


Cabinet 8 September 2021	 TOWER HAMLETS
Report of: Denise Radley, Corporate Director Health, Adults and Community	Classification: Unrestricted
Integrated housing and support Mental Health schemes: Direct Award of Contract to Look Ahead Care and Support	

Lead Member	Councillor Rachel Blake, Deputy Mayor & Cabinet Member for Adults, Health and Wellbeing
Originating Officer(s)	Isabel Fernandez-Grandon, Interim Senior Mental Health Commissioner
Wards affected	All wards
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	5 August 2021
Strategic Plan Priority/Outcome	All

Special Circumstances Justifying Urgent Consideration:

The report was not available at the time the agenda was published due to oversight in annual leave.

1. Executive Summary

- 1.1. This report summarises the recommendation for a Direct Award of Contract to Look Ahead Care and Support to act as the contract provider for three integrated housing and support schemes in the Borough: Commercial Road; Coventry Road & Cudworth; and Tabard Court

2. Recommendations:

The Cabinet is recommended to:

- 2.1. To agree to the direct award of a single contract with Look Ahead Care and Support, for a period of 7 years (3+2+2); with a maximum value of £1,080,891 annually and £7,566,237 for the life of the contract.
- 2.2. Authorise the Corporate Director Health Adults and Communities in consultation with legal services to enter into such appropriate agreements as are required to give effect to the recommendation detailed in paragraph 2.1

- 2.3. The contract to bring together the provision of integrated housing and support for the schemes delivered at Commercial Road; Coventry Road and Tabard Court.

3. Reasons for the decision

- 3.1. The supported accommodation pathway provides support to those with a diagnosed mental illness. Support is tailored to their needs, with a focus on moving on to live independently in the community. This is a local, viable alternative to higher cost residential care placements.
- 3.2. London Borough of Tower Hamlets has a number of block contract funded schemes providing mental health supported accommodation within the Borough. These schemes offer support across 7 contracts, supporting a total of 191 units at a total annual value of £2,697,347.61.
- 3.3. Three of these contracts: **Tabard Court Forensic Service; Coventry Road and Cudworth; and Commercial Road** currently deliver an integrated housing and support offer through the provider Look Ahead Care and Support Ltd (LACS). The integrated offer comprises LACS being the property owner of the three accommodation sites and therefore responsible for the statutory requirements and general upkeep of the property, alongside providing the in-house care and support models to all residents. The remaining contracts do not deliver an integrated offer.
- 3.4. Through these three contracts individuals are offered supported housing that is safe, effective and which promotes personalisation, prevention and early intervention. Individuals are offered an assured short hold tenancy or licence agreement for the accommodation which is integrated with an onsite support offer from the support provider/ landlord. The support offered is recovery-orientated, promoting flexible and innovative approaches to service delivery, which drives up efficiency and effectiveness in the use of resources, and which promotes a safe alternative for service users where residential care may otherwise have been considered.
- 3.5. Across these three contracts 72 integrated units are offered, 43 of these offering high support and 29 offering low support step down. 19 of these units deliver recovery outcome focused support to service users with a forensic mental health history.
- 3.6. Many of the individuals accessing these schemes have complex care needs and may have had a significant admission to institutional care. These individuals are subject to Care Programme Approach arrangements, and include those subject to section 37/41, multi-agency public protection agreement or a community treatment order.

- 3.7. Many supported in these schemes are subject to Section 117 of the Mental Health Act which requires Councils, the NHS and other partners to provide after-care (which is not means tested) for people who have been detained in hospital under the sectioning provisions of the same act.
- 3.8. These services support the London Borough of Tower Hamlets to improve the quality of life for vulnerable socially excluded people and are a large element of the local complex needs pathway.
- 3.9. There are many types of model operating in the market and within the Borough, some have separate housing and support managed through a partnership arrangement however the schemes covered in this paper all offer a model of support and accommodation that is integrated. This is similar to the model commonly utilised in other areas of the market, e.g. residential care.
- 3.10. The provider acting as a landlord and support provider of these schemes, Look Ahead, have confirmed to the Council that their model of support for these schemes requires an integration of support and accommodation. They operate a single approach to these buildings and will not enter into a partnership arrangement.
- 3.11. This means that it is not possible to tender these buildings and so the only option would be to tender for new buildings to deliver these 72 units of care.
- 3.12. This is not the case with the other 4 mental health supported accommodation contracts in the Borough as, that are not included in this proposal. These other contracts have separate accommodation and support and they have been, or will be, tendered through an open procurement.
- 3.13. In preparation for the procurement, in order to identify suitable settings for the delivery of the services and to facilitate wider competition, the council undertook a market testing exercise where multiple landlord and estate agents were engaged in the searching of available buildings. No alternative suitable locations were found.
- 3.14. It should also be noted that during the last procurement exercise carried out for these services there was no competition and Look Ahead were the only provider who bid in all 3 tenders.
- 3.15. Therefore to enter into negotiations with LACS for the direct award of a single contract with a term of 7 years (3+2+2), covering the three integrated schemes, is considered the optimal way to procure these three expiring contracts.
- 3.16. There are many benefits identified to this approach:
 - 3.16.1. It will ensure that the integrated model of support continues.
 - 3.16.2. There is the opportunity to enhance the current offer to a multi-scheme

