

Report for: Cabinet - 12 October 2021

Title: Award of contracts for the Provision of Housing Related Support (HRS) - Mental Health Pathway Services

Report

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Ward(s) affected: All

Report for Key/

Non-Key Decision: Key Decision

1. Describe the issue under consideration

1.1. This report details the outcome of an open tender process and seeks approval to award six contracts to the successful tenderers for the Provision of Housing Related Support (HRS) Mental Health Pathway Services in accordance with Contract Standing Order (CSO) 9.07.1 (d).

1.2. Subject to approval, the contracts shall be awarded for a period of three (3) years commencing from 1st April 2022 to 31st March 2025 with an option to extend for a further period, or periods, of up to a total of two (2) years.

2. Cabinet Member Introduction

2.1. The Council and its statutory partners are committed to supporting Haringey residents with mental health needs to prevent their homelessness and/or to achieve a fulfilling life through personalised and co-produced care and support. Housing-related support services are a valuable resource in the borough, which enable and empower people to develop and rebuild the confidence and skills needed to live independently.

2.2. The Mental Health Pathway contracts are therefore strategically important in delivering our commitments set out in the Borough Plan (2019-23). I welcome the outcome of the procurement exercise, which has identified organisations with the expertise and commitment required to meet the needs of vulnerable Haringey residents. Robust contract monitoring will help to ensure that services are of a good quality and that excellent outcomes for our residents are achieved.

3. Recommendations

3.1. That Cabinet approves:

- 3.1.1. The award of contracts for the provision of HRS - Mental Health Pathway Services to the successful tenderers (identified in Appendix 3 - Part B (exempt information) of this report), for a period of 3 years commencing from 1st April 2022 to 31st March 2025 with an option to extend for a further period, or periods, of up to 2 years, in accordance with CSO 9.07.1(d).
- 3.1.2. The aggregated cost of the contracts for the initial period of 3 years will be £3,225,810, inclusive of London Living Wage (LLW). For a duration of 5 years (if the extensions are invoked) would be £5,412,917, exclusive of annual inflationary increases for contractual years 4 and 5, but in line with LLW inflationary increase.
- 3.2. That Cabinet notes that:
 - 3.2.1. Insufficient tenders were received for some of the accommodation-based Lots, please see Appendix 3 - Part B (exempt information) of this report.:
 - 3.2.2. A further procurement process will be undertaken as a matter of priority to commission the remaining units. Prior to this feedback will be sought from bidders and partners to ensure retendering is effective and the new service model is fully in place by April 2022.
4. **Reasons for decision**
 - 4.1. There is an identified need within Haringey for services to support residents around the wide-ranging needs and circumstances that contribute to and cause homelessness. Dedicated mental health supported housing services help to meet that need, providing a flexible and person-centred service which will support clients to maintain and establish sustainable housing and overcome health inequalities, barriers and experiences that can contribute to and perpetuate homelessness.
 - 4.2. The Mental Health Pathway operates to prevent homelessness, facilitate rapid hospital discharge and smooth prison releases for people with ongoing mental health needs. The pathway supports residents to develop and strengthen the skills required to sustain independence. There is a continuous 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. These services make a key contribution to the health and wellbeing of local residents and there is both a strategic need and evidence base to support the award of these contracts.
 - 4.3. The Homelessness Reduction Act (2018) brought about a range of changes to the way that local authorities respond to households who are homeless or at risk of homelessness. A key element of the new legislation is an extended duty, for the Council and its partners, to prevent homelessness at the earliest possible stage. This focus on early prevention will be a key element of these services and will therefore support the Council in meeting its statutory duties under the Act.
 - 4.4. The HRS Mental Health Supported Housing Pathway will also contribute to delivery of the Council's Borough Plan (2019-2023) objectives and will play an

integral role in the delivery of Haringey's Homelessness and Rough Sleeping Strategies, by supporting single adults with support needs to secure positive housing, health and community outcomes.

