

Report for: Cabinet 10 March 2020

Title: Extension and variation of Mental Health Accommodation Contracts under Contract Standing Order(CSO) 10.2.1(b).

Report authorised by : Charlotte Pomery: Assistant Director 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 This report seeks approval to extend the Council's contracts for the provision of Housing Related Support Mental Health Accommodation provided by St Mungo's and Sanctuary Housing. There is provision in the current contracts for these contracts to be extended for 1 year + 1 year and the extension is requested for one year from 1 April 2020 to 31 March 2021, as provided under CSO 10.2.1(b).

2. Cabinet Member Introduction

2.1 The Council is committed to supporting people with a mental health diagnosis, who are in need of accommodation to help their recovery. Housing Related Support supports a wide range of people to develop independent living skills to aid recovery and enable them to move on to live independently.

2.2 I am pleased to support the approach proposed which will see short term extensions to the current arrangements to ensure that the service continues whilst a new model is co-designed with stakeholders before commissioning gets underway for the future.

3. Recommendations

3.1 It is recommended that Cabinet pursuant to Contract Standing Order 10.02.1(b) approves the following:

3.1.1 Extend Sanctuary Housing Association accommodation with forensic provision contract for one year from 1 April 2020 to 31 March 2021, and vary the contract to provide an annual uplift of £50,000 on the original contract value. The total annual cost of the extension for Sanctuary Housing Association will be

£365,934, to include the £50,000 uplift. The total contract cost over the life of the contract will be £1,629,670.

- 3.1.2 Extend St Mungo's accommodation with 24 hour support and visiting support (Mental Health West) contract for 1 year from 1 April 2020 to 31 March 2021, and vary the contract to provide an annual uplift of £50,000 on the original contract value. The total annual cost of the extension for St Mungo's will be £531,631, to include £50,000 uplift. The total contract cost over the life of the contract will be £2,458,155.

4. Reasons for decision

- 4.1 Mental Health supported housing is an important element of the accommodation pathway for people with mental health needs. It is felt to be in the Council's overall interest to agree an extension for the two contracts as this will enable a review of the existing services and a planned redesign of the whole mental health accommodation pathway to be completed. The mental health accommodation pathway offers a range of options including 24 hour support, forensic, medium support and lower support services offering visiting support as well as the contracts identified here and it is important that services work together to ensure a range of needs can be met. The contracts were awarded from 1 April 2016 for a period of 4 years with the option to extend for a period of 1 year + 1 year.
- 4.2 In light of the contribution made by these services to the health and wellbeing of local residents, there is a need to continue to provide a Housing Related Support Service for Haringey residents aged 18 years and over without a break. This will continue to help both to prevent homelessness and to sustain tenancies for vulnerable adults, by supporting them to develop and strengthen the skills and knowledge required to live independently. There is a continued high demand for mental health supported housing, and residents are referred both from Barnet, Haringey and Enfield Mental Health Trust (BEHMHT) and through the housing route through Homes for Haringey.
- 4.3 In addition, enabling people to move into supported housing where this meets their needs reduces social care costs and is also a cost effective means to support people who may then not need a social care intervention.
- 4.4 The performance of the contractors has been evaluated as good throughout the contract period. Performance returns have been submitted by both providers throughout the course of the contract and targets are being met.
- 4.5 An uplift to the current contract price has been recommended to reflect inflation and staffing cost increases over the 4 year course of the contract.

5. Alternative options considered

- 5.1 **Do Nothing** - It would be possible to leave the contract 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, given the need for redesign and for changes to the existing model, it was felt to be preferable to set in place a contract for one year only to enable further information to be collected to inform commissioning from 1 April 2021.
- 5.3 **Deliver the services in house** – Both providers are using their own accommodation to support this service, as well as agreements and leases with other landlords, and for the Council to establish appropriate accommodation from which to deliver the service in-house would not be possible in the time frames available. However, the planned redesign of the mental health accommodation pathway does offer scope to consider further an in-house model for this or for other elements of the pathway.

