



Executive
17 January 2011

**Report from the Director of
Housing and Community Care**

Wards Affected:
ALL

Award of contracts for accommodation with social care support services for people using mental health services

1.0 Summary

- 1.1 Individuals using mental health services locally have told us that housing is important to them, that accessing and staying in independent housing locally needs to be made easier, that existing shared housing often no longer meets their needs, that they need flexible support, often in very practical areas and that they want help to combat social isolation and to do “ordinary things” that other people do.
- 1.2 This report requests authority to appoint two providers to a framework for the provision of accommodation with social care support services, housing support and housing management for people with mental health illness as required by Contracts Standing Orders. The framework is to bring back 50 individuals currently placed in Out of Borough social care settings. The framework is for a period of 3 years commencing in January 2011 with an option to extend the contracts for a further two-year period. It is also proposed to award call-off contracts to the two providers for the same period. This report summarises the process undertaken in tendering these framework appointments and following the completion of evaluation of the tenders, recommends to whom the contracts should be awarded.
- 1.3 This framework has been developed to reduce our reliance on placing individuals using mental health services who require accommodation with social care support with providers outside of Brent. The process of bringing back 50 individuals will be managed through a staggered system to mitigate the risks of the individuals’ mental health being negatively affected.

2.0 Recommendations

- 2.1 That the Executive approve the appointment of two provider organisations, Equinox Care and Look Ahead Housing and Care to a framework for the provision of accommodation with social care support services, housing support and housing management. The length of the contract will be for a period of 3 years commencing in January 2011 with an option to extend the framework for a further two-year period.
- 2.2 That the Executive award a call-off contract from the framework referred to in paragraph 2.1 to Equinox Care for the provision of accommodation with social care support services, housing support and housing management for up to 25 adults with high and medium mental health needs over three years with an option to extend the framework for a further two-year period.
- 2.3 That the Executive award a call-off contract from the framework referred to in paragraph 2.1 to Look Ahead Housing and Care for the provision of accommodation with social care support services, housing support and housing management for up to 25 adults with high and medium mental health needs over three years with an option to extend the framework for a further two-year period.

3.0 Detail

- 3.1 The 1999 National Service Framework for Mental Health (“NSF”), the Mental Health Joint Commissioning Strategy, the Mental Health Accommodation Strategy and the Supporting People Strategy continue to have requirements to promote independence and to ensure that people move on from acute care and support into the community and supported accommodation. The NSF 10-year plan in particular was designed to improve on community provision for people with mental health problems. Including:
 - improving the wellbeing of people using mental health services
 - Helping to ensure that people using mental health services have the right treatment at home, rather than in a hospital
 - assisting and enabling people with mental health problems to be part of the community
 - ensuring that Local Authorities, NHS Trusts and other Providers worked together to commission and develop services and treatments that are capable of looking after all the needs of individuals using mental health services
- 3.2 New Horizons – Towards a Shared Vision for Mental Health 2009 aims to build on the National Service Framework for mental health and continue to do more preventative work, creating connected communities through the promotion of well-being and resilience and the reduction of inequalities. In line with New Horizons this framework:
 - recognises the need to prevent mental health problems and promote mental health and well-being whilst focusing on social inclusion
 - has been developed to ensure that care is based on individuals’ needs and wishes, leading to recovery

- will work to assist to improve the quality of life to promote recovery for people using mental health services
- 3.3 The Council (through Adult Social Care Services) therefore wish to commission services that have the ability to offer an holistic recovery and person centred approach to commissioning services across accommodation, mental health, housing support and social care services which improve on existing provision.
- 3.4 At present there is a high reliance on placing people using mental health services to 'Out of Area' services through spot purchases, with people being placed far from home due to a lack availability of high and medium social care with supported accommodation in Brent. People using mental health services are also placed in inappropriate accommodation, including group homes which do not suit their needs and preferences.
- 3.5 The 2008 Brent Mental Health and Accommodation Strategy outlined the need to increase high and medium supported accommodation and to ensure that all supported accommodation is of a high standard with appropriate health and social care support as required. The Strategy also emphasises the need to promote recovery and social inclusion and to provide a pathway, ensuring the right support at the right time, while maximising independence. By providing more high and medium support accommodation within commissioned services, the aim is to reduce high cost out of borough spot purchases and allow more investment locally to include culturally appropriate, gender specific and provision for those with more challenging needs including forensic histories and dual diagnosis.
- 3.6 The services falling under this Contract are intended to provide social care and housing related support to people with mainly medium and high complex mental health issues to meet their needs and enable them to achieve their personal and social functioning goals and improve their health and wellbeing and other aspects of their lives. The principal aims of the service are to provide accommodation with social care and housing related support, using all components of the recovery approach including a strengths-based approach with creative and positive risk-taking.
- 3.7 The main aim of this framework agreement is that the two contracts will help the Council to deliver:
- a coherent and consistent approach to providing high and medium levels of mental health care to adults with severe and enduring mental health
 - the provision of accommodation with social care support 24 hours, 7-days a week, for people with complex mental health needs which will reduce the need for vulnerable service users to be placed outside the borough of Brent, particularly those currently reliant on residential and nursing spot placements.