5. Alternative options considered

- 5.1. **Do nothing** – The Council could elect not to recommission the Mental Health Pathway services. However, this would leave Haringey without the appropriate housing services to support households in need. This would be likely to cause an increase in the number of people placed into temporary accommodation and in acute hospital admissions, which would have a significant detrimental impact on the residents affected and the Council and its partners. The option to do nothing was considered and rejected.
- 5.2. **Extend existing contracts** – Extension periods available within the existing contracts have been exhausted.
- 5.3. **Deliver the services inhouse** –Extensive consideration was given to the possibility of in-house delivery for these services. However, the investment required to develop and manage the properties, services and teams required, was found to be significantly greater than the resources currently available to the Council. In particular, suitable accommodation for the delivery of key contracts within the Pathway would have been a challenge to source and manage; some of the existing properties would not have been available to the Council and an exploration of the Council's own assets did not generate any suitable and available buildings. The successful tenderer's have an extensive track record in delivering these services and have committed the properties required to do so. which will ensure quality services for residents and best value for the Council.

6. Background information

- 6.1. The existing services consist of 24-hour support, a forensic service (mental health and offending needs), medium and low support services, a women's only service, Housing First and Floating support services. A profile of the current services can be seen in Appendix 5. The current contracts for these services expire on 31st March 2022.
- 6.2. The Council's Housing Related Support Team have reviewed and modernised the existing service delivery model. Service users and partners have been involved in reshaping the delivery model for the Mental Health Pathway to ensure a flexible mix of options is available. 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 refreshed Mental Health Pathway consists of a variety of Housing Related Support services described in Appendix 4.
- 6.3. Consultations were carried out with existing providers and stakeholders including Barnet Enfield and Haringey Mental Health Trust. It was felt that the services needed to be more flexible by limiting the number of moves made by service users within the pathway. There was also a high demand for the

Housing First service which has positive outcomes and therefore have increased the total units. The floating support services have been working well and it was felt that the two current contracts for this service should be combined to enable smooth transitions and economies of scale.

- 6.4. Further, contract monitoring of the existing services identified 76% of new service users in accommodation services were men and 67% were from BAME backgrounds. It was agreed to pilot a small, supported housing service for black men, to address the specific experiences this group faces when accessing and engaging with mental health and housing services, to enable peer support and to strengthen relationships to culture and identity. It was also agreed to continue with the women-only service which has produced positive outcomes during its pilot years.
- 6.5. The overall aim of the Pathway is to provide high quality accommodation and housing support services for vulnerable and homeless adults with mental health needs. The services will operate a flexible delivery model and provide staffing support that enables a personalised pathway away from homelessness, building on people's strengths and aspirations for the future. The service will provide support to people whose primary needs are mental health and homelessness, with recognition this often intersects with histories of abuse and trauma, criminal justice involvement, drug and alcohol dependency and social exclusion.

6.6. Procurement Process

- 6.6.1. The services provided under these contracts are considered Health and Social Care services and are therefore subject to Light Touch Regime under the Public Contracts Regulations 2015. An open tender process was carried out in accordance with the Regulations and the Council's Contract Standing Orders.
- 6.6.2. A Market Engagement event was held on 28th January 2021. This event was intended to communicate and share information with potential providers to help them understand the commissioning intentions and offer potential suppliers the opportunity to raise any questions and present their views. This event also included a presentation by an ex-service user to explain how the existing service had made a positive impact on her life, enabling recovery with her mental health and ability to live independently.
- 6.6.3. As required a Contract Notice was placed on Find a Tender Service (FTS) and Contracts Finder websites on 6th April 2021.
- 6.6.4. The Invitation to Tender (ITT) and supporting documents were published via the Council's e-sourcing portal, Haringey Procurement and Contract System (HPCS) to enable potential tenderers to access the tender and submit documents electronically.
- 6.6.5. The service was tendered in seven (7) Lots:
- Lot 1 – Intensive Support Service
 - Lot 2 – Flexible Support Service - Long Stay

