

Report of the Deputy Director, Integrated Commissioning
Adults and Health, Leeds City Council & NHS Leeds Clinical Commissioning Group

Report to the Director of Adults and Health

Date: 13 February 2019

Subject: To seek approval from the Director of Adults and Health to waive Contract Procedure Rules (CPRs) CPRs 9.1 and 9.2 to enter into a new contract with Community Links for the provision of Oakwood Hall from 1 April 2019 for 14 months. The value for this contract is £582,097.

Are specific electoral wards affected? If yes, 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. Adults and Health currently has a contract with Community Links for the provision of Oakwood Hall. The current contract expires on 31 March 2019. The service has not previously been subject to a procurement exercise.
2. This service is jointly funded by Adults and Health and the NHS Clinical Commissioning Group (NHS CCG). The Leeds CCG has already agreed to award Community Links a new contract from 1 April 2019 for 14 months following consultation with Adults and Health. The Leeds CCG annual contribution is £325,969 and for 14 months it will be £380,297.
3. In order to keep the contracts aligned and to ensure service continuity Leeds Adults and Health will need to enter into a new contract for 14 months from 1 April 2019.
4. This service will be subjected to a review to be undertaken jointly by Adults and Health and the Leeds CCG. Following the review a procurement exercise will be undertaken during 2019/20 with the view to awarding a five year contract.

Recommendations

1. For the Director of Adults and Health to approve the waiver Contract Procedure Rules 9.1 and 9.2, and to enter into a new contract with Community Links for the provision of Oakwood Hall from 1 April 2019 for 14 months. The value for this contract is £582,097.

1. Purpose of this report

- 1.1 To seek approval from the Director of Adults and Health to award a contract to Community Links for the provision of Oakwood Hall from 1 April 2019 for 14 months.

- 1.2 The Director of Adults and Health should note that:

The Council's Procurement and Commercial Service will be requested to issue the new contract.

The working Age Adult Commissioning Manager will be responsible for implementing this decision.

2. Background information

- 2.1 Oakwood Hall is a twelve-bed dual registered nursing and residential care home for people whose mental health needs cannot be satisfactorily met by other services. It provides recovery focused, responsive care and support focusing on therapeutic engagement, meaningful daily activity and the opportunity to make positive changes in the behaviours that have led to being excluded from other services. It supports a broad range of individuals with severe and enduring mental health needs, including: personality disorder, psychosis, depression, anxiety, challenging behaviour and difficulties that arise from a dual diagnosis.

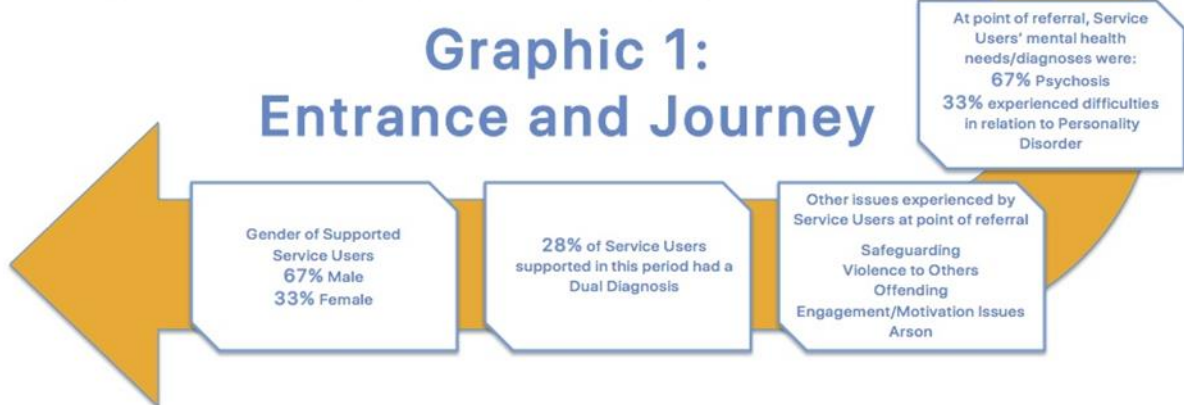
- 2.2 The service provides eleven residential placements, each for up to five years. The multi-disciplinary team is made up of Registered Mental Health Nurses (RMN), Mental Health Support Workers (MHSW) and, new for 2018, an Occupational Therapist (OT). Oakwood Hall also employs a chef, who provides the catering for the service as well as support to Service Users around nutrition and cooking.