- rehabilitation schemes that work in co-operation with other community based services to reduce the reliance of the service on in-patient treatment.
- a comprehensive range of social care services with clear pathways that allow service users to transfer appropriately from high to low support schemes as their needs change and their capacity to manage independently improves.
- the involvement of family and carers in care plans to help the service users with the recovery from mental ill health.

3.8 The 'Guiding Statement on Recovery (NIMHE 2005)' identifies six potential meanings:

- returning to a state of wellness
- achieving a personally acceptable quality of life
- a process or period of recovering
- a process of gaining or restoring something
- obtaining usable resources from apparently unusable sources
- recovering quality of life and winning satisfactions in disconnected circumstances
- social care and rehabilitation for the mental health problem

This provision will ensure clear measurable outcomes are met in the following ways:

Being healthy – access to health services, GPs, dentist, optician and encouragement to develop healthy eating and lifestyles, health promotion, avoidance of self-neglect and depression, risks of smoking, alcohol and substance misuse, avoidance and harm reduction strategies.

Staying safe – increased self esteem, understand rights and responsibilities, raise concerns and minimise isolation, safeguarded from injury, bullying, crime, violence, anti-social behaviour and all types of exploitation. Tenancies are stable and problem-solving amongst tenants' takes place with appropriate support from staff.

Enjoying and achieving – maximising opportunities, achieving aspirations, educational attainment, personal and social development and leisure activities. Support into employment for service users wishing to get assistance to enable them to work and stability in the workplace for those in employment.

Making a positive contribution – the ability to maintain a tenancy and meet occupancy obligations, development of a range of social, life and independent living skills to increase interests, decision making and positive non-discriminatory behaviour, decrease in criminal justice involvement and reduction in offending behaviour.

Economic well-being – engagement in educational achievement and training activities that help get work experience/voluntary work, build up CVs where appropriate, are encouraged to manage finances/budget and maximise income via welfare benefits

4.0 Current Arrangements

- 4.1 The current investment by the Council is a mixture of block and spot purchases from various providers in and outside of the Borough. As of November 2010 our current commitments on placements are as follows:-

Table 1

| Total Number of Social Care Funded Spot Placements | Total Number of Social Care Spot Purchases fund by the Council only | Number of Joint Funded S117 Spot Placements LBB /NHSB |
|--|---|---|
| 199 | 163 | 36 |

Additionally there are 70 individuals using mental health services placed in bed and breakfast beds (lease agreements) and not included in the above table waiting for more suitable and appropriate supported accommodation.

- 4.2 Joint Funded Clients - There are 36 individuals on the Mental Health Act section 117 arrangements jointly funded with NHS Section 117 Aftercare of the Mental Health Act is a statutory duty of care placed on Local Authorities and Health Care Trusts. Any provision of support to individuals under s117 of the Mental Health Act, including accommodation, must be provided free to the individual and is jointly funded with NHS Brent. NHS Brent are not involved in this framework therefore there is no health element as part of this contract.

Anyone who has been detained in hospital under treatment Sections 3, 37, 47 or 48 of the Mental Health Act 1983 (MHA) is entitled to aftercare under section 117 of the Mental Health Act. The relevant NHS and local authorities have a duty to provide whatever after-care services are assessed as necessary.

Everyone receiving s117 aftercare is on a Care Program Approach (CPA). The CPA provides the framework for planned and managed care required for the individual. All services provided under section 117 are reviewed at each CPA review and identified in care plans. Where the service user no longer needs any of the services provided, the Section 117 after-care arrangements can be terminated jointly between the Health Trust/PCT and the Local Authority.

The costs to the Council of providing aftercare for current spot placements as at 19th November 2010 = £5,098,283 per year

- 4.3 Within this portfolio, we have identified 30 mental health service users who could potentially benefit from the new specification of this framework for the provision of accommodation with social care support services, housing support and housing management.

This delivery of mental health services with accommodation through spot and block commissioning has never been subject to a formal

tender. In order to meet the Joint Commissioning and Mental health accommodation strategy requirements and to ensure that a quality service is provided which meets the requirements of the NSF, the needs of service users and that which is value for money, it was considered appropriate to tender for these services by way of a Framework Agreement Contract.

