

**TO: EXECUTIVE MEMBER FOR ADULT SERVICES, HEALTH AND HOUSING
24 SEPTEMBER 2014**

**MENTAL HEALTH COMMUNITY SUPPORT SERVICE
Director of Adult Social Care, Health and Housing**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to award a new contract for the Mental Health Community Support Service, following a robust evaluation of tenders submitted.

2 RECOMMENDATION

- 2.1 That a contract for the Mental Health Community Support Service commencing on December 1st 2014 is awarded to Tenderer A.**

3 REASONS FOR RECOMMENDATION

- 3.1 The Mental Health Community Support Service specification is highly innovative in design delivering a payment-by-results model, founded upon the STAR Recovery model.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The service is currently grant funded and continuing such an approach does not provide best value services that are focussed on recovery.

5 SUPPORTING INFORMATION

5.1 Background to Project

- 5.1.1 The aim of the service is to ensure that people who are eligible are at the centre of their support planning, and are enabled to maximise their independence through the provision of suitably qualified staff, thereby:-

- More people will have good mental health
- More people with mental health problems will recover
- More people with mental health problems will have good physical health
- More people will have a positive experience of care and support
- Fewer people will suffer avoidable harm
- Fewer people will experience stigma and discrimination
- Fewer people will need long term care and support
- Fewer people will have crises requiring admission to hospital
- More people with mental health problems will manage their own condition

- 5.1.2 The service is seeking to procure an organisation to provide support in the community for people with mental health issues through a "Payment by Results" model. It is expected that the Provider will support approximately 100 individuals per annum.

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- 5.1.3 The service model will be split 30:70 respectively between a fixed payment, 30% to support prevention outcomes, and a 70% variable ("Payment by Results") payment, made against a person centred recovery plan. This allows the provider core funding to provide the preventative element and minimises risk for them whilst still emphasising the requirement of person-centred outcomes to be met for the full contract value to be achieved.
- 5.1.4 The Prevention outcomes, the fixed payment element of the contract, will include people with mental health issues;
- Being supported to access universal services
 - Being able to contact someone when approaching crisis to avoid escalation
 - Feeling less stigma within the community
 - Being able to access support before the point of crisis
 - Gaining the skills and knowledge to self advocate and improve independence
 - Being supported to have good physical wellbeing
- 5.1.5 The Payment by Results element of the contract will be based on the Star Recovery Model which has ten priority areas. Each of these priority areas has ten steps and payment is assessed against process for each outcome domain. This will be assessed on a referral (baseline) and payment will be made against progress on all of the relevant domains for the individual. Progress will be ratified by a CMHT worker, a member of staff from the provider and by the individual being supported before payment will be made. There is also a cap with regards to payment against each outcome to ensure an equitable focus on outcomes whilst still incentivising those which are deemed priorities. The model used supports the two reported ASCOF indicators relating to mental health; 1H, "Proportion of adults in contact with secondary mental health services living independently, with or without support", and 1F, "Proportion of adults in contact with secondary mental health services in paid employment". 1H is supported through the Living Skills and Responsibilities outcome domains and 1F through the Work outcome domain.
- 5.1.6 The contract duration will be for a maximum of 4 years, covering an initial period of 2 years plus 2 optional extensions, each of 1 year (i.e. 2 + 1 + 1 = 4 years).

5.2 Tender Process

- 5.2.1 The Procurement Plan was agreed by The Executive member on 26th June 2014 and a one stage procurement process was initiated which included entry level questions.
- 5.2.2 The Request For Quotation was advertised on the South East Business Portal on the 1st July 2014. All interested organisations were able to download:
- Request for Quotation (RFQ)
 - Service Specification
 - All associated appendices
- 5.2.3 Interested organisations were able to ask for clarifications, in writing, with question and answer summaries being provided.
- 5.2.4 The deadline for bids was 31st July 2012. A total of 29 organisations expressed an interest, however, few could meet the council's requirements, and as a consequence only two submitted tenders. Tenders were assessed by the Tender Evaluation Team,

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details of which are set out in the Confidential Annexe to this report. Evaluation criteria had been agreed by the Team prior to the tender invitations, with a price/quality weighting of 30:70.

5.2.5 The provider will be providing services which support a considerable number of vulnerable people in helping them to manage their mental health and maintain their independence in the community. As a consequence a higher quality threshold was required, as a poor quality service, or one where there are interruptions or errors, would have a significant negative impact on both people and the Council in the following ways;

- Impact on people's wellbeing and safety
- People would be unlikely to use the service
- Professionals may not refer people to the service
- People may also receive services which do not meet their needs

All of the above could result in additional pressures on CMHT, who will be required to provide additional support, more people requiring longer term support, either through domiciliary care at home or residential care, resulting in increased costs to the Council and poorer outcomes for the individual.

5.2.6 Of those two organisations that submitted bids, one failed on evaluation to meet quality criteria, and when asked to provide further clarification along with details of the presentation the organisation decided that it did not have the capacity at this moment to deliver the service. Tenderer A was still invited to give a presentation on the 20th August 2014 so that a robust process could be followed. Following the presentation, the Tender Evaluation Team finalised the tender evaluation.

5.2.7 Reference checks and credit checks were undertaken in order to ascertain, as far as reasonably possible, the suitability and viability of the Tenderers.

6 **ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

Borough Solicitor

6.1 The weighting of 70% to quality has since the Executive Member approved the procurement plan been approved by members of CMT. The acting Head of Procurement has advised that value for money has been achieved, but has not provided comments for the procurement plan approved by the Executive Member. The form of agreement to be entered into with the proposed contractor has now been reviewed and approved by the Borough Solicitor.

Borough Treasurer

6.2 The cost of the contract is provided in the confidential Annex to this report. This cost will be met from reduction of grant funding to the current provider. Therefore there should be no budget implications.

Equalities Impact Assessment

6.3 An Equalities Impact Assessment has been completed. It is not considered that this decision is likely to adversely affect or impact other groups within the council or the wider community. The contract terms and conditions set out requirements for equal opportunities, human rights, professional conduct, health and safety and confidentiality

Strategic Risk Management Issues

- 6.4 Detailed risk management, monitoring and contingency criteria are included within the procurement plan and thus contract. Performance and progress will be measured against the criteria, and payment will be made accordingly.

7 CONSULTATION

Principal Groups Consulted

- 7.1 The Tender Evaluation Team was constituted of managers or representatives from Adult & Older Persons Mental Health Services, the Contracts and Commissioning Teams, and a user of the existing service .
- 7.2 In developing the specification consultation was also undertaken with a group of people who receive the existing service.

Method of Consultation

- 7.2 The specification was developed by members of the Mental Health Community Support Service Tender group.
- 7.4 All members of the Tender Evaluation Team received and reviewed all commercial tender papers to feed in to their individual assessment and the overall assessment. The Team met to discuss and agree evaluation and agree scoring of the tenders.

Representations Received

- 7.5 None

Background Papers

None

Contact for further information

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