- Lot 3 – Flexible Support Services - Generic
 - Lot 4 – Flexible Support Service for Women only
 - Lot 5 – Flexible Support Service for Black Men only
 - Lot 6 – Housing First Support Services
 - Lot 7 – Floating Support Services
- 6.6.6. Tenderers were permitted to submit tenders for one, some, or all Lots, however, the award of contracts was restricted to maximum of five (5) Lots to any single organisation.
- 6.6.7. Twenty-one (21) organisations registered their interest on the portal and accessed the tender documents, a number of clarifications were raised during the tender process. Three (3) organisations declined to submit tenders citing inability to submit a competitive tender.
- 6.6.8. By the closing deadline of 10th May 2021, 10 tenders were submitted across 5 lots. A breakdown of bids received for Lot 1 to 3, 6 and 7 is listed below:
- Lot 1 – one (1) bid
 - Lot 2 – two (2) bids
 - Lot 3 – two (2) bids
 - Lot 6 – two (2) bids
 - Lot 7 – three (3) bids
 - No tenders received for Lot 4 and 5.
- 6.6.9. All tenders were checked for compliance with minimum requirements including mandatory and discretionary exclusion criteria before quality and price evaluations.
- 6.6.10. All the tenders passed the compliance checks and their tenders evaluated using the Most Economically Advantageous Tender (MEAT) with a split of 60% quality and 40% price. The tender evaluation criteria and weighting were set out in the tender documents and clarified during the tendering process.
- 6.6.11. In order to ensure all tenders met an acceptable quality standard, the providers were required to score a minimum of 300 points (50% of the total scores allocated to QDPs) and/or must achieve a minimum of pre-weighted scores of 2 (below expectations) or above for each method statement question to pass the quality evaluation.
- 6.6.12. Quality and Price scores were added together to determine the Most Economically Advantageous Tender(s) for each Lot. Outcome of the tender evaluation and breakdown of quality and price scores achieved by each tenderer for each lot is set out in Appendix 1 (Procurement Outcome) of this Report. Also, further information about the tender evaluation is contained in Appendix 3 (Part B - Exempt Information) of this report.

- 6.6.13. Although the Tenderers were able to bid for more than one lot and allowed to submit prices for individual lots and combined services (to provide economies of scale), no bids were received for combined service.

6.7. Transition and Contract Management

- 6.7.1. In order for the new service to commence delivery to the public on 1st January 2022, the Commissioners have allocated three months for transition and mobilisation of the contracts.
- 6.7.2. Contract management will be incorporated into the contracts. Key Performance Indicators and methods of measurement are integrated within the service specification and will be monitored through contract monitoring meetings and reports.
- 6.7.3. Contract monitoring meetings will be held monthly for the first six months and quarterly thereafter. The purpose of monthly monitoring meetings will be to examine the implementation of the service, monitor delivery of the service at an operational level and to foster partnership working to facilitate early resolution.

7. Contribution to strategic outcomes

- 7.1. The provision of the HRS Mental Health Pathway contributes significantly to the Council's strategic outcomes under the Borough Plan 2019 – 2023, in particular:
- Priority 2: 'Work together to prevent people becoming homeless and to reduce existing homelessness' and,
 - This will ensure access to high quality housing support that prevents or relieves homelessness for people with additional needs.
- 7.2. Pathway services 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. The proposal is to award the contracts for a period of three (3) years commencing from 1st April 2022 to 31st March 2025 at a cost of £3.225m, with an option to extend for a further period or periods of up to a total of two (2) years at a total cost of £5.412m to 31st March 2027.

Housing related Mental Health services	2022/23 £m	2023/24 £m	2024/25 £m	Subtotal £m	2025/26 £m	2026/27 £m	Total £m
Gross Budget	1.731	1.731	1.731	5.193	1.731	1.731	8.655
Gross Projected Expenditure	1.075	1.075	1.075	3.225	1.094	1.094	5.412

8.1.2. There is sufficient annual budget of £1.731m to meet the allocated expenditure of £5.412m over financial years 2022 - 2027.