5.0 The Tender Process

5.1 The new Framework and contract call-offs were let according to the Council's Contract Procurement and Management Guidelines for an initial term of three years with an option to extend for a further two-year period, to commence in January 2011. The process used by the Council for the procurement of these contracts was a two stage tender process, allowing the Council to eliminate unsuitable contractors at the Pre-Qualifying stage.

The tender process was assisted by officers from the Procurement and Risk Management Team and Legal Services.

Stage One - Pre-Qualifying Stage

5.2 Advertisements were placed in the trade press, national and local newspaper to invite expressions of interest for appointment to a framework for repatriating individuals from current out of borough placements over a three year period. The Council's standard Pre-Qualification Questionnaire ("PQQ") together with a Summary of Information about the Council, the Borough and the advertisement was also posted on the Council's website. It was indicated that up to 5 providers would be appointed to the framework, with the likelihood that each call-off contract would cover 10 individuals, with an initial number of 12 individuals to be repatriated in the first year.

5.3 Contractors responding to the advertisement were requested to complete and return the Pre Qualifying Questionnaire (PQQ) together with relevant supporting evidence. A total of 16 PQQs were subsequently received from different contractors.

5.4 All PQQs were checked to ensure that had been completed fully and that all the relevant supporting information had been submitted. A number of contractors failed to complete the PQQ fully or supply all relevant supporting information and were therefore rejected from the tender process.

5.5 PQQs and supporting information were copied and sent to a qualified accountant within Housing and Adult Social Care Department in order to carry out a financial assessment and to an officer in the Health, Safety and Licensing Unit to carry out a health and safety assessment. PQQs and supporting information were also sent to a panel of officers in order to assess the technical capacity of the contractors. This assessment process established that a total of 9 contractors should be invited to tender (Stage Two) for the three contracts.

Stage Two - Invitation to Tender

- 5.6 A tender pack was issued to the 9 contractors invited to tender. The tendering instructions stated that the contracts would be awarded on the basis of the most economically advantageous offer to the Council and that in evaluating tenders, the Council would have regard to the criteria detailed in **Appendix1**. Tenderers were also advised that the maximum amount payable by the Council for the care element per individual is £550 exc. VAT.

All tenders had to be submitted no later than Thursday 16th September 2010. The tenders were opened on the same day, and there were 2 valid tenders received from 9 contractors invited to tender. The remaining 7 contractors including some of our local existing Providers did not submit proposals on the basis of:

- financial viability for the cost apportioned to the care and support i.e. the providers felt that £550 per individual was too low and the tender was therefore not profitable for their own organisation
- the timescales set were too tight and for some it was felt that this would make it difficult to source and identify units for repatriation
- they wanted to focus on current contracts in light of the financial climate

- 5.7 The 2 valid tenders met the required compliance standards and were sent to an evaluation panel. The evaluation panel consisted of the Joint Commissioning Manager, one officer from the Supporting People Team, one officer from the Brent User Group (representing the service users) and one officer from Procurement and Risk Management. Each panel member read the tenders and identified a number of areas for further clarification. The two organisations were invited to meet with the panel.

- 5.8 The full evaluation panel also visited the facilities of the two contractors. The purpose of these visits was to see provider portfolio of related provision, undertake a file audit and speak to the staff and service users in confidence. References were also taken up.

- 5.9 Contractors were required to submit prices for each of the contracts they were invited to tender for and demonstrate added value and cost efficiencies.

- 5.10 Following the site visits and interviews and receipt of references, the panel met again to finalise its overall evaluation of the tenders, marking tenders against the evaluation criteria agreed by the Executive on 26th May 2009 as tailored to the contract.

Evaluation Conclusions

- 5.11 A copy of the Tender Evaluation Grid for this contract is detailed in **Appendix 1** showing the final scores awarded by the panel to each contractor submitting a tender.

The maximum weekly rate for social care which would be considered was £550 excluding VAT.

The prices submitted by contractors for each contract are detailed in **Appendix 2**.

5.12 Contractor 1- Look Ahead Housing and Care offered 3 Options:

Option 1- Look Ahead Housing and Care would prefer to develop and build a specific scheme to meet the needs specified in our Specifications. This would initially be 20 bed spaces but could be increased over the life of the contract. This would however take 24 months to complete and we will need to explore this option further.

Option 2 – (Brent's Preferred Option) - They will lease or purchase from a private developer or landlord. This will be funded through Look Ahead's Housing and Care Investment. The provider would take the accommodation on a 5 year lease and would be done in line with our service requirements to accommodate up to 25 people using mental health services in three years with an initial 15 of the 25 individuals repatriated in the first year with plans to increase this over the life of the contract. Their proposal will have 12 Units available immediately and they will work to increase this and gradually repatriate the identified individuals in year 1.

