



Cabinet
21 September 2015

Report from the Strategic Director, Adults

For Action

Wards Affected:
[ALL]

Authority to tender contracts for accommodation-based social care, support and rehabilitation services for individuals who have high to medium mental health support needs

1. Summary

- 1.1. In accordance with Contract Standing Orders 88 and 89, this report requests Cabinet approval to procure two contract for Accommodation Plus provision to support people recovering from mental health problems.
- 1.2. The current contracts are due to expire on 1st April 2016, so there is a need to commence procurement activity now to ensure new contracts are in place for this date.
- 1.3. .

2. Recommendations

- 2.1. Cabinet approve the inviting of tenders for two Accommodation Plus contracts to support people with mental health problems on the basis of the pre - tender considerations set out in paragraph 3.9 of the report.
- 2.2. Cabinet give approval to officers to evaluate the tenders referred to in 2.1 above on the basis of the evaluation criteria set out in paragraph 3.9 of this report.

3. Detail

- 3.1. In April 2011, the Council awarded contracts to Look Ahead and Equinox to provide community-based housing, social care support and rehabilitation for individuals who have medium and high support needs with Mental Health (MH) problems who require rehabilitative and

reablement support to help them regain independence living skills. Both contracts expire on the 1st April 2016.

- 3.2. The current contracts enable the provision of a temporary home where people with long-term mental health conditions can work on further recovery towards the goals of living more independently with stable mental health, meaningful employment, and reduced reliance on statutory services.
- 3.3. Contract monitoring systems have been successfully utilised to ensure that the bed spaces are well used, and the providers are focused on the eligible needs identified by the specialists at CNWL.
- 3.4. The Care Act 2014 places emphasis on prevention, enablement, ways of reducing loneliness and social isolation and promotion of independence as ways of achieving and exceeding desired outcomes for service users accessing Adult Social Care. These MHABCS contracts currently fulfil these requirements for a small group of people with significant long-term needs and given the expiry of contracts on 1 April 2016, there is a wish to procure replacement contracts.
- 3.5. whilst these services has always worked on the premise of a reablement ethos with the aim of supporting people to move on to more independent living, this procurement affords commissioners an excellent opportunity to strengthen this ethos, specifically more explicit quality standards and to ensure service key objectives fully embed the Care Act 2014, and commence the move to a more rigorous outcomes-based approach.
- 3.6. Significant system wider work is currently underway with health partners to review the whole mental health pathway for people and the development and implementation of a new service model that is able to better meet the needs of people; these contracted services currently support the pathway and form a key part of the recovery pathway for a significant number of people currently. However, as work to redefine the current pathway is not fully completed and embedded, Officers consider it is most appropriate to procure new contracts with a relatively short initial term of 1 year but for such term to be extendable at the option of the council for 2 successive 1 year periods. It is considered that this 1+1+1 contract term will allow the Council flexibility in coordinating the commissioning and de-commissioning of this and other related services over the next 3 years should there be a need to do this as a result of the new fully embedded pathway and operational model currently being developed
- 3.7. It is planned that a new tender process will commence in October 2015 to ensure continuity of the service by awarding new contracts in February 2016 with a 6-8 weeks handover and transition period.
- 3.8. The contracts will be let based on their specialisms;

- a. Contract 1 for Location 1 – a contract to provide support for up to 8 males with high to medium mental health needs who may also have support needs with drug and alcohol misuse
- b. Contract 2 for Location 2 and 3 – a contract to provide support to up to 13 individuals with high to medium mental health needs who may also have support needs related to paranoid schizophrenia, and anxiety

3.9 In accordance with Contract Standing Orders 88 and 89, pre-tender considerations have been set out below for the approval of the Cabinet.

