

# **Executive Director/Director Non-Key Executive Decision Report**

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#### **Purpose of Report:**

To recommission 5 services to ensure services remain in place for people with mental ill health in Sheffield.

To align the dates of current contracts to enable a single commissioning process to take place within the same timeline.

To make some changes to services to respond to changing and increasing needs, to update the cost of providing such services and to ensure that service provision can adapt to changing needs throughout the contract.

The Director of Commissioning, Inclusion and Learning is recommended to approve the recommendations within this report in order to ensure that Sheffield retains a range of accommodation based and non-accommodation based services for people with mental ill health to prevent illness becoming worse and to provide an alternative offer for adults stepping down from hospital and residential care.

#### **Recommendations:**

- 1. Approve the procurement process to re-commission a range of psychological and outreach support and accommodation based support services for people with mental ill health, in line with the details as set out in this report, and thereafter to award the contracts.
- 2. Approve the extension of 3 of the current contracts at the current contract price and terms and conditions in order to align all the contracts, enabling a single procurement process to take place as detailed in this report
- 3. To approve the extension of the floating support service with Adullam until 2<sup>nd</sup> October 2020 within the terms of the current contract.

## **Background Papers:**

(Insert details of any background papers used in the compilation of the report.)

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Lea	∟ead Officer to complete:-					
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: (Insert name of officer consulted) Paul Jeffries				
		Legal: (Insert name of officer consulted) Henry Watmough-Cownie				
		Equalities: (Insert name of officer consulted)  Ed Sexton				
	Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.					
2	Lead Officer Name: Ann Ellis	Job Title: Strategic Commissioning Manager				
	Sandra Capewell	Housing Independence Officer				
	Date: 13/02/2020					

#### 1. PROPOSAL

# 1.1 Background.

The Council currently commissions a range of contracts to provide prevention support, including support in accommodation for people with mental ill health in Sheffield. These services provide support to develop resilience and recovery to enable people to live in the community and prevent the need for more formal care. The accommodation based services provide an alternative to, or step down from, hospital and residential care. The five contracts are due to end at varying dates in 2020 and will need to be recommissioned.

In 2014 the mental health prevention services in Sheffield underwent thorough reviews and were radically changed to meet the strategic requirements of the Council. In 2016, following a wider review of people's mental health needs in a wider range of services, a psychology service was commissioned to develop staff skills in psychologically informed practice and to provide some direct interventions to women who are very chaotic and at risk, but who struggle to access formal therapies through the expected pathways.

In summary, a comprehensive review was undertaken in 2013/14 with other commissioners and stakeholders, and services were radically remodelled to meet needs in the best way. This included the commissioning of a new building at Sevenairs, reducing and remodelling the number of contracts and reducing resources to enable services to be procured within available resources. Following this, the current services in place were commissioned. These services come to an end this year and need to be recommissioned to ensure service continuity.

We have recently undertaken a further review of services and whilst the services are working well and have adapted to meet current needs, we think that we need to do some things a bit differently as the landscape in which these services sit has changed and acuity of need has increased.

Services currently in place are:

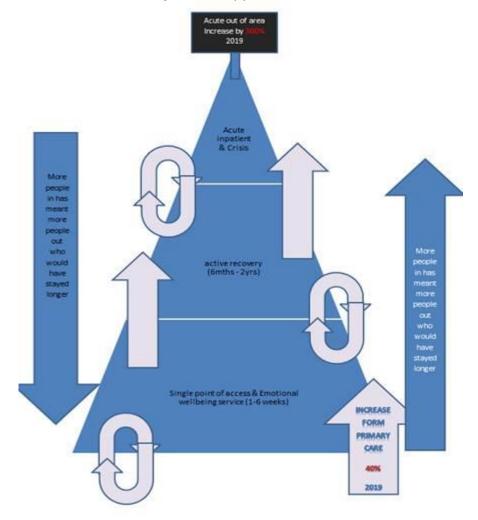
	Service type	units	End date
1	Sevenairs supported accommodation	20	13.05.2020
2.	Beaufort supported accommodation	18	02.08.2020
3.	Floating Crises prevention and re-	75	31.05.2020 with
	enablement		option to extend
			to 31.05 2021
4	Connect 3 – floating, dispersed and	113	02.08.2020
	transitional landlord		
5	Psychology service	N/A	29.10.2020
	Total units	226	

# 1.2 **Needs assessment**

# 1.2.1 Mental Health population and predictions for Sheffield

There has been a 40% increase in people with mental health issues referred to secondary mental health services in Sheffield in the last two years. The impact of this is shown in the diagram below. This shows that as demand increases, the time in which people receive an intervention is reduced and acuity is slowly but significantly being pushed into community prevention services. Slowly (but over time significantly) thresholds for secondary mental health services are rising. Those who require an acute service are pushed up the system and we have seen that hospital beds are overly used with SHSC purchasing acute beds from private hospitals.

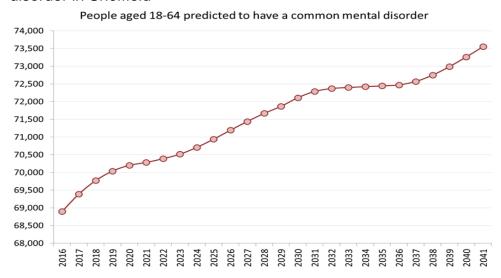
This means that people who do not meet eligibility thresholds are at risk of harm without access to any other support.



