPLICATIONS

9.1 If the decision is made not to award at the revised contract value we would be required to reduce the number of hours per week from 670 to 588 (82 hours per week or an estimated 22 less users at any one time) potentially through a second procurement exercise.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

10.1 To date ILCS has developed and managed excellent partnerships, information sharing and joint working protocols with the Police, Probation and relevant council community safety officers which supported effective prevention and management of the anti-social behaviour and contributed to the reduction of crime and disorder across the borough. It is envisaged that the approach applied to date will continue to deliver benefits for local people in terms of crime reduction. It will continue to be monitored and reviewed as part of the new contract management process.

11. SAFEGUARDING IMPLICATIONS

11.1 Specific measures are in place to address and manage safeguarding issues as part of the ILCS contact and across the Mental Health services within Tower Hamlets.

- Contractual obligation within the ILCS service specification to report any Safeguarding issues to the LBTH Safeguarding Team
 - Ongoing support and training from both the LBTH Safeguarding team and Adult Services
 - Detailed plans would be developed to manage any safeguarding concerns for groups or individuals affected by these changes e.g. moving to different accommodation
-

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Original tender pack for ILCS
- Tollgate 2 – Award Recommendation Report
- Tollgate 2 – Award Recommendation Summary

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

- N/A