| Ref. | Requirement | Response | |
|-------|-------------------------------------|---|--------------------------------|
| (i) | The nature of the service. | Two Mental Health Accommodation-Based Care and Support service contracts | |
| (ii) | The estimated value. | Contract 1 for Location 1 – between £528k and £624k for a possible 3 year term (£176k to £208k per annum); Contract 2 for Location 2 and 3 – between £900k and £1,015k for a possible 3 year term (£300k to £338k per annum) | |
| (iii) | The contract term. | Contracts 1 and 2 - An initial term of one year with option to extends by 2 successive one year periods. | |
| (iv) | The tender procedure to be adopted. | Restricted OJEU | |
| v) | The procurement timetable. | Indicative dates are: | |
| | | Adverts placed | 1 st October 2015 |
| | | Expressions of interest returned | 2 nd November 2015 |
| | | Shortlist drawn up in accordance with the Council's approved criteria | 13 th November 2015 |
| | | Invite to tender | 16 th November 2015 |
| | | Deadline for tender submissions | 21 st October 2015 |

| Ref. | Requirement | Response | |
|------|--------------------------------------|--|--------------------------------|
| | | Panel evaluation and shortlist for interview | 11 th December 2015 |
| | | Contract decision | 18 th December 2015 |
| | | Report recommending Contract award circulated internally for comment | January 2016 |
| | | Cabinet approval | February 2016 |
| | | Minimum 10 calendar day standstill period – notification issued to all tenderers and additional debriefing of unsuccessful tenderers | February 2016 |
| | | Contract Mobilisation | March 2016 |
| | | Contract start date | 2 nd April 2016 |
| (vi) | The evaluation criteria and process. | <p>The following evaluation criteria and process will be common to Contract 1 and Contract 2:</p> <ol style="list-style-type: none"> 1. At selection (pre-qualification stage) shortlists are to be drawn up in accordance with the Council's Contract Procurement and Management Guidelines namely the pre qualification questionnaire and thereby meeting the Council's financial standing, technical capacity and technical expertise requirements. There will also be a requirement for the bidders to certify an ability to deliver Social Value benefits as required in the Contract Specifications. 2. At the tender evaluation stage, the panel will evaluate bids on the grounds of the Most Economically Advantageous (Price and Quality) offer. Quality criteria will have a 40% weighting and will consist of: <ul style="list-style-type: none"> ▪ How experience in delivering similar services will be applied to the Service. ▪ How the Service will be operated to lead to | |

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| | | <p>improved personal independence.</p> <ul style="list-style-type: none"> ▪ How out of hours services will be delivered. ▪ Proposals with regard to Staffing (skills, qualifications and experience and structure) in order to meet the needs of the service users. ▪ How the Service will be operated to achieve delivery of outcomes. ▪ How policies and procedures regarding equality and human rights will be applied specifically to this group of service users. ▪ How the Safeguarding policy will be implemented specifically to this group of service users. ▪ How Social Value will be delivered. <p>Cost will have a 60% weighting.</p> |
| (vii) | Any business risks associated with entering the contract. | There are no business risks associated with the proposed contract. |
| (viii) | The Council's Best Value duties. | The evaluation criteria will be based on a model where cost and quality are distributed to ensure that provider(s) are selected on best value. The tendering documentation will also specify how the agreements will be managed to ensure on-going delivery of the outcomes. |
| (ix) | Consideration of Public Services (Social Value) Act 2012 | <p>The following Social Value assessments will be incorporated into the qualification and tender evaluation processes:</p> <p>Qualification stage</p> <ul style="list-style-type: none"> ▪ Involvement of Small and Medium Enterprises (SME's), particularly within Brent. ▪ Adoption of ethical practices: these will include Safety and Hygiene and Working Hours. <p>Tender stage</p> <ul style="list-style-type: none"> ▪ Number of additional jobs that will be created as part of the contract. ▪ Percentage of vacancies that will be targeted at unemployed in-borough people. ▪ Total anticipated spend with SME's (in and out of Brent). ▪ Targets for reducing carbon and pollution |

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| | | waste. The weightings for Social Value will hold at least 5% of the total quality score. |
| (x) | Any staffing implications, including TUPE and pensions. | See section 7.0 below. |
| (xi) | The relevant financial, legal and other considerations. | See sections 4.0 and 5.0 below. |

4.0 Financial Implications

4.1 The estimated value of the contract is between £1.43m and £1.64m over a potential three year period.

4.2 It is anticipated that the cost of this contract will be funded from the current Mental Health budget within Adult Social Care. This budget is subject to the council's annual budget process and so this contract would form a priority commitment upon agreed budgets.

