

Report for: Cabinet – 8th December 2020

Title: Extension and variation of Housing Related Support Contracts - Mental Health Pathway - Short Term Supported Accommodation

Report authorised by: Charlotte Pomery – Assistant Director of Commissioning

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Ward(s) affected: All

**Report for Key/
Non Key Decision:** Key decision

1. Describe the issue under consideration

- 1.1. With service users and partners, the Council is reshaping the service delivery model for Housing Related Support along the Mental Health Pathway to ensure a good and flexible mix of options for support is available as people's needs change. The landscape for mental health services is complex and the Council and partners are keen to ensure an approach which offers greater simplicity and coherence, with a focus on community based support. The report seeks a range of contract extensions to allow existing contracts to come to an end at the same time and ensure a smooth transition to the new approach.
- 1.2. Contracts for the provision of short term specialist housing related support services for people with mental health needs were awarded to St. Mungo's Community Housing Association (hereafter St Mungo's) and Sanctuary Housing Association (hereafter Sanctuary). Following delivery of satisfactory services during the initial contract period, these contracts were extended until 31st March 2021 as allowed within the terms of the contract.
- 1.3. In accordance with the Council's Contract Standing Order (CSO) 10.02.1(b) this report seeks approval to vary the extension clause of the aforementioned contracts, to allow for a further extension period of up to 12 months, commencing from 1st April 2021, with contract values for the extension period as follows:
 - St Mungo's – Mental Health West Contract - £531,631
 - Sanctuary – Accommodation based with forensic provision - £389,717
- 1.4. In addition to the above, this report also seeks an approval to vary the terms of the following contracts, to allow for an extension for a further period of up to 12 months, in accordance with CSO 10.02.1(b). The proposed extension

period and the cost of the service for duration of extension period for each contract are as follows:

- Community Mental Health Floating Support Service delivered by Richmond Fellowship to be extended for up to 9 months, commencing from 16th July 2021 at the cost of £197,847.
- Integrated response mental health floating support service provided by One Housing Group to be extended for up to 9 months, commencing from 16th July 2021 at the cost of £185,250.
- Housing First Intensive Floating Support (hereafter Housing First) delivered by St Mungo's to be extended for up to 12 months, commencing from 1st April 2021 at £194,890

2. Cabinet Member Introduction

- 2.1. The Council and its statutory partners are committed to supporting people with mental health needs to live in the community and to achieve a sustainable recovery, preventing crisis interventions and the risk of homelessness. Housing Related Support services are a valuable provision delivered by specialist practitioners which enable and empower people to develop and rebuild the confidence and skills needed to achieve this.
- 2.2. The Council currently commissions a range of mental health supported accommodation and Housing First services and I believe it is appropriate that these should be extended as set out here, offering users continuity and the support which they need, while a new service model is co-designed and set in place.

3. Recommendations

- 3.1. It is recommended that Cabinet, pursuant to Contract Standing Order 10.02.1(b) approves the following:
 - 3.1.1. To vary the contracts for the provision of short term specialist housing related support services for people with mental health needs awarded to St. Mungo's and Sanctuary in order to provide for an option to extend the contracts for two further periods of up to one year each, in place of the current option to extend for two further periods of exactly one year each.
 - 3.1.2. To extend the aforementioned contracts for up to twelve (12) months, as permitted under the terms of the varied contracts. The extension will be for an initial period of six (6) months, commencing from 1st April 2021 to 30th September 2021 and will be extended for further periods of up to six (6) months, if required. The breakdown of costs for each contract is as follows:
 - The contract for the provision of short-term supported housing specialist mental health services with 24 hour support and visiting support (Mental Health West) is delivered by St Mungo's. The cost of the service for duration of initial period of six (6) months extension will be £265,816 and the total value over the full twelve (12) months, if used, would

therefore be £531,631. The aggregated value of the contract over a period of 6 years will be £2,989,786, including the proposed extension.

- The contract for the provision of short-term supported housing specialist mental health services with forensic provision is delivered by Sanctuary. The cost of the service for duration of initial period of six (6) months extension will be £194,859 and the total value over the full 12 months, if used, would therefore be £389,717.

The cost of the service (£194,858.50 for initial period of 6 months and £389,717 for full 12 months) includes a 6.5% uplift on the current contract price which amounts to £23,786 over a period of 12 months.

The aggregated value of the contract over a period of 6 years will be £2,019,387, including the proposed extension.

