Delegated Officer Key Decision Report

Decision Maker and Portfolio area:	Jayne Ratcliffe, Director of Adult Social Care
Date of Decision:	14th September 2023
Subject:	Contract Award – Mental Health Supported Living Services
Report Author:	Clare Bamforth, Contract and Quality Manager
Ward (s):	All Wards

Reason for the decision:

To approve the recommended contract award following an open tender process for the provision of Mental Health Supported Living Services

Summary:

This report requests approval to award the contract for delivery of Mental Health Supported Living Services to the successful provider, Creative Support, following an open procurement exercise, from 1st October 2023 until 31st September 2026, with the option to extend for a further 24 months.

The current contract for delivery of Mental health Supported Living services, ends on 30th September 2023. It is essential to continue delivery of these services for some of our most vulnerable adults in Oldham. This is a statutory support service, based on the assessed Care Act needs for the individuals residing in the supported living accommodation.

The contract for the current service, delivered by Turning Point, sits under Oldham Council's Supported Living framework approach which has expired, and it was therefore timely and a contractual obligation to complete an open procurement process to seek a new provider to continue delivery of these services.

On 29th June 2023, DMT approved the delegated contract award for delivery of these services to Jayne Ratcliffe, as DASS, in accordance with the Council's Contract Procedure Rules and to award the new contract to the successful provider.

The Council has undertaken a tender process in compliance with Contract Procedure Rules and evaluated all tenders received in accordance with the tender documents. Following completion of the evaluation, officers have identified one provider for delivery of the Mental Health Supported Living Service, who is able to deliver the advertised service specification.

The tender process commenced via The Chest on 15th May 2023 under reference DN662070. The maximum contract term is for the period of 5 years i.e initial 3 years with up to 2 year extension provision. The maximum annual financial envelope for the tender was advertised at £1,950,000 for a max 5 year duration.

The Procurement Process:

The procurement of the Mental Health Supported Living was led by the local authority's Commercial Procurement Unit. A core working group was established by the Adult Social Care Commissioners to plan, monitor and deliver the work required to carry out a full procurement exercise and met on a regular basis to enact the detailed project plan.

Stage 1 and 2:

Stage 1 & 2 were part of Supplier Questionnaire (SQ). All bidders were required to provide the information in all sections of the SQ which were evaluated by the evaluation panel on a Pass/Fail basis on a range of competencies including economic and financial standing, compliance with equality and health and safety legislation and data protection and information security, to ensure due diligence of providers. References and response to specific question were also requested to demonstrate past experience in delivering similar provision.

Stage 3

During the Stage 3, the bidders where asked to compile responses to award criteria questions which formed part of the evaluation stage and was used to determine the most economically advantageous tender for the Council based on the following evaluation criteria:

Technical Capacity: 60%
Social Value : 10%, and
Price : 30%

There were 20 tender submissions received for this

contract of which 16 submissions failed in Stage 1 and 2 evaluations and the remaining 4 submissions were evaluated and moderated in line with the tender award criteria..

The table at Appendix A details the overall scores awarded to each provider following the evaluation and moderation process.

The successful bidder identified from the competitive procurement exercise is Creative Support Ltd. Their submission price is £261,413.36 per year or £1,307,066.80 for a max 5-year contract period, which is within the allocated budget

The successful provider is Creative Support. Their submission price is £261,413.36 per year, which is within the allocated budget.

Their hourly rates for support are detailed below, and again, these are in line with the Council's Supported Living framework rates for 2023/24:

Non-complex core - £18.44 p/h
Complex core - £20.46 p/h
Sleep-in £85.94

The new contract will commence on 1st October 2023 and work is underway with the new and incumbent provider, to successfully manage the transfer and implementation process.

The proposal to delegate the decision for awarding the contract received Cabinet approval on 21st August 2023, as per the report listed below.

What are the alternative option(s) to be considered? Please give the reason(s) for recommendation(s):

Option1

Details - To continue with the current provider, Turning Point, for delivery of supported living services for people with complex Mental Health needs

Risks - This option was not viable. The contract for this service has expired and it is recommended to 'test the market' ensuring that current terms and conditions are in place as well as assessing value for money through an open tender exercise.

Option 2

Details - To de-commission the services with Turning Point and cease delivery of supported living services for people with complex Mental Health needs.

Risks - This option was not viable. This statutory service currently supports 13 of our most vulnerable

adults and has potential to increase this service to support more individuals with the right model in place. Without this service, we would need to find alternative placements for each of the service users as they are not able to live independently without support.

Option 3

Details - To seek an alternative care provider via an open Procurement Process, and to delegate the contract award to the DASS

Risks - This is the preferred option as it allows the Council to complete the open procurement process to seek an alternative provider who is best able to meet the needs of our service users, with social value and value for money assessed, and to continue to develop supported living services for people with complex mental health needs. Cabinet agreed 21st August 2023 to delegate the contract award decision to the Director of Adult Social Services in consultation with the Lead Member for Health and Social Care.