6. Background information

- 6.1 The existing contracts commenced on 1st April 2016 for a four year duration, with the opportunity to extend for 1 plus 1 years. Both providers have been submitting Quarterly outcome workbooks and attending quarterly contract meetings. There is a total of 98 units of accommodation provided throughout these contracts. There were 34 new admissions to the service in 2018/19 and a further 21 new admissions 2019/20 up to 30/9/19. The majority of the service users moved on in a planned and positive way.
- 6.2 A proposal to extend the contract for 1 year only and during that time to design a new mental health accommodation pathway is being put forward – it is not felt that the contracts should be extended for the further year which is available to the Council, as this would risk delays to the recommissioning needed to ensure the services best meet current identified need.
- 6.3 Both providers were unable to extend the contracts without an uplift to supplement the funding which had already been in place for 4 years. They both expressed the view that the contracts would not be financially viable for them to continue and having considered this in detail, officers support this position. Therefore, it is being proposed that both providers continue to provide the service for an additional year with a £50,000 uplift.
- 6.4 There is a high demand for supported accommodation, 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.

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'
- d) 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 Adults 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, Head of Procurement), Assistant Director of Corporate Governance, Equalities)

8.1 Finance

- 8.1.1 This report is seeking to extend two contracts by one year and to vary both contracts with an uplift of £50,000 each for the one year extension.
- 8.1.2 The first contract is for accommodation residential support with forensic provision provided Sanctuary Housing Association to be extended by one year from 1st April 2020 to 31st March 2021 at a value of £365,934. This includes a £50,000 uplift on the previous annual value and makes a total contract value of £1,629,670.
- 8.1.3 The second contract is for accommodation based support and visiting support provided by St Mungos to be extended by one year from 1st April 2020 to 31st March 2021 at a value of £531,631. This includes a £50,000 uplift on the previous annual value and makes a total contract value of £2,458,155.
- 8.1.4 The uplifts 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 uplift for Sanctuary Housing represents a 16% increase from the original annual contract value. This is the equivalent of a 4% increase per year after the initial year. The uplift for St Mungos represents a 10.4% increase from the original annual contract value. This is the equivalent of a 2.6% increase per year after the initial year. The contract monitoring information included in this report demonstrates that the service provision has been satisfactory. Therefore, the contract extensions provide value for money to the council.
- 8.1.5 The combined contract values of £897,565 can be met from existing agreed budgets in Housing Related Support.

8.2 Procurement

8.2.1 This provision falls within the ambit of the Light Touch Regime Schedule 3 of the Public Contracts Regulation 2015 (the “Regulations”) and was duly advertised and tendered as required.

8.2.2 The contract extension was anticipated at procurement and included in contact documents.

8.2.3 Since inception the Providers have not been given a price uplift and a variation in price is requested to enable the Contractors to continue to provide this valuable provision whilst recommissioning options are explored.

Generally modifications during a contract term will trigger the requirement for new tender process unless it falls within the permitted allowances under Regulation 72 of the Regulations.

8.2.4 The requests for extension and contract price variation are both permitted; a review clause allowing an extension was provided for as part of the initial procurement and contract process, the increase in price is insubstantial; it's under threshold and less than 10% of the original contract value (reg 72.1a and 72.5 a,b respectively). This increase represents best value for the Council given cost avoidance in the last several years

8.2.5 The Providers have demonstrated the efficacy of service provision in meeting key performance indicators and service user outcomes. Commissioning will continue to monitor the contract during the contract extension period

8.3 Assistant Director of Corporate Governance

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

8.3.2 The extensions and variations to the contracts to which this report relates comply with the Public Contracts Regulations 2015.

8.3.3 The Assistant Director of Corporate Governance sees no legal reasons preventing Cabinet from approving the recommendations in this 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 award to extend the Council's contract for the provision of Housing Related Support Mental Health Accommodation provided by St Mungo's and Sanctuary Housing. 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 and Sanctuary Housing 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

Not applicable

10. Local Government (Access to Information) Act 1985

10.1 Background papers:

Haringey Homelessness Strategy (2018)

<http://www.minutes.haringey.gov.uk/mgConvert2PDF.aspx?ID=100130&ISATT=1#search=%22Homelessness%20strategy%22>

Award of Housing Related Support Contracts-Mental Health-Pathway of Short Term Housing-Phase 3-September 2015

<http://www.minutes.haringey.gov.uk/mgConvert2PDF.aspx?ID=80442&ISATT=1#search=%22Award%20of%20Housing%20Related%20Support-%20mental%20health%20pathway%22>

- 10.2 This report contains no exempt information.