Option 3 – They will identify existing schemes in Brent that may be in the process of being decommissioned that are suitable for this provision. This would be done through approaching and working with Registered Social Landlords (RSLs), the local Supporting People Team, the Local Authority Housing Team and local NHS Trust. The Provider would seek to agree a leasing arrangement / managing agent arrangement similar to arrangements they currently have with a number of RSLs in other Boroughs. This is not a preferred option and is not for consideration.

Pricing

Weekly rate for Medium support - £498.82

Weekly rate for High Support needs - £544.82

Numbers of Individuals Proposed for repatriation in Year 1 - 15

5.13 Contractor 2 – Equinox Care offered:

Option 1 – Equinox will work with Genesis Housing Group (Genesis Housing Group consists of PCHA, Pathmead and Springboard Housing Associations) to develop self-contained units – either stand alone or small blocks of 10-12 units. With Brent's agreement they will discuss possible units/blocks and land the Council may be able to make available and with Council support apply for housing grant or arrange private finance to refurbish/build with the rents covering the cost of the loan(s). Genesis as Equinox's sub-contractor will

develop the accommodation for up to 50 service users (the full contract) made up of 20 self contained units over a four year period, i.e.

- 10 Self contained flats in Year 1
- 5 Self contained flats in Year 2
- 5 Self contained flats in Year 3
- One Block of Self contained flats in Year 4

The above units will take 1-2 years to develop and will be funded via conventional RSL capital funding routes. Equinox will provide the care services. This option will need to be explored further.

Option 2 – (Brent's Preferred Option) –Again Equinox will work with Genesis Housing Group. Equinox will source single units from Private Landlords. The lease will be held by Genesis and the associated costs met through Housing Benefit. Equinox will provide the care services. Additionally they will also use their current property portfolio to meet our requirements to accommodate 25 people using mental health services in three years with an initial 15 of the 25 individuals repatriated in the first year and plans to increase this over the life of the contract. Equinox (Genesis Housing)'s proposal will have 15 Self contained units to be made available immediately and they will work to increase this to meet our requirements.

Pricing

Weekly rate for Medium support - £428.32

Weekly rate for High Support needs - £489.50

Numbers of Individuals Proposed for repatriation in Year 1 is 15

As this is a Framework Agreement Officers are therefore recommending that both Look Ahead Housing and Care and Equinox Care (in partnership with Genesis Housing) be appointed to the framework, and also both be awarded a call-off contract to allow a fair spread of opportunity and risk between the organisations, this also complies with our tender notice that allows for more than one organisation to sit on the framework agreement and allows for future demand ensuring capacity is appropriately managed through more than one organisation for repatriation of service users back to Brent. Operationally, and evidenced from the site visits and interviews with service users and staff, Equinox demonstrated better outcomes for service users. They had stronger and more positive approaches to personalisation and recovery. Both tenderers were assessed as satisfying our requirement under the quality criteria and as satisfying our pricing requirements under the financial evaluation criteria.

The preferred option for both tenders is Options 2 but there will be further work done to explore options 1 from both tenderers.

6. Financial Implications

- 6.1 The Council's Contract Standing Orders state that contracts for supplies and services exceeding £500k or works contracts exceeding £1million shall be referred to the Executive for approval of the award of the contract.
- 6.2 In awarding the contract, Members need to consider the most economically advantageous tender and whether the tender is affordable within existing resources.

In determining an economically advantageous tender, it is necessary to consider the tender against the evaluation criteria approved by the Executive on 26th May 2009 which includes both cost of the contract and quality of service. In view of the importance of quality of service in evaluating an economically advantageous tender, there is no presumption that the tender will be awarded on the basis of lowest cost.

- 6.3 Paragraphs 5.11 to 5.13 set out the basis for the recommendations for the award of the contracts in this report. In the case of this Contract, Look Ahead Housing and Care and Equinox Care (Genesis Housing) were both considered to be economically advantageous for the purpose of this Tender.
- 6.4 Affordability of Contract has been assessed on the basis of the cost of providing the current spot purchase arrangements which is much higher than that which will be provided under the new contract. Table 1 below shows current estimated cost of the existing arrangements for 20 individuals in out of borough spot purchases compared to the tender prices submitted by Look Ahead Housing Association and Equinox Care. The savings in a full year –where 30 individuals have been repatriated from 1st April are estimated at approximately £604k. However, these individuals will not all be brought back together. They will be managed in a staggered way throughout the year with 2-3 individuals per month. The efficiencies will be reflected and be more evident in year 2 i.e. 2012-13

In year savings for 2011-12 = £292,856

Savings breakdown is attached in Appendix 3

For years 2 and 3 we will explore Options 1 from both Providers with a view to increasing the numbers of individuals to be repatriated.