Recommendation(s):

The preferred option is Option 3 - To seek an alternative care provider via an open Procurement Process, and to delegate the contract award decision to the DASS in consultation with the Lead Member for Health and Social Care.

Implications:

*What are the **financial** implications?*

The commissioning team is requesting authorisation to procure a new care provider for the Mental Health Supported Living (MHSL) contract. The current provider's contract ends on 30 November 2023 and a new provider is required from 1 December 2023.

There is £372k in the commissioning budget for 2023/24 allocated for the MHSL contract. The total budget available for an initial 3-year contract period plus the 2 optional years is therefore £1,860k.

In the current financial year £206k has been allocated to the current provider; Turning Point, from 1 April 2023 up to the cessation of the contract on 30 November 2023. This value is based on the number of hours Turning Point has committed to deliver.

A budgeted contract sum of £166k will be available for the new provider for the period 1 December

	2023 to 31 March 2024. This is based on the new provider being able to flexibly increase provision as required. There is potential for the service to realise a financial saving should the providers not be able to fulfil the maximum number of contracted hours. An annual budget of £372k will be made available for the remaining term of the contract and will be closely monitored to ensure service provision aligns to available resources. **Finance Update 11.09.23** The total budget for the MHSL contract in 2023/24 is £372k. The budget allocated to Turning Point for April 2023 – November 2023 was £206k. However, as the contract is ending on the 30th September we are expecting costs to total £168k. The budget allocation for the new provider is expected to be £131k this financial year. Therefore the total spend is expected to be £337k and so a saving of £73k will be realised (Sophie Eade, Senior Accountant)
What are the ***procurement*** implications?	A competitive tendering exercise has been completed to commission the service in compliance to the Council's CPRs and PCR2015. Creative support Ltd is identified as top ranked bidder following the robust tendering evaluation process. Raj Ahuja, Procurement Lead Social Care and Health 12.09.2023
*What are the **legal** implications?*	Legal Services supports Option 3 and the recommendation to award a new contract to a new provider that better meets the needs of patients. A compliant procurement process is being followed in line with the Council's CPR's and Public Procurement Regulations. Sukie Kaur – Solicitor
*What are the **Human Resources** implications?*	There are no Oldham Council Human Resources implications for this report as the services are all commissioned to an external provider, who will manage their own HR process.
***Equality and Diversity Impact Assessment** attached or not required because (please give reason)*	A full Equality Impact Assessment has been completed and is attached with this report.

*What are the **property** implications*	There are no property implications for this report.
Risks:	The risks for each considered option are outlined above. Any risks identified within this project have been managed through the risk management plan as part of the project group and addressed accordingly.
Co-operative agenda	This proposal meets the Council's Co-operative agenda as follows: Fairness – we will champion fairness and equality opportunity and ensure working together brings mutual benefits and the greatest possible added value. We will enable everyone to be involved. Openness – we will be open and honest in our actions and communications. We will take decisions in a transparent way and at the most local level possible. Responsibility – we take responsibility for, and answer to our actions. We will encourage people to take responsibility for themselves and their actions. Mutual benefits go hand-in-hand with mutual obligations. Working together – we will work together and support each other in achieving common goals, making sure the environment is in place for self-help. Accountability – we recognise and act upon the impact of our actions on others and hold ourselves accountable to our stakeholders

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Has the relevant Legal Officer confirmed that the recommendations within this report are lawful and comply with the Council's Constitution?	Yes
Has the relevant Finance Officer confirmed that any expenditure referred to within this report is consistent with the Council's budget?	Yes
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	No

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Reason why this Is a Key Decision	(1)	to result in the local authority incurring expenditure or the making of savings

which are, significant (over £250k) having regard to the local authority's budget for the service or function to which the decision relates; or

(2) to be significant in terms of its effects on communities living or working in an area comprising two or more Wards or electoral divisions in the area of the local authority.

This item has been included on the Forward Plan under reference HSC-10-23

List of Background Papers under Section 100D of the Local Government Act 1972:

Title	Available from
MHSL Cabinet Report 21.08.23  Cabinet minutes 21.08.23 MHSL delec	Clare Bamforth
Changes required to contractual periods following an open tender process for Advocacy Services and Mental Health Living Services - 20.07.23	Clare Bamforth

Report Author Sign-off:	
Date:	

Please list any appendices:-

Appendix number or letter	**Description**

Appendix A

		Creative Support	Rethink Trading	Willow Tree	Yani Care
Technical Capacity	60	48.00	49.71	28.00	30.86
Social Value	10	7.14	5.16	6.76	5.98
Price	30	30.00	29.26	29.26	0
		85.14	84.14	64.02	36.84

Background:

Approval to delegate authority to award contract following an open tender process for Mental Health Supported Living Services

1. Background

1.1 Oldham Council currently commissions an external provider, Turning Point, to deliver supported living services for people with complex mental health needs

1.2 The contract for this service sits under Oldham Council's Supported Living framework approach which has expired. It is therefore timely and a contractual obligation to complete an open procurement process to seek a new provider to continue delivery of these services.