8.2. Procurement

8.2.1. Strategic Procurement led the procurement process which complies with the requirements of the Public Contracts Regulations 2015 (Light Touch Regime).

8.2.2. The process adopted and outcome is in line with Contract Standing Orders 9.01.1, 9.01.2(a) and 9.07.1a and d.

8.2.3. The procurement process ensured best value for the Council; bids returned were within the budget envelope provided.

8.2.4. Contract monitoring will be undertaken by commissioning team throughout the duration of the contract. Key performance indicators and outcomes are captured in the contract document to ensure contract performance targets are met, outcomes are realised, and service delivery risk mitigated as well as, foster partnership working and the sharing of expertise.

8.3. Legal

8.3.1. The Head of Legal and Governance notes the contents of the report.

8.3.2. The report stated and Strategic Procurement has confirmed that the open tender procedure was followed during the tender process and as such the procurement was in line with the provisions of the Council's Contract Standing Order (CSO) 9.01.1 and CSO 9.01.2(a) and it is therefore compliant with the provisions of the Public Contracts Regulations 2015.

8.3.3. In accordance with the provisions of CSO 9.07.1(d), Cabinet may approve the award of a contract if the value of the contract is £500,000 or more and as such Cabinet has power to approve the award of the contract in the Report.

8.3.4. The Head of Legal and Governance sees no legal reasons preventing the approval of the recommendations in the report

8.4. Equality Melissa Nalubwama-Mukasa, Equalities and Diversity Officer

- 8.4.1. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard 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 apply 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 award contracts for the Provision of Housing Related Mental Health Pathway Support Services to the successful tenderers for 3 years. 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 from the needs of others, and therefore advances equality of opportunity. Among whom those from Black and Asian Minority and LGTBQ+ communities are overrepresented and possess the protected characteristics of race and sexual orientation.
- 8.4.4. The objective of the proposed decision is to support people with mental health needs, prevent homelessness and achieve a personalised recovery. This measure aims to eliminate discrimination for the named above groups and advance equality of opportunity in terms of disability and housing as well as wider social outcomes. This will lead to better mental health recovery, tenancy sustainment and better outcomes for the future including job opportunities and education. This will also support individuals from Black and Asian Minority and LGTBQ+ communities among whom are overrepresented as service users.
- 8.4.5. The proposed decision, therefore, represents a measure to address a known inequality that disproportionately affects individuals with a mental health condition and prevent discrimination. It also advances equality of opportunity by meeting the needs of individuals with mental health conditions. It will also foster good relations between the affected individuals and the wider community.
- 8.4.6. The organisations for these contracts will be carrying out a public function on behalf of a public body and will be obliged to have due regard for the need to achieve the three aims of the Public Sector Equality Duty as stated above. Appropriate contract management arrangements will be established to ensure that the delivery of the Mental Health Pathway services does not result in any preventable or disproportionate inequality. The Council will take steps to collect demographic data on service users to identify any inequalities in service provision that may arise and to inform future equalities analysis.

- 8.4.7. An Equality Impact Assessment has been completed for the proposed, Award of contracts for the Provision of Housing Related Mental Health Pathway Support Services and is included as Appendix 2 to this report.

9. Use of Appendices

- 9.1. Appendix 1 – Procurement Outcome
9.2. Appendix 2 – Equalities Impact Assessment
9.3. Appendix 3 – Part B of the report - Exempt Information
9.4. Appendix 4 – Proposed Services
9.5. Appendix 5 – Profile of Existing Services

10. Local Government (Access to Information) Act 1985

- 10.1. This report contains exempt and non-exempt information. Exempt information is contained in the exempt report and is not for publication. The exempt information is under the following category: (identified in the amended schedule 12 A of the Local Government Act 1972 (3)) information in relation to financial or the business affairs of any particular person (including the authority holding that information).