- 6.5 The key to the success of this development is to ensure that the individuals identified can benefit from this project and confidence that the providers can meet the needs of these individuals. This new model has not been tested in respect of the needs and volume of activity specified. However, the targets specified in this development can and will be adjusted if the pace of repatriation exceeds forecast which can be as high as 20-22% which translates to an extra 7 service users being repatriated in the first year. We will look to increase the pace of repatriation once the implementation has begun and the related organisation of the repatriation is safely managed. We will review

progress and related efficiencies six months into the project and adjust as appropriate.

7.0 Financial Implications- Risk Methodology

7.1 There are a number of risks associated with the delivery of this proposal and a detailed and robust approach has been taken to the identification and management of these. A critical factor in the development and agreement of this proposal is identifying, assessing and analysing the risks in relation to the identified list of patients and the providers' skills in managing the process of repatriation and aftercare and support in a holistic way. This includes possible risks that could arise during the delivery stage for which the Local Authority would be financial accountable. Specific risks are listed below:

Summary of Risks:

- Inability to accept the identified individuals for repatriation
- Delays in transfers of service users into the new units
- Lack of co-operation and support for proposed development from local providers
- Inability of the providers to provide timely proposed volume of supported accommodation
- Standards of quality, location and suitability of provision unacceptable
- Placement costs continue to increase and exceed budget estimate
- No efficiencies generated in placement budget because of inability to meet the target numbers
- Continued reactive and less predictive approach to housing and social care
- Demand for social housing remains high for those with mental health needs who have often lost their economic independence
- The Providers inability to balance service user risk taking, rights, autonomy and empowerment with issues of protection. Relapse of service users
- No reductions to over reliance on Out of Area placements

These risks have been assessed as high or significant and are included in the Risk log-Appendix 4.

7.2 The Risk log for this project will be included as part of the Local Authority Risk Register and will be subject to review by the Local Authority Governance infrastructure which reviews high level corporate risks and the strategy for their Management. A local programme governance structure will be designed to ensure openness and transparency in decision making processes and to ensure that project risks are identified, recorded and appropriately reported

7.3 Key Financial Risks and Opportunities

The proposed 'block' contracts are designed to generate efficiency and value for money by being just sufficient to meet projected demand while beds purchased are offered at a cheaper rate than comparable

beds paid for on a spot purchase basis. These are being offered on an initial 3 year period with the option to extend for a further two years. This reduces the Council's current costs while allowing the successful provider to spread its start-up costs over a reasonable length of time and encouraging it to invest in service development.

To ensure financial viability and cost-effectiveness and delivery of quick, responsive, quality accommodation with support to individuals using mental health services currently placed in Out of Borough Units care the planning assumptions are as follows:

| 1. Resources that will change | 2. Assumptions | 3. Volume change in use | 4. Value of change |
|--|--|---|--|
| £1,324,980k Current yearly placement budget | 2 services users repatriated in the first 6 months followed by 3 individuals a month thereafter for the remainder of the financial years 2011/12 and 2012/13 | Over a 3 year period it is anticipated that 50 placements will be repatriated at an average cost of £4,012 per month. | <ul style="list-style-type: none"> • £292k gross savings against 2011/12 budget • £708,967 savings against 2012/13 budget. • Cumulative savings £1,001,824. |

7.4 Risks to the above

| Period | 2011/12 Costs | 2012/13 | 2013/14 |
|--|---------------|-----------|-----------|
| | £000,000 | £000,000 | £000,000 |
| Current costs | 1,324,980 | 1,324,980 | 1,324,980 |
| Standards of Quality, location and suitability of provision unacceptable delaying realisation of Efficiencies (assuming 3 months delay from start of project) | -21,377 | 0 | 0 |
| Delays in settling the identified service users and linking them in to local support. (slowing the transfer process throughput) | -21,377 | 2006,50 | 0 |
| Placement Costs continue to increase and exceed budget estimate. (Assuming 2 service users being placed Out of Borough a month over 6 months) (£850 per week * 4.33 weeks*12 people*3 months) | 132,498 | 0 | 0 |
| Efficiencies generated in placement budget because of ability/inability to meet the | 0 | 107,040 | 1,001,824 |

| | | | |
|---------------------------------|------------------|-----------------|-------------------|
| target numbers. | | | |
| Cost of Delay to Implementation | 1,457,478 | 1,322,974 | 0 |
| Less: Efficiency Savings | 0 | 107,040 | 1,001,824 |
| Pressures/Risk to budget | + 132,498 | 0 | 0 |
| Efficiencies | 0 | -107,040 | -1,001,824 |

The Project Risk Register will be managed to a level that can reduce the value of the risks to a minimum. Governance arrangements for this project will be through the Transition Board. This will also provide assurance to the delivery against programme plan and ensure plans are developed to enable the safe and effective transfer of service users through a transitional period, and that the financial forecast is realised, within an agreed set of tolerances

In addition the steering group will oversee management of risks, including escalation to Transition Board if the tolerances have been breached.