- pathway including specialist support to further maximise independence.
- 3.16.3. The new contract could allow for a sharing of resources across schemes which will support more local flexibility in services to enable more individuals to be placed within the borough of Tower Hamlets, improving outcomes and avoiding the need to utilise costly out of borough alternatives.
 - 3.16.4. There is the potential for improved partnership working with associated services, providing a more holistic, person-centred offer.
 - 3.16.5. The development of a new combined contract over a medium term will ensure that the provision meets current and future need and allows for contract outcomes to be aligned to key areas of challenge in the Borough.

3.17. Rationale for Best Value:

- 3.17.1. Demand, and cost, of the delivery of Mental Health services have increased steadily over a number of years, and are forecast to increase further over the next 7 years. This new contract will support the Local Authority to address the challenges associated with delivering a cost effective and person-centred mental health service, with the opportunity to improve outcomes for people receiving services, address in year overspend and ensure the service can deal with future pressures.
- 3.17.2. The direct contract award will deliver best value by realising the efficiencies of the single contract approach. The contract will still ensure that the 72 accommodation units will remain as part of the supported mental health and forensic accommodation pathways as a better value alternative to residential accommodation.
- 3.17.3. It is intended that the negotiated new contract will also deliver best value by delivering cost savings in the wider HAC Directorate by embedding robust contractual arrangements relating to the repatriation of out of area accommodation placements and appropriate supported move on of existing residents.

3.18 Social Value

- 3.18.1. LACS already deliver considerable social value impact as part of the current contractual arrangements through the employment and training of local residents and providing good standard accommodation for our service-users. The direct contract award negotiation will be an opportunity to further strengthen the social value impact as we look to drive ambition in employment and upskilling of our local residents and develop joint working support arrangements with our local small and medium enterprises (SMEs).

4. Alternative Options

- 4.1. Competitive procurement – this option has been explored however was not deemed suitable due to the lack of competition. Previous procurements have generated only one bid and market testing generated no viable alternatives.

This option would be resource intensive, and result in the same outcome however would give the local authority less opportunity to inform the model of care and less opportunity to coproduce an enhancement to current provision. This option would not allow for the level of transformation desired.

- 4.2. Direct Award of individual contracts – this option has been discounted as it would require significantly more resource, and reduce the opportunity to enhance the provision within the same envelope through economy of scale.
- 4.3. Reduce our local number of supported accommodation contracts to exclude these schemes– this option is not viable due to a clearly evidenced increasing need for supported accommodation and the high cost of non-block accommodation. The social care mental health review carried out by Grant Thornton in 2019 identified the historic overspend, and forecast increase in demand and cost across this sector. It was identified that in order to return to budgeted spend position, and reverse the historic overspend trend, it was necessary to deliver adequate and cost effective provision to new people entering services. It was also identified that there was a significant opportunity with the 18-64 cohort currently in block funded supported living through a reconfiguration of current arrangements for better outcomes. The review referenced the positive opportunity of the current level of provision in enabling people to be relocated closer to home and family support structures.

