

Report of Head of Commissioning. Adult Social Care

Report to Interim Director Adult Social Care.

Date: 22nd January 2015

Subject: Request to waive Contract Procedure Rules (CPR's) 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with the existing 3rd sector mental health providers for one additional year until 31st March 2017.

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Adult Social Care has £2.34 million worth of contracts for a range of services with 3rd sector mental health providers. The current end of contracts date is March 2016, although plans to re-procure these services have been underway for some time it is now clear that that it will be helpful to review the place of these contracts in the context of a city wide strategic mental health planning and development process – the Leeds Mental Health Framework (2014-2017).
2. The purpose of this report is to request a waiver of CPR 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with the existing 3rd sector mental health providers listed in appendix 1 for a further year until 31st March 2017 to allow time to properly explore the place of these services within the whole city mental health system and potential further integration between social care and health service mental health commissioning and provision.

Recommendations

3. The Director of Adult Social Services is recommended to waive CPRs 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with the existing 3rd sector mental health providers listed in appendix 1 for a further year until 31st March 2017.
4. If this recommendation is accepted mental health commissioners will re issue the contracts in writing immediately after the call in period.

1 Purpose of this report

- 1.1 Adult Social Care has contracts with six 3rd sector mental health organisations to the extent of £2.34m. It was agreed in 2013 that these contracts would be retendered by March 2016. These contracts are listed in Appendix 1.
- 1.2 It is now clear that, in order to develop and achieve wider strategic goals with our partners it would be necessary to have a longer timescale to scope out the place of these services in the wider context of plans and developments in Leeds so an extension to the current contractual timescale will be necessary.
- 1.3 The purpose of this report is to request an exceptional extension of the contract timescale in the context of city wide developments.

2 Background information

- 2.1 Leeds Adult Social Care provision and social work service has an important part in the Leeds network of mental health provision. This is within the context of a wider city wide system led by the mental health partnership board – administered and led by the North CCG.
- 2.2 Locally there is a city wide mental health development process currently underway: this is focused around co production work to agree and implement The Leeds Mental Health Framework (2014-2017). Adult Social Care is contributing to this and has included a number of its market position statement priorities within the framework objectives.
- 2.3 The implementation of the Leeds Mental Health Framework (2014-2017).is being led by the Leeds mental health partnership board. The framework is based on national and local objectives and a series of priorities have been agreed. These are
 - Community provision
 - Crisis care
 - Data
 - A functioning Information resource for public and professionals
 - A shared referral point. (to gate keep both secondary and primary care)

These 5 priorities were chosen because they were seen as the areas which would produce the most improvement in quality and economy of provision – not necessarily because they are the only important elements of any mental health system.

- 2.4 Adult Social Care (ASC) has contracts with six 3rd sector mental health organisations to the extent of £2.34m. Most of these originated as mental health grant services in the early 90s and over the past 5 years they have been reviewed and placed on a formal contractual level.
- 2.5 These ASC 3rd sector contracts cover a number of service areas and interface with the MH framework priority objectives at a number of points. They also

interface with a number of other mental health priorities. In addition there is a varied element of joint funding for different providers and different services. Funders include ASC, the office of the director of public health (including public health and housing related support) as well as the CCG. (see Appendix a for a breakdown of this).

- 2.6 Other current ASC mental health priorities are the joint work between the in-house mental health service and LYPFT, the proposed value for money work with individual community care placements; and the proposed work to develop a supported accommodation framework for mental health.
- 2.7 There are other LCC contracts with these and similar providers. These are listed in appendix 2. Please note that some CCG funding of joint or closely linked contracts is included in this table, (with the permission of the CCG).
- 2.8 It was agreed in the previous DDP (28th Feb 2013)¹ that the end date of these contracts would be March 2016.
- 2.9 In addition to the change in mental health structures and objectives since the last report the council is subject to substantial financial pressures which were not predicted when the existing time scales were agreed. It is possible that increased partnership work between commissioners will lead to more economical service delivery.

3 Main issues

- 3.1 This is a major time of change for mental health services in Leeds driven by financial constraints and changed national understanding how to achieve a good quality of support for our population. The timescale for our longstanding plans to retender our mental health contracts is on longer compatible with this wider work.
- 3.2 The mental health contracts are a small subsection of the possible mental health work which needs to be seen in a wider context. The purpose of this requested extension is to allow commissioners time to work in partnership to design and develop services which are consistent with the objectives of the Leeds mental health framework.
- 3.3 ASC commissioners have been working closely with the ASC providers to make efficiency savings and to develop new specifications. In addition there has been a questionnaire developed in partnership with the providers to find out more about the current usage of the services. The results from this will inform future developments.
- 3.4 It was agreed in 2013 that these contracts would be retendered by March 2016. It is now clear that it would be helpful to review these contact in the wider context of plans and developments in Leeds so an extension to the current contractual timescale will be helpful.