1.3 Known locally as Oldham Dispersed Accommodation (ODA), the service is commissioned to deliver care and support to people with complex needs who are living in their own tenancies, commonly known as 'Supported Living services'.

1.4 Oldham Council only commissions the care for these services and therefore does not have a relationship with the housing provider/landlord in place for this service.

1.5 Oldham Council operates a core and flex pricing model for delivery of Supported Living Services. This is based on a core number of hours delivered within each of the main properties linked to the services being commissioned.

1.6 The allocated annual budget for the service is £390,000. The 2023/24 annual contract value for this service is circa £320,000 based on the number of core hours currently being delivered by the incumbent provider.

1.7 The Core element of supported living is shared with the other individuals living in the supported living property and as such should be utilised by staff to meet basic needs of a service user

1.8 The flex support is the 1:1 support needed for an individual as per their Care Act 2014 eligibility and assessed needs. The Flex support is not to be used as shared support for the properties – it is specifically for the individual as per their assessed needs. Flex support provides individuals with any additional hours of support required in order to maintain their independence and increase their community skills

1.9 The funding for this service area is processed via a block contract arrangement and core hours are processed using a quarterly invoice system on Agresso.

1.10 In addition, any individually assessed needs are processed using the Flex model on Mosaic which does not feature financially within this tender.

1.11 The formula for the block contract is based on the Learning Disability Supported Living framework model and is calculated on a daily rate per calendar month.

1.12 Through the open tender process, the number of core and flex hours required will be confirmed, meaning there could be an increase in need for flex hours.

1.13 There are three properties within the service model, and the social landlord is Places for People.

1.14 ODA was developed in 2015 in partnership with Turning Point following the decision to close Edward House, a residential service in Oldham for adults under the age of 65 with mental health needs. Many of the residents of Edward House moved to the dispersed accommodation under the supported living model. The aim of the ODA services was to move away from residential "social" and "health" care and focus on prevention and integration and a more person centred model of holistic care, offering a supported living style service within the community to support service users to become more independent.

1.15 The overall aim of the service is to ensure as many people as possible are enabled to stay healthy and actively involved in their communities for longer and delay or avoid the need for targeted services, increasing the potential for them to move into their own tenancies.

1.16 Key aims of the service are to make a positive difference to the lives of service users by maintaining a clear focus on promoting people's quality of life and enhancing their experience of care and support, and by providing care and support that is both personalised, preventative and reables skills and abilities

1.17 The current service is not a CQC registered provision and is there to provide support to people living independently. As such the current provider is not regulated to deliver any personal or clinical care or administer medication.

2. Current Position

2.1 In August 2022, a project group was established to oversee the procurement process to establish a new provider for delivery of these services.

2.2 The project group includes representation from the following internal teams:

- Procurement
- Finance
- Legal
- Commissioning
- MH Operational Colleagues

2.3 A project plan is in place to monitor progress against the agreed actions and is reviewed through the ongoing fortnightly project meetings.

2.4 As part of this work, the service specification has been reviewed and updated to reflect current needs and legislative requirements.

2.5 In May 2023, the Invitation to Tender documents (ITT) were published on The Chest, which is the North West Procurement Portal.

2.6 The ITT details the intention to commission for an initial 3 years, with the option to extend for a further 24 months. The maximum total contract value for this tender is £1,950,000

2.7 The opportunity is due to close on 15th June 2023 following which a full evaluation and moderation process will commence.

2.8 It is the Council's intention to complete the evaluation process by the end of July and to award the contract to the successful provider towards the end of August 2023.

2.9 This will then allow a period for the implementation of the new provider before the new contract commences on 1st October 2023.

Conclusions:

The Director for Adult Social Services is asked to award the new contract for delivery of Supported Living services for people with complex mental health needs, to the successful provider, Creative Support as this enables:

- The Council to meet its statutory duty
- DMT approval on 29th June 2023, to delegate contract award for delivery of these services to Jayne Ratcliffe, as DASS, in accordance with the Council's Contract Procedure Rules and to award the new contract to the successful provider
- Cabinet approval of the proposal on 21st August 2023
- A comprehensive procurement exercise has been undertaken
- Service aligns with national and local Policy

Signed : (Executive Director/Assistant Chief Executive/Director)

_____ Date:_____