5. Details of the report

- 5.1. The commissioned mental health sector is designed to support service users with mental ill-health, many of whom will have complex care needs; with an emphasis on supporting the transition for service users who may have had a significant admission to institutional care and supporting service users with their journey towards recovery and independence.
- 5.2. Comprised of 7 contracts delivered across 12 buildings, the accommodation based sector delivers two distinct functions; high support and step down provision.
- High support function, delivering intensive one to one support enabling service users to transition from institutional care, manage their mental wellbeing including use of medication, enhance their daily living skills, build resilience and attain their individual recovery goals, developing their knowledge, life skills and ability to sustain a tenancy.
 - Step-down function; enabling service users to take positive risks around tenancy management including independent management of finances, sustaining a habitable environment, self- medicating and engaging in vocational activities albeit with minimal continued support preparing them to live independently in the community.
- 5.3. The mental health supported accommodation services have been commissioned to deliver high quality, recovery focused support to improve the quality of life for vulnerable, socially excluded people through the delivery of supported housing that is safe, effective and which promotes independence through personalisation and early intervention. Both the high support and step down provisions have a targeted length of stay of two years totalling a four year support pathway in order to ensure service users do not reside longer than required.
- 5.4. The contract specifications for all services within the sector define targeted outcomes/outputs related to recovery and resettlement including;
- Facilitating hospital discharges and registered care discharges
 - Reducing the use of registered care and hospital admission
 - Maximising positives moves to lower level supported housing or independent accommodation
 - Supporting service users to recover and manage their mental health and wellbeing
 - Supporting service users to be free from physical and emotion abuse, harassment or neglect
 - Effectively contributing to the management of risk
 - Working in partnership to provide rapid response to issues around treatment compliance, mental health relapse, substance use, criminal justice issues and conflict resolution.
- 5.5. The sector aims are achieved by delivering personalised and co-designed packages of support which promote long-term independence and provides a

holistic approach enabling service users to realise personal, psychological, social, vocational and clinical outcomes.

6. Equalities Implications

- 6.1. Supported Accommodation is an important element of the mental health pathway. By providing local mental health focused supported accommodation local residents are better integrated into local provision which reduces barriers to access. These services support the most vulnerable to access personalised support with the aim to achieving independence.
- 6.2. The monitoring of these services will include a focus on uptake and experience against the nine protected characteristics, this monitoring will be enhanced through the move to a unified contract enabling better performance management and equity of access.
- 6.3. Additionally the move to a single contract will ensure consistent and shared approach to addressing inequalities, including specialist workers where required.

7. Other Statutory Implications

This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

Best value implication

- 7.1. The increasing mental health need within the borough has led to increased spending, at the same time sector costs have increased due to increases in London Living Wage.
- 7.2. The increasing complexity of presentation over time has led to an increasing number of Out of Area placements.
- 7.3. The greatest opportunity for savings in the mental health accommodation budget is to reduce the spend on expensive Out Of Area placements, particularly where this will improve outcomes for those individuals who have complex needs and dual diagnosis and who make little progress in out of borough schemes.

- 7.4. Whilst a Direct Award is proposed there will still be opportunities to seek best value through negotiation, and identify areas of efficiency. The key efficiencies for this new contract will be aligned to the delivery of the Boroughs Mental Health Accommodation Transformation efficiency targets. These will be achieved through increasing the level of care offered within our local provision to enable more people to be supported within Borough schemes at no extra cost.
- 7.5. Through negotiation and combining of contracts the contract value will remain constant. Enhanced support as required for complex presentations will be delivered from the same funding allocation through sharing of resources over the contract.
- 7.6. Aligning contracts and reducing the overall number will improve whole system working, and reduce gaps in provision, and maximise the opportunity to support the move to independence enabling more individuals to be supported over the contract term.
- 7.7. The weekly costs to the Local Authority of placement in these schemes is significantly lower than a placement in residential care, leading to a significant cost avoidance, particularly for those service users subject to section 117 of the mental health act.

Risk management implications

- 7.8. To have insufficient provision of accommodation within LBTH would leave the council exposed to risk, particularly for those currently being supported in these schemes. Placing a single contract with LAHC will enable appropriate contractual arrangements to be put in place which will reduce risk and improve performance.

Crime and disorder reduction implications

- 7.9. Providing enhanced support will reduce crime and disorder by enabling those with complex needs to engage with specialised services

Safeguarding implications

- 7.10. Within all Supported Accommodation settings there are clear requirements and responsibilities to ensure all staff are trained in Safeguarding at a level commensurate with their role, that this training is regularly reviewed
- 7.11. All service already have the requirement to have a clear policy in place which is acceptable and available for inspection, regarding confidentiality of information about service users and the protection of service users, which is known, understood and adhered to by the staff employed or engaged by the Service (including without limitation: volunteers).