¹ **Subject: Request to invoke Contract Procedure Rule (CPR) 31.1 to waive CPR 13 to award contracts to the voluntary sector mental health providers for three years from 1 April 2013 to 31 March 2016**

- 3.5 Although there are 14 months to the agreed final date of the existing contracts the procurement process will take at least 10 months, this does not leave sufficient time to rethink the service and specification design in line with the timescales from the Leeds Mental Health framework, to enable possible closer working with health and then do the necessary consultation.
- 3.6 There is a need for a wider review of possibilities for closer working between health and social care - possibly in the context of the better care fund and other health act flexibilities. There are a wide range of different options for pooled funds for greater or lesser amounts of the total budget and there is some appetite for this from various commissioners and providers.

4 Corporate Considerations

- 4.0.1 Increased partnership work across the city to improve the health and well-being of the population of Leeds and maximise the Leeds pound is a priority.
- 4.0.2 The purpose of this extension is to allow time for more meaningful co-working and possibly to review more formal partnership arrangements between CCG and ASC – as such it fits well with corporate priorities.

4.1 Consultation and Engagement

- 4.1.1 The providers concerned have been informed at a regular partnership meeting of the intention to seek a waiver to contract procedure rules to allow an extension to the contracts. Although they had some concerns about the impact of the delay they recognised that it was important to be able to align this work with the citywide development processes.
- 4.1.2 The intention is to consult with the service users of these services during the contact and specification development phase. Mental health service user representatives are engaged in the mental health framework development process.
- 4.1.3 The executive member has been informed as have other strategic partners including the CCG.
- 4.1.4 A contract monitoring process is in place, we will continue to ensure that these contracts achieve their agreed outcomes.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality impact screening tool has been completed evidencing that the existing services meet the needs of people with a range of needs or identities in addition to their mental health needs and this is attached as appendix 2. This proposal to postpone the redesign of the contracts – will not worsen the current position. We will ensure that all subsequent work includes a detailed review of the equality needs of the people concerned.

4.3 Council policies and City Priorities

4.3.1 Leeds City Council has signed up to the Leeds Mental Health Framework; this extension will allow a more realistic timescale to attain the agreed objectives of the Framework. Adult social care has agreed three better lives themes: one is Better lives through integrated services: it is important that these 3rd sector contracts are properly considered in a wider integrated service whatever the eventual design.

4.4 Resources and value for money

4.4.1 The existing providers have been asked to make savings from their current budgets as part of the budget planning process. They are currently negotiating with contract managers about how they will do this. There should be no negative financial impact from the delay in retendering. The amounts of the contracts are within the agreed ASC budget for 2015 to 2016. The value for money of the contracts will be tested at the procurement process.

4.4.2 This extension will allow the development of a closer partnership arrangement between the Clinical commissioning groups (CCG) and ASC which will allow maximum efficiency in the use of the Leeds pound.

4.5 Legal Implications, Access to Information and Call In

4.5.1 This is an exceptional case for a waiver of Contract Procedure Rules. The case for the waiver of CPRs is based on the need to meet agreed council priorities for integration, closer partnership working, and maximum value for the Leeds Pound and the Leeds Mental Health Framework (2014-2017). This is a Key Decision and subject to call in.

4.5.2 This proposal has been discussed with legal services and they have raised no objection.

4.6 Risk Management

4.6.1 The risk of not allowing extra time to this process is that we miss an opportunity to work more closely with the CCG and other partners at a time when Leeds is attempting to improve mental health services and to maximise value to the Leeds pound. The current wider picture of funding, contracts and providers has developed over a period of many years and would benefit from a coherent overview and closer partnership working.

4.6.2 The risk of allowing extra time is that the providers of those services – who have been working in partnership with the council to reduce the cost of their services – will find some difficulty in managing another year on the current arrangements. To alleviate this risk we will work closely with them to help them manage this uncomfortable period.

5 Conclusions

5.1 This report briefly outlines some of the current issues in mental health services; argues that in the present financial and political climate there is a necessity for closer working between health and social care and - to enable this closer working to happen – asks for an extension to the existing contracts.

6 Recommendations

- 6.1 The Director of Adult Social Services is recommended to waive CPRs 9.1 and 9.2 using the authority set out in CPR 1.3 to enter into a new contract with the existing 3rd sector mental health providers listed in appendix 1 for a further year until 31st March 2017.
- 6.2 If this recommendation is accepted mental health commissioners will re issue the contracts in writing immediately after the call in period.

7 Background documents²

- 7.1 None

² The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.