8.0 Financial Implications – Housing Benefit

- 8.1 There is some uncertainty about the impact of the Comprehensive Spending Review on Housing Benefit funding in future years. To live independently in residential or supported living arrangement, most people using mental health services rely on Housing Benefit to pay their rent. Services such as housing are vital for the wellbeing of many mental health service users. Unfavourable changes to individuals' ability to have affordable accommodation with support would have a negative impact on people's lives and their mental health and well being.
- 8.2 The properties from both tenderers will initially be acquired from their current stock, as refurbished/modernised units and will be deliverable from January 2011. The unit mix to be procured is one and two bedroom self-contained units. Depending on our timeframe (i.e. if we are looking to start repatriation in January 2011) the units may initially be out of area whilst further discussions around local procurement are explored by other mental health service users. Some of these properties are new build and others may currently be occupied by mental health service users ready for step down into more independent provision through these Providers. This area will need further discussions and will determine how quickly we can start repatriating individuals, from expensive spot purchases into this contract.
- 8.3 The rent charges for this development will change as individuals' mental health improves and they no longer need medium/higher levels of support. At that time, possibly they may also be able to work. This project is linked to Employment support for mental health service users.
- 8.4 As the package of support changes, the related individuals could be re-housed by the Council/Genesis/Look Ahead or they could stay in their

current accommodation but have a tenancy with standard rent directly with Genesis Housing Group. They would be offered a reduced level of support such as Floating Support services. Both providers are keen to agree arrangements that reflect Brent Council's housing priorities and service users' preferences. We would only re-house working households under our statutory duty of care i.e. if they remained under s117, otherwise they would need to be nominated into general needs rented accommodation.

- 8.5 In terms of Option 1 from both Providers i.e. identifying new sites and agreeing the use of the Council's land, we would need to discuss the level of grant/subsidy required to support the scheme and risks associated with any loss of rent. In particular, there would need to be further discussions to explore priorities i.e. any cost benefit analysis on why we would new builds with these Providers over other housing schemes that require funding support.
- 8.6 Rents will be based on Brent's Local Housing Allowance (LHA) marginally below the LHA levels, to allow for possible HB risks, in terms of new developments. There may be exemptions, in terms of housing benefit for some service users on DLA, but the expectation from both providers is that as the rents will be based on LHA levels, they will still be eligible for Housing Benefits.
- 8.7 In light of the current HB reforms and in particular the need for the Council to ascertain whether exemptions would apply to the individuals covered by this procurement, the proposed rent by both providers is £230-250 a week - £220 for the lease/rent/ongoing maintenance cost and £10-30 for housing management. This is lower than our current commitment of £290 a week per person. The Providers are keen to agree a sustainable arrangement with the Council to cover current and future units developed under the framework. The rent charges will be discussed further and both Providers are willing to explore this with colleagues in Housing Benefit.
- 8.8 The Council will be looking for the rent charges to be much lower than our current commitment as high rents will only be relevant if both Look Ahead and Equinox enter into the leasing arrangement directly. If they use their existing voids, as in their proposal, then there is no reason for them to charge higher rents. Where either of these providers are seeking to attract grant, then the rents from April 2011 would need to be contained within Local Housing Allowance levels to be eligible for capital grant support and this would need to be agreed with the Council.
- 8.9 The rent charges could be lowered if both Providers use shared units. However, in a survey for the Accommodation Strategy done by Brent User Group in 2007, service users communicated concerns about shared housing, specifically that it can be stressful and not provide enough privacy and safety. They also wanted to have more choice over who they live with and did not necessarily want to live with others who have mental health problems.

- 8.10 Following the Comprehensive Spending Review and suggested changes to Housing Benefit the new housing benefit rules are likely to have implications, in terms of eligibility approaches taken to price risk (i.e. with housing benefit, the risk is usually borne by the Council, and this could be expensive if the housing benefit does not cover the financing costs fully.
- 8.11 The risks within the contract will be mitigated by ensuring that the levels of rent set and agreed with Brent Council are sufficient to cover the current developments; however this will need to be discussed further with Housing Benefit and ensure that this development is sustainable. Other ways to mitigate these risks include:
- use off discretionary housing benefit
 - commitment to re-house mental health service users no longer meeting the s17 duty into affordable rented units
 - break clauses – to prevent further exposure
 - contingency plans in the event of our inability to re-house the service users if there are adverse changes to housing benefit rules affecting the viability of the scheme.
 - grant conditions associated with funding model may stipulate the rent that has to be charged and therefore we may be able to direct rent risk to the HA – again, we would need to see the detail of the grant conditions here
- 8.12 Future changes in Housing Benefit in terms of affordability of social housing could also impact on individuals who may not have used mental health services in the past, increasing demand for mental health service provision including supported housing locally. This could result in cost pressures to current mental health investments and provisions. Links are being developed with the Improving Access to Psychological Therapies service in Brent. Psychological therapies services work to improve health and wellbeing and can help people stay employed and able to participate in the activities of daily living. This service which is led by NHS Brent and has the Council's involvement has links at all levels from Primary care / Social services / Employment /secondary care specialist services /education providing treatment of mild to moderate depression. The service will also be linked to voluntary and third sector organisations, across the whole of the mental health customer pathway to support mental health and emotional resilience, raise awareness of mental health and signpost people to local services