3.1.3. To vary the terms of the following contracts and to extend for further periods of up to 12 months:

- (i). The contract for the Community Mental Health Floating Support Service delivered by Richmond Fellowship to be extended for further periods of up to nine (9) months, commencing from 16th July 2021 at the cost of £197,847. The extension will be applied for an initial period of two and half (2½) months, commencing from 16th July 2021 to 30th September 2021 and will be extended for further periods of up to 6 months, if required. The aggregated value of the contract over a period of 27 months will be £593,541 including proposed extension.
- (ii). The contract for the Integrated Response Mental Health Floating Support service provided by One Housing Group to be extended for periods of up to nine (9) months, commencing from 16th July 2021 at the cost of £185,250. The extension will be applied for initial period of two and half (2½) months, commencing from 16th July 2021 to 30th September 2021 and will be extended for further periods of up to 6 months, if required. The aggregated value of the contract over a period of 27 months will be £555,750 including proposed extension.
- (iii). The contract for the provision of the Housing First Intensive Floating Support Service delivered by St. Mungo Community Housing Association to be extended for a further period of up to 12 months, commencing from 1st April 2021. The extension will be applied for initial period of six (6) months, commencing from 1st April 2021 to 30th September 2021 and will be extended for further periods of up to 6 months, if required.

The estimated cost of the service for for duration of initial period of six (6) months, from 1st April 2021 to 30th September 2021 would be £97,445, this includes uplift of £5,500. The total value over the full 12 months, if used, would therefore be £194,890 including total increase of £11,000 on the current contract price.

The aggregated value of the contract over a period of 6 years will be £1,114,340 including proposed extension.

- 3.1.4 To give delegated authority to the Assistant Director Commissioning to approve the further extensions to the contracts for mental health supported accommodation, floating support services and Housing First if required as set out above and up to the maximum durations specified in 3.1.3 above.

4. Reasons for decision

- 4.1. The mental health supported accommodation pathway offers a range of provision types and services, including those staffed 24-hours a day, specialist women's provision and a forensic service for people involved with the criminal justice system.
- 4.2. The pathway makes a key contribution to the health and wellbeing of local residents and there is a clear strategic need and strong evidence base to continue to provide a mental health supported accommodation pathway going forward. The pathway operates to prevent homelessness and to facilitate hospital discharge and prison releases for people with ongoing mental health needs and supports residents to develop and strengthen the skills required to live independently. There is a continued and high demand for mental health supported housing, with residents referred via Barnet, Haringey and Enfield Mental Health Trust (BEHMHT) and Homes for Haringey's Housing Needs Service.
- 4.3. Mental health supported housing and Housing First are important elements of the accommodation pathway for single homeless adults. The recommissioning process for the Mental Health Pathway is underway. The Housing Related Support (HRS) service have completed the review of existing Mental Health Pathway services and refreshed the service delivery model to maximise positive outcomes for service users and realign the recommissioned provision with strategic objectives for vulnerable adults.
- 4.4. Due to the Coronavirus (Covid-19) pandemic staff in the HRS service were diverted to support vulnerable homeless residents placed in emergency accommodation under the 'Everybody In' directive from government. As such some slippage in the redesign timeline occurred, and extra time has been required to implement virtual consultation and stakeholder feedback processes, which have informed the development of the refreshed approach and service specifications for the Mental Health Pathway services to be set in place in the future.
- 4.5. Given the above, it is paramount to extend all five (5) existing contracts so that they all come to an end together and so that sufficient time is allowed for the redesign process. The new approach will bring greater coherence to the landscape for mental health services and create a single pathway offering a range of options to support people in the community. It will also allow time to implement a smooth transition and mobilisation process for the new services and allow flexibility to accommodate any future slippage due to Covid-19, if required.

- 4.6. The performance of the contractors has been evaluated as good throughout the contract period and demand for the service outstrips availability. Performance returns have been submitted by both providers throughout the course of the contract and targets are being met.
- 4.7. The proposed uplifts to the current contract values is recommended to reflect inflation and staffing cost increases of the contracts since their commencement in 2016.

5. **Alternative options considered**

- 5.1. **Do Nothing** - It would be possible to leave the contracts to expire at the end of this contract period. However, as noted above, there is continued demand for this service, and it was not felt viable to have no mental health supported housing service in place particularly given other pressures on other elements of the pathway. Rather, it was agreed to carry out an evaluation to recommission the accommodation pathway to best meet the needs of Haringey Residents. Therefore, it would not be in the council's interest not to continue with mental health supported housing.
- 5.2. **Go out to tender** – It would be possible to go out to tender to seek a new and refreshed service, which could result in a new delivery provider. However this option is considered to be not suitable given that there is a need for redesign and for changes to the existing model. Furthermore, short term contracts would cause significant disruption to vulnerable service users and may be detrimental to their mental health recovery. Therefore, continuing to deliver these services through existing providers is the most economically viable and efficient option while redesigning the new service delivery model for the Mental Health Pathway and the re-commissioning of these services is underway and the new contracts likely to start from 1st October 2021.
- 5.3. **Deliver the services in house** – Sanctuary Housing and St Mungo's (Mental Health West) are using their own accommodation to support this service, as well as agreements and leases with other landlords, and for the Council to ensure appropriate accommodation from which to deliver the service in-house would not be possible in the time frames available. All extensions requested are for a minimal period of 6 months and would not change the existing arrangements.