4.3 The contract is compliant with London Living Wage (LLW). The hourly rate of staff providing care and support within a Mental Health Supported Living would already exceed this. There is a potential risk of additional costs in future depending on if, and to what level, the LLW is increased over the life of the contract.

5.0 Legal Implications

5.1 The estimated values of both Contract 1 and Contract 2 are in excess of £250k. As such the contracts are both a High Value Contracts for the purposes of council's Contract Standing Orders and Financial Regulations and thus Cabinet approval is required to invite tenders and to evaluate tenders for the contracts.

5.2 Care and support services fall within the social and other specific services listed in Schedule 3 ("Schedule 3 Services") of the Public Contracts Regulations 2015 ("EU Regulations") and as such are subject to a lighter touch regime. As the estimated value of this proposed tenders are for Contract 1, £622,527 and for Contract 2, £1,013,634, Contract 1 is below the threshold applicable to Schedule 3 Services (currently set at

£625,050) whereas Contract 2 is above the threshold. Whilst Contract 1 does not strictly need to be procured in accordance with the full requirements of the EU Regulations applicable to Schedule 3 Services, Contract 2 does. However the intention is to procure both in accordance with EU Regulations, including advertising both in the Official Journal of the European Union.

- 5.3 Once the tendering process is undertaken, Officers will report back to Cabinet in accordance with Contract Standing Orders explaining the process undertaken in tendering the contract and recommending award.
- 5.4 As the procurement of Contract 2 is subject to the full application of the EU Regulations, the Council must observe the requirements of the mandatory minimum 10 calendar standstill period imposed by the EU Regulations before the contract can be awarded. If no challenge or successful challenge is brought during this standstill period, the Council can issue a letter of acceptance to the successful tenderer and the contract may commence.
- 5.5 The Transfer of Employment (Protection of Employment) Regulations 2006 ("TUPE") will apply when a contract is awarded to a new provider where immediately before the change of provider, there is an organised grouping of employees situated in Great Britain which has as its principal purpose the carrying out of the activities concerned on behalf of the provider and where the employees are assigned to that organised grouping. Subject to the right of the employee to object to transferring, the employee's contract of employment will transfer to the new provider. Where the incumbent providers are not successful in any re-tender therefore, staff will TUPE to any new provider(s) appointed. Further details regarding TUPE implications are contained in the Staffing Implications.

6.0 Diversity Implications

- 6.1 An Equality screening has been undertaken by officers which, indicated no negative impacts across the seven protected characteristics groups. Impacts for race, religion & belief, sex, marriage & civil partnership, gender reassignment, age, and pregnancy & maternity were neutral, with individuals from these groups having equal access to the service. Impact for the protected characteristic of disability was positive, as this service will continue to provide a specialist service to people with identified high support needs as part of their recovery programme from long-term mental ill health.

7.0 Staffing/Accommodation Implications (if appropriate)

- 7.1 This service is currently provided by an external contractor and there are no implications for Council staff arising from retendering the contract.

8.0 Background Papers

8.1 None

Contact Officers

Jas Kothiria
ASC Senior Category Manager
Email: jas.kothiria@brent.gov.uk
Tel: 020 8937 1170

Bharti Raval
Service and Community Development Officer
Email: bharti.raval@brent.gov.uk
Tel: 020 8937 2196

PHIL PORTER
Strategic Director, Adults