- 2.3 Another essential element to service provision at Oakwood Hall is the respite service. Whilst the respite service is not seen as an alternative to a hospital admission, preventative interventions are an essential function, supporting maintenance of good mental health and helping to avert relapse where possible. The service achieves this by helping to reduce social isolation and increase the individual's ability to seek support outside of statutory provision. Respite stays provide Service Users time to re-focus, away from the stresses and strains of everyday life. They can also utilise telephone support outside of normal working hours between stays. Respite is offered to all individuals who have formerly resided at Oakwood Hall but have successfully moved on to other accommodation. The benefit of this is that the therapeutic relationship developed over the course of their time at Oakwood Hall can continue; helping to support the management of their mental health in a different, often less supported, environment.

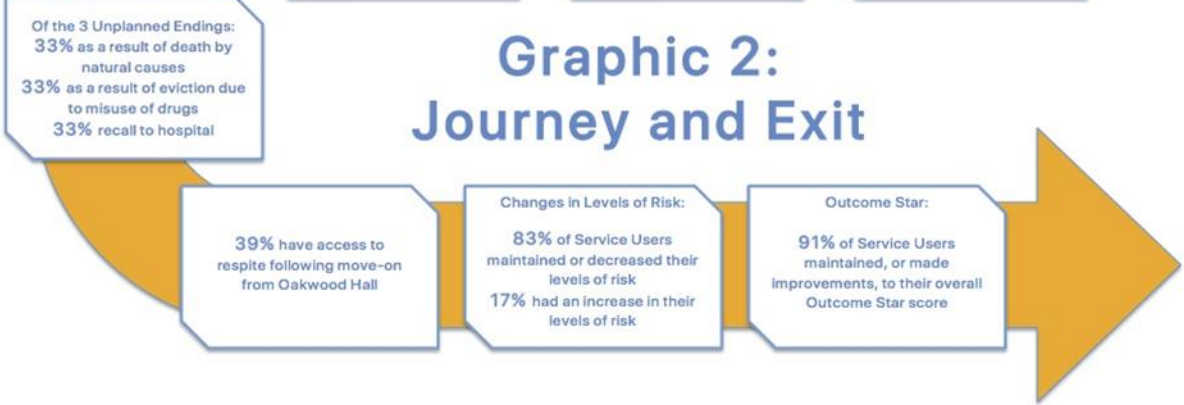
2.4 The data below is made up of all Service Users that have utilised a residential placement within the service in the period that encapsulates April 2013 to March 2018



Graphic 1: Entrance and Journey



Graphic 2: Journey and Exit



2.5 For context, below is a snapshot of the difficulties experienced by those utilising Oakwood Hall at the time of this report:

- 90% of residential service users living at Oakwood Hall at present have a dual diagnosis of co-existing mental health and alcohol/substance use issues.
- 40% are at significant risk of accidental self-harm (due to alcohol/illicit drug use).
- 60% of residents are assessed as being at significant risk of exploitation/vulnerability.
- 30% are at significant risk due to physical health needs.
- 30% are at significant risk of neglect.
- 30% have a significant risk of violence and aggression to others.
- 18% of the 28 individuals who have resided at Oakwood Hall over the last 5 years have a history of arson/fire setting (there is sprinkler system in place).

3. Main issues

- 3.1 Leeds Adults and Health and the Leeds CCG has had a contract with Community Links for the provision of Oakwood Hall for more than 10 years and the current contract expires on 31 March 2019. This service is jointly funded by both organisations and has never been subject to a procurement exercise.
- 3.2 This service is jointly funded by Adults and Health and the Leeds CCG. The Leeds CCG has already agreed to award Community Links a new contract from 1 April 2019 for 14 months following consultation with Adults and Health. The Leeds CCG annual contribution is £325,969 and for 14 months it will be £380,297.
- 3.3 Following a meeting the Deputy Director for Integrated Commissioning and the Head of Mental Health Commissioning at the Leeds CCG, it was agreed with that Adults and Health will take the lead on the service review and subsequent procurement exercise.
- 3.4 The contract will continue to be performance managed by officers in Adults and Health and the Leeds CCG. This includes regular reviewing of performance information and quarterly contract management meetings with the provider, at which any delivery issues are discussed. To date the service has delivered in accordance with the service requirements and performance criteria outlined in the service specification.
- 3.5 This service has not been subject to a procurement exercise but has been developed over the years via a service specification to what it is now. The current contract was put in place by a waiver of CPRs agreed by the Director of Adults and Health.
- 3.6 The service was inspected by Care Quality Commission (CQC) in March 2018 and was rated as good.
- 3.7 In order to allow for service continuity whilst the service review and procurement exercise are being undertaken a new contract is required for 14 months.

Corporate considerations

4.1 Consultation and engagement

- 4.1.1 Service users and other stakeholders will be included in the service review and the subsequent procurement exercise
- 4.1.2 Councillor Charlwood (Executive Member for Health, Wellbeing and Adults) was briefed on the 29 November 2018.

