

Authority to extend an existing contract and also transfer Leeds City Council funding for the Community Support Team Service provided by Touchstone - Leeds to the West Yorkshire Integrated Care Board via an existing Section 256 arrangement

Date: 6 March 2024

Report of: Interim Deputy Director, Integrated Commissioning

Report to: Director of Adults and Health

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Touchstone - Leeds deliver a range of support services for people with mental health issues in Leeds. The Community Support Team (CST) is currently jointly commissioned and funded by both the West Yorkshire Integrated Care Board (ICB) and Leeds City Council (the Council).

The CST service has been subject to a detailed joint review by the Council and ICB. The review determined that the CST service is more closely aligned with health pathways and processes, including the Community Mental Health Teams which are delivered by Leeds & York NHS Partnership Foundation Trust.

As such, it is now being requested that the funding for this service be transferred from the Council to the ICB who will be the lead commissioner of the provision going forward. This report seeks approval for the transfer of the funding via the existing Section 256 NHS Act 2006 agreement ("the Agreement") from 1st October 2024.

In order to allow sufficient time to make arrangements for the transfer, and also to work with the provider to agree an efficiency saving, the existing contract for the CST service dated 31st March 2023 (AH-72941) ("the Existing Contract") needs to be extended for a six-month period from 1st April 2024 to 30th September 2024. There are provisions within the scope of the Existing Contract for this extension period.

Recommendations

The Director of Adults and Health is recommended:

- a) To approve the ongoing funding transfer from the Council to the ICB. The amount transferring will be a maximum of £201,473 per annum. It is proposed that funding will be transferred from 1st October 2024. The Agreement is already utilised to transfer funding to the ICB for other

similar provision including the Leeds Survivor Led Crisis Service and Leeds Mind's Employment Support Service.

- b) To invoke a six-month extension period to the Existing Contract for the CST service provided by Touchstone - Leeds for the period 1st April 2024 to 30th September 2024 at a cost of £100,736.
- c) To note the work which is underway with the provider and ICB commissioners to agree an efficiency saving to the Council element of CST funding, prior to the transfer, which minimises the impact to frontline service delivery.

What is this report about?

- 1 This report is about the transfer of funding from the Council to the ICB for the CST service provided by Touchstone - Leeds, as detailed in the table below.
- 2 The report seeks approval for the invocation of a six-month extension period to the Existing Contract for the CST service from 1st April 2024 to 30th September 2024 at a total cost of £100,736.
- 3 The service subject to this report is detailed below:

Service	ICB funding (per annum)	LCC funding (per annum)	Total
Touchstone Community Support Team	£428,154	£201,473	£629,627

- 4 The CST service is an intensive mental health support service which uses an assertive outreach approach. CST works with service users who have complex mental health needs. The vast majority of referrals (approximately 80%) come through Community Mental Health Teams (CMHTs) and other LYPFT services such as the Forensic Outreach Team, Assertive Outreach Team and hospital wards such as the Becklin and Newsam Centres. CST uses a strengths-based recovery approach with a focus on the individual and their strengths and interests. The service has a health focus and is delivered to people within their own accommodation, or in suitable community venues. The service plays a key role in supporting people to maintain their existing accommodation, thus avoiding further hospital admissions and more costly care packages.
- 5 The service works very closely with the CMHTs in Leeds, and during the pandemic took on support for CMHT service users with lower level needs, in order to allow the CMHTs to focus on maintaining support for those with more complex needs. This flexible partnership work has continued with the CMHTs since the pandemic. CST is very much embedded in the Community Mental Health Transformation work which is underway in Leeds.
- 6 The service has been part of a joint Council and ICB review of community based mental health provision. The review demonstrated that the service is delivering good outcomes and is highly thought of by service users and key stakeholders. A copy of the consultation findings from the review is attached at Appendix 1.
- 7 As part of the review outcomes, joint proposals have been developed regarding the best arrangements for the future commissioning of the provision. At the February Delegated Decision Panel approval was given for ICB funding for a range of Community Links supported accommodation services to be transferred to the Council to act as lead commissioner going

forward. In the same vein, approval is now being sought to transfer the funding for the CST service from the Council to the ICB. It is considered that the service has a better fit with ICB and health priorities and systems, rather than social care. The proposal is that the ICB will act as lead commissioner for the provision in future, and will be able to ensure that the service continues to adapt in line with any changes implemented through the Mental Health Community Transformation work.

- 8 Transferring the funding to the ICB will enable a more streamlined and straightforward contracting arrangement for the provider, who will have one contract and one budget moving forward, rather than two.
- 9 Discussions are underway with the provider and ICB commissioning partners to agree an efficiency saving to the Council funding which minimises any impact on frontline service delivery. It is anticipated that this will be around 5%, which will be applied prior to the transfer.

What impact will this proposal have?

- 10 The proposal to invoke a six month extension to the Existing Contract will ensure continuity of service whilst arrangements are made for the ongoing transfer of funding to the ICB, and also to agree a manageable efficiency saving with the provider. If the proposals in this report are not approved, the Existing Contract would expire on 31st March 2024 via the effluxion of time.
- 11 The service will continue to provide assertive outreach support to vulnerable people with mental health issues.
- 12 Working Age Adults Commissioners will continue to work closely with ICB commissioners regarding any changes which may be proposed in the future through the Community Mental Health Transformation Programme.
- 13 The ICB will be lead commissioners for the service moving forward.
- 14 An Equality and Diversity Cohesion Integration screening assessment has been completed and is attached. There are no issues to be addressed. Further impact assessments will be completed by the ICB as part of any longer-term commissioning arrangements.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing Inclusive Growth Zero Carbon

- 15 The service is strategically aligned to and will support the delivery of key Adults and Health priorities:
 - Leeds Health and Wellbeing Strategy 2023 – 2030.
 - Leeds Mental Health Strategy.
 - Leeds being an Age Friendly City to grow old in and a place where people age well.
 - Leeds Health and Wellbeing Strategy priority 8 of 'Promoting prevention and improving health outcomes through integrated health and care'.
- 16 The service is part of the city ambition that Leeds be a healthy and caring city for everyone, through investing in essential health services.
- 17 This proposal delivers against the Health & Wellbeing Pillar of the Best City Ambition:
 - 'Investing to ensure better and more equal access to essential services in health and learning, developed with and accessible for every community across Leeds'.