8. COMMENTS OF THE CHIEF FINANCE OFFICER

- 8.1 This report recommends a direct contract arrangement for three individual accommodation schemes: Forensic Service Tabard Court, Commercial Road, and Coventry Road and Cudworth, through an integrated property, inhouse care and support offer. The council have explored several procurement routes and the direct award of contract proves to be the most optimal and cost-effective route.
- 8.2. The report proposes to deliver Mental health services to address challenges associated with delivering on cost. There are several outcomes that would be achieved including dealing with future pressures, cost savings and more importantly delivering personalised and co-designed packages of support which promote long-term independence for clients in the community.
- 8.3 The current cost of the 3 contracts subject to this direct award is currently £1.087m per annum, which is within the budget allocation for 2021/22 for Mental Health Supported Accommodation¹. The proposed amalgamation into one direct award contract would reduce the cost to £1.081m per annum, with a total cost over the life of the 7-year contract period of £7.567m.
- 8.4 The delivery of the project is planned to produce savings and efficiencies which are linked to the Medium-Term Financial Strategy of the council to deliver value for money. Within the procurement and negotiated award the sector aims to deliver £570K of savings by increasing move-on from accommodation-based services to allow for repatriation of users currently placed in registered care type provision out of the borough. This commissioning plan aims to increase provider integration, and flexibility to support users towards independent living. The mental health floating support service is a key enabler for this work, supporting user transition, coordination of the housing application process and providing post-tenancy support.
- 8.5 The delivery of savings is dependent upon the repatriation of service users from out-of-borough placements. Success in this area will determine the net cost of this direct award contract to the Council over the life of the contract period. The contract will need to clearly stipulate clauses on contract price increases, based on the changing needs of service users and the passing on of additional costs by the provider to the Council, to ensure that the total contract cost is not exceeded.

9. COMMENTS OF LEGAL SERVICES

- 9.1 The Council has a legal duty to make appropriate arrangements for the provision of the services of the type detailed in this report.
- 9.2 Regulation 32 of The Public Contracts Regulations 2015 allows for a Council to make an award without a competitive exercise where competition is absent

¹ Cost Centre 33201, Account R5600, Analysis A2559

for technical reasons and no reasonable alternative exists. This appears to be the case here.

- 9.3 Technical reasons are reasons which relate to the subject matter of the contract. The service generally is a blend of accommodation and care services, the integration of which is fundamental to successful outcomes. The provider of the services is also the landlord of the buildings and is therefore entitled to refuse to partner with a service provider which frustrates competition. There also appears to be an absence of alternative similar accommodation or other reasonable competitive route and therefore to go through the expense of a procurement without any realistic competition would not be proportionate in the circumstances. Therefore, regulation 32 is satisfied.
- 9.4 The Council is required to ensure that this award represents statutory Best Value. Usually a competitive exercise demonstrates Best Value. However, in the absence of a competitive exercise the Council will ensure Best Value by undertaking such activities as bench marking cost against other authorities' and similar Council services and enforcement of quality levels by supporting the commission of the services with appropriate legal terms.
- 9.5 The services themselves (and any changes from previous contracts) will clearly impact on persons who have a protected characteristic (the service users). Therefore, the Council will undertake appropriate actions to properly understand any impact in as far as it has not done so already prior to commissioning the services.

Linked Reports, Appendices and Background Documents

Linked Report

- None

Appendices

- Appendix 1 – Mental Health Supported Accommodation Overview

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

- None

Officer contact details for documents:

N/A

Appendix 1: Mental Health Supported Accommodation Overview

- 1.1 There are 7 Mental Health Supported Accommodation Contracts in Tower Hamlets: Forensic Service Tabard Court; Commercial Road; Coventry Road and Cudworth; Huddleston Close; Teresa House and Hamlets Way; Cannon street Road; and Heather Lodge.
- 1.2 The MH Integrated Housing and Support report details three integrated housing and support schemes: Tabard Court; Commercial Road; and Coventry Road and Cudworth.
- 1.3 The remaining four individual accommodation schemes offer 119 units providing two distinct functions: high support; and step-down provision.
- 1.4 The services are required to ensure there is a psychological and physical distinction between the high support and move on/stepdown units ensuring that staff and service users are able to clearly identify the step down schemes as a step on their journey along the pathway to greater independence. The emphasis of the service is on preparing individuals to move on to independence and from the outset of an individual's tenancy the focus of the support is on preparing them for their journey of independence over an agreed period of time. Generally up to 2 years in high support and 2 years in step down facility. A support service is provided 24 hours a day 365 days per year with tailored flexible support delivered in accordance with need.
- 1.5 These four contracts have separate accommodation and support and they have been, or will be, tendered through an open procurement.
- 1.6 Heather Lodge was procured through an open procurement in 2020 and has a contract in place until 2025.
- 1.7 Huddleston Close, Teresa House and Hamlets Way, and Cannon Street Road will be tendered through an open procurement commencing in August 2021 for new contracts from April 2022 for a contract term of 5 years consisting of an initial term of 3 years with a 2 year extension possible.