4.1 Equality and diversity / cohesion and integration

- 4.1.1 An Equality, Diversity, Cohesion and Integration Screening Assessment has been completed for this report. This will be submitted alongside the report for Delegated Decision Panel.

4.2 Council policies and best council plan

- 4.2.1 There are five outcomes from Leeds Health and Wellbeing Plan relevant to the Oakwood Hall Service; People will live longer and have healthier lives, People will live full, active and independent lives, People will be actively involved in their health and their care, People's quality of life will be improved by access to quality services and People will live in healthy, safe and sustainable communities.
- 4.2.2 The Best Council Plan is our strategic planning document, sitting at the top of a range of supporting strategies. It sets out what the council, working in partnership, will do to deliver better outcomes across Leeds.
- 4.2.3 The high level outcomes from the Best Council Plan are;
- Be safe and feel safe
 - Enjoy happy, healthy, active lives
 - Live in good quality, affordable homes within clean and well cared for places
 - Do well at all levels of learning and have the skills they need for life
 - Enjoy greater access to green spaces, leisure and the arts
 - Earn enough to support themselves and their families
 - Move around a well-planned city easily
 - Live with dignity and stay independent for as long as possible

The Oakwood Hall service outcomes have direct links to the Best Council Plan's outcomes and are reflected in the service delivery.

4.3 Resources and value for money

- 4.3.1 The funding of £582,097 for the service will come from the existing budget.
- 4.3.2 Undertaking the procurement exercise will help achieve value for money through the receipt of competitive tenders which meet all the requirements set out in the tender documentation.
- 4.3.3 The inclusion of key performance indicators in the service specification should also improve performance and provides a mechanism by which the council, if necessary, can withhold payment where the service may not be being delivered in accordance with the service specification requirements, thereby further ensuring value for money.

4.4 Legal implications, access to information, and call-in

- 4.5 This is a Key Decision which is subject to call-in as the maximum combined cost of services within this decision is more than £250k. A notice was published on the List of Forthcoming Key Decisions on the 31 October 2018.
- 4.6 This report does not contain any exempt or confidential information under the Access to Information Rules.
- 4.7 Awarding the new contract direct to Community Links in this way could leave the Council open to a potential claim from other providers, to whom this contract could be of interest, that it has not been wholly transparent. In terms of transparency it should be noted that case law suggests that the Council should always consider whether contracts of this value could be of interest to contractors in other EU member states, and if it could, the opportunity should be subject to a degree of European wide advertising. It is up to the Council to decide what degree of advertising would be appropriate. In particular, consideration should be given to the subject-matter of the contract, its estimated value, the specifics of the sector concerned (size and structure of the market, commercial practices, etc.) and the geographical location of the place of performance.
- 4.8 The Director of Adults and Health has considered this and, due to the nature of the services being delivered and the requirement to be physically located in Leeds, is of the view that the scope and nature of the services is such that it would not be of interest to providers in other EU member states.
- 4.9 There is a risk of an ombudsman investigation arising from a complaint that the Council has not followed reasonable procedures, resulting in a loss of opportunity. Obviously, the complainant would have to establish maladministration. It is not considered that such an investigation would necessarily result in a finding of maladministration however such investigations are by their nature more subjective than legal proceedings.
- 4.10 Although there is no overriding legal obstacle preventing the waiver of CPRs 9.1, and 9.2 using the authority set out in CPR 1.3, the above comments should be noted. In making their final decision, the Director of Adults and Health should be satisfied that the course of action chosen represents Best Value for the Council.

4.11 Risk management

- 4.5.1 The issuing a new contract will allow for service continuity during the period of the service being reviewed and procured.
- 4.5.2 The procurement exercise will be undertaken in a fair, open and transparent way and in adherence with the Public Contracts Regulations 2015 and the council's own Contracts Procedure Rules.
- 4.5.3 Project risks will be reviewed on a regular basis and the project team responsible for undertaking the review and subsequent procurement exercise will continue to do this during the procurement process.

5 Conclusions

- 5.1 The new 14 month contract commencing 1 April 2019 will allow for Adults and Health and the Leeds CCG to work collaboratively to agree the terms of the review and the subsequent procurement.
- 5.2 The review will commence when the new contract is in place and a project team will be established to oversee this work.

6.0 Recommendations

- 6.1 For the Director of Adults and Health to approve the waiver Contract Procedure Rules 9.1 and 9.2, and to enter into a new contract with Community Links for the provision of Oakwood Hall from 1 April 2019 for 14 months. The value for this contract is £582,097.

7.0 Background documents¹

Appendix 1

Equality Impact Assessment

¹ 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.