6. **Background information**

- 6.1. The existing contracts commenced on 1st April 2016. The contracts for Sanctuary Housing and St Mungo's (Mental Health West) were for a four year duration, with the opportunity to extend for 1 plus 1 years, whereas the contract for Housing First commenced on 1st April 2016 and was for a duration of 3 years with the opportunity to extend for 2 further years. All providers have been submitting quarterly outcome workbooks and attending quarterly contract meetings. There is a total of 118 units of accommodation provided throughout these contracts. There were 43 new admissions to the service in 2019/20 and a further 8 admissions to the service for Quarter 1

2020/21. The majority of the service users moved on in a planned and positive way.

- 6.2. The original intention was to redesign the services and get a new service model in place from 1st April 2021. Unfortunately this has been delayed, mainly due to the reduced ability to carry out full engagement and consultation in the time frames due to Covid-19. Therefore a proposal has been put forward to extend the contracts for up to 12 months and during that time to redesign and carry out the necessary processes to establish the new mental health accommodation pathway.
- 6.3. Sanctuary Housing and St Mungo's Housing First were unable to extend the contracts without an uplift to supplement the pricing which had already been in place. They both expressed the view that the contracts it would not be financially viable to continue and having considered this in detail, officers support this position. Therefore, it is proposed that both providers continue to provide the service for an additional 6 months in the first instance, with an uplift of £11,893 for Sanctuary Housing and £5,500 uplift for St Mungo's Housing First.
- 6.4. There is a high demand for supported accommodation and Housing First, particularly to enable those residents who have received in-patient care and treatment at Barnet, Enfield and Haringey Mental Health Trust to be discharged successfully into the community. As noted above, Supported Accommodation provides a different option for users and a less expensive option for the Council from adult social care options, offering greater independence and a real focus on the importance of stable accommodation to sustained mental health and wellbeing. The Housing First model provides intensive support to people with multiple disadvantages as an alternative to the Supported Housing model.
- 6.5. Floating support pilot services provided by Richmond Fellowship and One Housing Group commenced on 16th January 2020 for a period of 18 months. Both services have been performing well, particularly the integrated service embedded within Barnet, Enfield and Haringey Mental Health Trust which is supporting and preventing residents from being admitted to hospital, as well as supporting them on discharge from hospital. The community floating support service is continuing to support residents within the community. It is proposed that these services continue for at least an additional 3 months in the first instance, as the contracts were due to end on 15th July 2021.
- 6.6. In summary, it is proposed to vary and extend the existing contracts to allow sufficient time to complete the processes necessary to co-design the approach for the future and to enable continuity of service to this vulnerable client group.

7. Contribution to strategic outcomes

- 7.1. This service supports Priority 2 in the Borough Plan (2019-2023) 'Work together to prevent people becoming homeless and to reduce existing

homelessness’ and to ‘Ensure access to high quality housing support that prevents or relieves homelessness for people with additional needs’.

7.2. The service will contribute to the strategic objectives of Adult Social Care and their partners to offer preventative interventions at individual and community levels; decreasing demand on supported housing, preventing escalation of need and offering viable options to residential care.

7.3. The services will contribute to the Haringey Safeguarding Adults Board strategic priorities by ensuring that people with identified care and support needs are able to access appropriate and timely support that is relevant to their circumstances, capabilities and personal goals.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

8.1. Finance

8.1.1. This report is seeking variations to extend five contracts by up to one year to enable continuity of service while a review of the service delivery options is carried out . The review of the services has been delayed by Covid-19 and the impact on being able to carry out consultation. The variations to extend the contracts will also allow time for a competitive procurement process for the reviewed service outcomes. The proposed service contract variations are enabled to all end on 31st March 2022 to enable the reprocured services to start at the same time, if operationally required.

8.1.2. Two of the contract variations are proposing an uplift to the current rates. Service managers have reviewed the uplift requests and the operations of the providers and agreed the uplifts as being reasonable. The uplifted contracts will be kept as short as possible and will only be let for 6 months in the first instance but with the flexibility to extend for a further 6 months should this be required by the council to suit start date of the reprocured services.

8.1.3. The first contract is for accommodation residential support with forensic provision provided Sanctuary Housing Association to be extended by a maximum of one year (6 months plus a further 6 months) from 1st April 2021 to 31st March 2022 at a value of £389,717. This includes a 6.5% or £23,783 uplift on the previously agreed annual value and makes a total contract value of £2,019,387 over the 6 years to 31st March 2022.