9.0 Legal Implications

- 9.1 The estimated value of the contracts to be awarded under the proposed framework exceeds the Public Contracts Regulations 2006 threshold. Each of the contracts is for Part B Services for the purposes of the EU Regulations and as such the contracts are subject to partial application of the EU Regulations, including:
- non-discrimination in the technical specification
 - notification of the contract award to the EU Publications Office

- Provision of information about the contract to the Department for communities and Local Government if requested

The contract is not therefore subject to the full tendering requirements of the EU Regulations although subject to overriding EU principles of equality of treatment, fairness and transparency in the award process.

- 9.2 The estimated value of the contracts over their lifetime (including any extension) is in excess of £500,000 and the award of the contracts is consequently subject to the Council's Contracts Standing Orders in respect of High Value contracts and Financial Regulations. As a result Executive approval is required for the award of the contracts.
- 9.3 Sections 26-31 of the Health Act 1999 require local authorities and NHS bodies to work together to improve health and social care and provides for flexible funding and working arrangements to be established by agreement to facilitate this partnership working. Under these provisions it is possible for a pooled budget fund to be established, to be held by one of the partners, to pay for services for a particular client group(s) or used for the discharge of particular functions. Currently the services falling under this Contract are commissioned via Spot purchase arrangements. The budget for these services is currently held in the Adult Social Care Services' purchasing budget for accommodation and mental health social care support for individuals whose provision is managed under the s117 Mental Health Act guidelines. There will not be any changes to the budget line. It is proposed that the budget for these services will remain the same.

10.0 Diversity Implications

- 10.1 The proposals in this report have been subject to screening and officers believe that there are no diversity implications. However, it should be noted that diversity and equality perspectives were incorporated into the tender specifications, assessment and evaluation process, with the evaluation panel having regard to diversity and equalities when reviewing written tenders and asking questions during site visits and contractors' presentations.
- 10.2 The new contracts will require the contractors to deliver services which are:
- culturally sensitive by providing cultural awareness training for all care workers, matching specific language requirements where possible and recruiting a local workforce which reflects the communities of Brent;
 - able to support and care for individuals who use mental health service through all staff receiving training in mental health awareness, drug and alcohol awareness and specialist training in specific areas such as management of challenging and difficult behaviours and substance misuse
 - able to offer service users a male or female support worker if specifically requested.

Contractors will be monitored to ensure that they are complying with their requirements through performance management, checking of records, reviews, monitoring meetings, etc.

11.0 Staffing Implications

These services are new. Although service users will be moved from other placements, mainly out of borough, there is no service user that has a dedicated member of staff working mainly for that service user who could TUPE transfer to a new provider.

Background Papers

Mental Health Accommodation Strategy 2008
Joint Commissioning Strategy for Mental Health – 2008-13
New Horizons – Towards a Shared Vision for Mental Health - 2009
Brent Five Year Supporting People Strategy 2005/10
Dual Diagnosis Strategy 2005 – 2009
Invitation to Tender for the Framework

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Martin Cheeseman
Director of Housing and Community Care

Appendix 1

The Tender Evaluation Grid for this contract showing the final scores awarded by the panel to each contractor submitting a tender.

| Evaluation Criteria | Weighting | Method Statement question | Weighting (sub-questions) | Max Score | Look Ahead | | | Equinox | | | |
|---------------------|---|---------------------------|---|-----------|------------|---------|----------------|---------|---------|----------------|--------|
| | | | | | Score | Over WL | Weighted Score | Score | Over WL | Weighted Score | |
| 1 | Cost and affordability | 50% | n/a | - | - | - | - | 50.00% | - | - | 44.97% |
| 2 | Quality | 50% | | - | - | - | - | - | - | - | - |
| a | Method of service delivery in Brent | 4% | Please detail the infrastructure you will put in place to effectively deliver supporting people funded accommodation based support services in Brent. | - | 4 | 3 | | 3.00% | 2 | | 2.00% |
| b | Service User involvement and choice | 8% | Please detail how you involve service users and ensure they are able to exercise choice within your services, your organisation and the wider community, including examples of how service users are able to influence decisions about the services they receive. | - | 4 | 3 | | 6.00% | 3 | | 6.00% |
| c | Methods for ensuring Quality performance and good | 8% | i) What systems do you have in place for measuring and continuously improving the quality and outcomes of your services? | 2.67% | 4 | 3 | | 2.00% | 3 | | 2.00% |