What consultation and engagement has taken place?

Wards affected: All

Have ward members been consulted?

Yes

No

- 18 The Executive Member for Adult Social Care, Public Health and Active Lifestyles was briefed on the 6th March 2024.
- 19 The Council's Procurement and Commercial Services (PACS) and PACS Legal Team have been consulted.
- 20 The provider and key stakeholders including LYPFT colleagues are in the process of being consulted with regarding the implementation of any Council efficiency savings.
- 21 Throughout the joint ICB and Council review of community-based services, extensive consultation has been undertaken with service users, providers and key stakeholders. A copy of the full consultation findings is attached at Appendix 1.

What are the resource implications?

- 22 The value of the six-month extension to the CST Existing Contract is £100,736 from the 1st April 2024 until the 30th September 2024 inclusive.
- 23 It is recognised that the Council is in an extremely challenging financial position. The Council's funding for CST has remained static for many years and has not been subject to any inflationary uplifts. Work is underway with the provider and key stakeholders to agree an efficiency saving prior to the funding transfer, which minimises impact on frontline service delivery. It is anticipated that this will be around 5%. The maximum amount of funding which is proposed to be transferred to the ICB via the Section 256 arrangement is £201,473 per annum. This will be subject to regular review.
- 24 Any efficiency reduction will adhere to the COMPACT for Leeds and six-months notice applied in communication with the provider.

What are the key risks and how are they being managed?

- 25 If the decision is not approved, the current service will fall out of contract on 31st March 2024, causing significant risk to the Council and the provider. In addition, the transfer of funding to the ICB would not be possible. There is evidenced need for this service, and should it not continue to be delivered beyond the expiry of the current contract, this would result in people being without essential support.

What are the legal implications?

- 26 The decisions contained in this report are treated as a Significant Operational Decision as the overall value is less than £500,000 and is therefore not subject to call in. There are no grounds for keeping the contents of this report confidential under the Access to Information Rules.
- 27 The Existing Contract commenced on the 1st April 2023 for a period of 12 months with the option to extend for up to a further 12 month period. Therefore, there is provision within the terms of the Existing Contract to invoke a six-month extension period option, now being requested.
- 28 The Agreement is already utilised to transfer funding to the ICB for other similar provision including the Leeds Survivor Led Crisis Service and Leeds Mind's Employment Support Service.
- 29 Both contract extensions and contract variations are governed by the Council's Contract Procedure Rules (CPR), specifically CPR 21.

- 30 The Existing Contract will be the subject of a contract extension. Where CPR 21.1 confirms that the extension must be carried out prior to the expiry of the contract, which is being met here. CPR 21.2 confirms the extension must represent Best Value for the Council and be carried out in sufficient time, which again is being met. CPR 21.3 confirms that PACS must be consulted on “high value” extensions (i.e., over £100k) and that all contract extensions must be recorded on the e-tendering system for transparency and reporting requirements.
- 31 The Agreement will be the subject of a contract variation. Where CPR 21.6.1 confirms that the contract variation must be carried out within the scope of the original contract (i.e. the Agreement). CPR 21. 7 confirms that all contract variations must be in writing, which it will be documented by way of formal variation agreement. The variation of the Agreement being requested is under the threshold for Public Contracts Regulations 2015 (CPR 21.10), although PACS have been consulted regardless. The reason for this is value for services here has been assessed under the Light Touch Regime due to the nature of the funding.
- 32 In making the final decision, the Director of Adults and Health should be satisfied that the course of action chosen, as to extending the Existing Contract and transferring the funding under the Agreement (as detailed in this report), is the best course of action for the Council and should be satisfied that in doing so it represents best value for the Council.

Options, timescales and measuring success

What other options were considered?

- 33 The option to retain funding with the Council was considered. However, the service is much more closely aligned with NHS mental health pathways and systems, and is a key partner in the Community Mental Health Transformation Programme work. The consistency of having one contract, one budget and one lead commissioner going forward will benefit the service in the long term.
- 34 There is the option of ending the CST funding once the Existing Contract expires on 31st March 2024. However, there is considerable evidence of the need for this provision and disinvestment would have a negative impact on vulnerable service users, our legal responsibilities under the Care Act 2014 and the Leeds mental health system as a whole.

How will success be measured?

- 35 Working Age Adults commissioners will continue to work closely with ICB commissioning partners to monitor and review the ongoing funding transfer arrangements, and to ensure that the service continues to meet its key objectives and outcomes.
- 36 The service will continue to be subject to the Working Age Adults contract management process for the duration of the contract extension, which involves regular meetings with the provider and analysis of key performance data.

What is the timetable and who will be responsible for implementation?

- 37 If approval is given, the Existing Contract will be extended prior to the 31st March 2024. Funding transfer will commence on 1st October 2024. The Head of Commissioning, Working Age Adults will have overall responsibility for the implementation of the above.

38 Appendices

- Service review consultation findings report.
- Equality Assessment.

39 Background papers

None.