8.1.4. The second contract is for accommodation based support and visiting support provided by St Mungos to be extended by one year from 1st April 2021 to 31st March 2022 at a value of £531,631. This the same rate as the previous agreed annual value and makes a total contract value of £2,989,798 over the 6 years to 31st March 2022.

8.1.5. The third contract for Community Mental Health Floating Support Service is delivered by Richmond Fellowship. This is to be extended for further periods of up to nine (9) months, commencing from 16th July 2021 at the cost of £197,847. The extension will be applied for an initial period of two and a half

(2½) months, commencing from 16th July 2021 to 30th September 2021 and will be extended for further periods of up to 6 months, if required. The aggregated value of the contract over a period of 27 months will be £593,541.

- 8.1.6. The fourth contract is for Integrated response mental health floating support service provided by One Housing Group. This is to be extended a periods of up to nine (9) months, commencing from 16th July 2021 at the cost of £185,250. The extension will be applied for initial period of two and a half (2½) months, commencing from 16th July 2021 to 30th September 2021 and will be extended for a further period of up to 6 months, if required. The aggregated value of the contract over a period of 27 months will be £555,750 including proposed extension.
- 8.1.7. The fifth contract is for the provision of Housing First Intensive Floating Support Service delivered by St. Mungo Community Housing Association. It is proposed that an uplift of £11,000 for a year is applied to this variation. The contract price has not increased in the previous 5 years. This is to be extended for a further period of up to 12 months, commencing from 1st April 2021. The extension will be applied for initial period of 6 months, commencing from 1st April 2021 to 30th September 2021 and will be extended for a further period of up to 6 months, if required. The total value over the full 12 months, if used, would therefore be £194,890 including total increase of £11,000 on the current contract price. The aggregated value of the contract over a period of 6 years will be £1,114,340 including proposed extension.
- 8.1.8. The variations for each contract enable the council to have continuity of service for one year whilst the provision of the service is evaluated to inform recommissioning options. The contract monitoring information included in this report demonstrates that the service provision has been satisfactory. If the contracts are not extended then there is likely to be an adverse impact on alternative care packages. Therefore, the contract extensions provide value for money to the council.
- 8.1.9. The cost of the contract values can be met from existing agreed budgets in Housing Related Support.

8.2. **Procurement**

- 8.2.1. The services this report relates to are under Schedule 3 of the Public Contracts Regulation 2015. As such would have been duly advertised in the Official Journal of the European Union
- 8.2.2. The variations requested are permitted both under Contract Standing Orders and s72 1 (e) of the Regulations; an insubstantial modification.
- 8.2.3. The COVID 19 pandemic had adversely impacted on commissioning's ability to undertake a competitive process as staff resources were directed elsewhere to support high need vulnerable homeless people in emergency

accommodation. The Contract extensions and price increases will enable sufficient time for commissioning to finalise consultation with service users to inform the direction of travel for service delivery going forward, enable services to continue to be delivered and carry out a tender process.

- 8.2.4. During the extension period commissioning will continue to regularly monitor service delivery, to ensure good service standards and outcomes continue to be met

8.3. **Legal**

- 8.3.1 The Assistant Director of Corporate Governance has been consulted in the preparation of the report.

- 8.3.2 Strategic Procurement have confirmed that the proposed variations detailed in this report are not substantial modifications within the meaning of regulation 72(8) of the Public Contracts Regulations 2015. The contracts may therefore be modified during their term without a new procurement procedure.

- 8.3.3 Pursuant to Contract Standing Order 10.02.1(b), Cabinet have authority to approve the variations and extensions of the contracts which the report relates to.

- 8.3.4 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in the report.

8.4. **Equality**

- 8.4.1. The Council has a Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advance equality of opportunity between people who share those protected characteristics and people who do not
- Foster good relations between people who share those characteristics and people who do not.

- 8.4.2. The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.

- 8.4.3. The proposed decision is to extend the Council's contract for the provision of Housing Related Support Mental Health Accommodation provided by St Mungo's and Sanctuary Housing. As well as Housing Related Support Floating Support Services provided by St Mungo's, One Housing and Richmond Fellowship. The primary beneficiaries of the decision are individuals with a diagnosis of a mental health condition, who share the protected characteristic of 'disability' under the Equality Act. The decision

represents a measure to meet the needs of this group where they differ to the needs of others, and therefore advances equality of opportunity.

- 8.4.4. As organisations carrying out a public function on behalf of a public body, St. Mungo's, Sanctuary Housing, One Housing and Richmond Fellowship will be expected to have due regard for the need to achieve the three aims of the public sector equality duty noted above.

9. Use of Appendices

- 9.1. None.

10. Local Government (Access to Information) Act 1985

- 10.1. Not applicable.