HIDDEN

Yes

| | | | | | | | | | | | |
|---|--|-----|---|-------|---|---|--|-------|---|--|-------|
| | outcomes | | ii) How will you ensure that service users are enabled to develop independent living skills and achieve the CLG Five outcomes of: Achieve economic wellbeing; Enjoying and achieving; Be healthy; Stay safe; and Make a positive contribution? | 2.67% | 4 | 3 | | 2.00% | 3 | | 2.00% |
| | | | iii) How will you ensure that services users are enabled to move on to more independent housing including moves into private rented sector tenancies? | 2.67% | 4 | 3 | | 2.00% | 3 | | 2.00% |
| d | Approach to working with people with mental health issues. | 10% | i) Please detail your understanding of this spectrum of needs and how you will deliver an effective accommodation based service to service users with the above spectrum of needs. | 3.33% | 4 | 3 | | 2.50% | 3 | | 2.50% |
| | | | ii) Please detail how you will enable clients with this spectrum of needs to achieve positive outcomes | 3.33% | 4 | 3 | | 2.50% | 3 | | 2.50% |
| | | | iii) Please detail your approach to staff development and how you ensure your staff's continuous professional | 3.33% | 4 | 3 | | 2.50% | 3 | | 2.50% |

| | | | | | | | | | | |
|---|---------------------|----|--|----|---|---|--|-------|---|-------|
| | | | development in relation to mental health issues and dual diagnosis. | | | | | | | |
| e | Added Value | 2% | Please detail what added value you would bring to the delivery of services for people with mental health issues as part of a contract awarded under this framework. | - | 4 | 3 | | 1.50% | 3 | 1.50% |
| f | Partnership working | 8% | i) Please detail, with specific examples, how you will work in partnership with other statutory services and voluntary organisations to deliver effective support to people returning to the borough who have mental health issues for each of the frameworks? | 3% | 4 | 3 | | 2.00% | 3 | 2.00% |
| | | | ii) Please describe, with specific examples, how you will work in partnership to effectively safeguard and protect the safety of individuals in your service and the wider community. | 3% | 4 | 3 | | 2.00% | 3 | 2.00% |

| | | | | | | | | | | |
|--|--|---|----|---|---|--|-------|---|--|-------|
| | | <p>iii) Do you wish to provide housing management services in addition to housing related support in accommodation based services? YES/NO</p> <p>iv) If NO: - Please describe the arrangements you will put in place for working with owners/Housing management providers to deliver a seamless service to tenants.</p> <p>v) If YES: - Please describe your understanding of the Tenant Services Authority (ex-Housing Corporation) requirements and how you will demonstrate these in the delivery of a contract called off through this framework.</p> | 3% | 4 | 3 | | 2.00% | 3 | | 2.00% |
|--|--|---|----|---|---|--|-------|---|--|-------|

| | | | | | | | | | |
|---------------|--|-------------|---|----|-----------|---|---------------|---|---------------|
| g | Ability to provide suitable accommodation in Brent from which the support can be delivered to people returning to the borough from out of borough placements | 10% | i) Please detail how you intend to provide suitable accommodation units for up to 50 individuals returning to the borough from out of borough placements over the next 3 to 5 years. Please refer to the service specification and ensure your response covers: acquiring a pipeline of units and bringing the units into management. | 5% | 4 | 3 | 0.00% | 4 | 0.00% |
| | | | ii) What systems will you put in place to record property and tenant information | 5% | 4 | 3 | 0.00% | 3 | 0.00% |
| TOTALS | | 100% | - | - | 56 | - | 80.00% | - | 73.97% |

| Overall Results & Rankings | Tenderer | Total Score | Rank |
|----------------------------|------------|-------------|------|
| | Look Ahead | 80.00% | 1 |
| | Equinox | 73.97% | 2 |
| | | | |

Appendix 2

The prices submitted by contractors for the contract

| | Look Ahead Price Per Service User Per Week | Equinox Care Price Per Service User Per Week |
|----------------------------|--|--|
| Weekly Rate Medium Support | £498.82 | £428.32 |
| Weekly Rate High Support | £544.82 | £489.50 |

Appendix 3 – Finance Worksheets

Appendix 4 – Risk Log