## 1.2.2 Demand on mental health services in Sheffield is set to increase. See table 1 below1

	2019 prevalence data	Inc from 2019 to 2025	% increase 2019 - 2025	Inc from 2019 to 2035	% increase 2019 - 2035
Common mental disorder	70,039	899	1.28	2,406	3.44
Borderline personality disorder	8,895	115	1.29	307	3.45
Antisocial personality disorder	12,493	181	1.45	495	3.96
Psychotic disorder	2,599	35	1.34	94	3.61
Two or more psychiatric					
disorders	26,726	355	1.33	955	3.57

#### 1.2.3 Table 2 shows the projected increase in the number of people with a mental health disorder in Sheffield



#### **Prevention Services** 1.2.4

The commissioned prevention services are assisting in keeping pressures away from statutory services but are struggling to keep up with demand.

These clients without this specialist support would not have the resilience to deal with daily living in the community. These services fit between early help and formal social care. Acuity of need has increased as the mental health system struggles to cope with the increase in the need for secondary care.

71% of clients in our prevention services are living in the most deprived areas of Sheffield (in the top 2 quintiles).

In addition clients are more likely to be affected by issues such as:<sup>2</sup>

- Emphysema is about 46% above the Sheffield base average.
- Incidents of stroke are 30% more likely in this profile than in the base.
- Approximately 28% consider themselves to have poor general health. This is

<sup>&</sup>lt;sup>1</sup> Table 1 PANSI

<sup>&</sup>lt;sup>2</sup> CACI Acorn geodemographic modelling. Public Health.

27% above the base.

- Poor general health and wellbeing also has a significant presence.
- 12% of our current cohort are lone parents. This is 42% higher than the base average for Sheffield.

These index values are considered to be significant factors.

## 1.2.5 Market response to increase in demand and risk to SCC budgets.

The market is responding to these increases by opening large amounts of shared housing in the private sector, charging rents of around £265 per week for 60 people which incurs an estimated £300,000 in lost subsidy from Central government to the Council (this is because the landlord is not a Housing Association or the Council). As more private providers enter the market this loss will increase.

In addition, these providers rely successfully on personal budgets and have no incentive to maximise a person's independence and move them on to more independent living. Properties are often shared and do not provide the quality or security of tenures that people get both in the two specialist supported housing schemes, nor the successful move on achieved from the benefit of these services.

Ideally we would want more services like Sevenairs and Beaufort Road so we cannot afford to lose the provision we currently have.

## 1.2.6 Children

Within the targeted current cohort approximately 14% of households have children living with them, others will have access to children who do not live with them. Many of the children are known to SCC Children's services. The workers for the assertive prevention services will attend Team Around the Family (TAF) meetings as the main mental health support. The workers will take on roles in the family's support – helping to establish family routines, supporting independent living and parenting skills. Many mothers have themselves had adverse childhood experiences and are struggling with their own mental health and parenting. For example in our current provision two young mothers were victims of the Rotherham child sexual trafficking and suffer from PTSD. Most children will have some involvement with Social Care, however the parents also require the additional support around their mental health and independent living skills.

# 1.2.7 **Dual diagnosis**

One of the main findings of the Government's Public Health Report 'Adults with substance misuse treatment statistics 2018 to 2019' is that over half (53%) of adults starting treatment said they had a mental health treatment need. This ranged from 49% of people with opiate problems to 59% for people with non-opiate and alcohol problems.

In the current Sheffield assertive prevention services, 31% of clients also have a substance misuse issue, and a further 7% have issues with both drugs and alcohol, all of which makes compliance with such things as medication or mental health assessments etc. very difficult. Without this support we might see the figures in formal services increase.

#### 1.3 **Current Services** (excluding formal care and clinical services.)

#### 1.3.1 Accommodation based Services

The two accommodation based services (Sevenairs and Beaufort Rd) provide step down provision from residential care and hospital settings and also provide an alternative to people going into residential care.

In total there are 38 self-contained units on two separate sites with 24 hour staff on each site. Currently these services cost us £317,000 a year. In addition, housing benefit makes up the funding to include a night time concierge. Access to the services is via a panel chaired by a senior mental health social worker. All residents are on a Care Programme (CPA), which means that all clients have a serious mental illness (SMI). Prioritisation is given to people to support them to come out of residential care or hospital and those on MOJ orders.

Both buildings and services are key to preventing the use of high cost services and enabling step down / offering an alternative to residential care. An estimated 70% of residents (26) a year would otherwise be living in residential care at an estimated cost of £850 per person per week or £44,200 pp per year.

We estimate that in total the two services save £1,149,200 to the care purchasing budget. This is a net saving to the Local Authority of £832,200. It also helps remove blockages in the residential market meaning that residential care deals with increasing acuity and does not become a home for life.

Sevenairs was a new build block of flats with office and communal provision on site commissioned in 2013 with an expected life of over 30 years. Beaufort Road is also a specifically designed building with a long life expectancy.

The buildings are owned by Guinness (Sevenairs) and by South Yorkshire Housing Association (Beaufort Rd). Both Housing Associations understand that the Council will procure the provider of the support services.

Outcomes for the services are good with over 70% moving on to their own independent tenancy. 83% of people report that they were better able to manage their mental health as a result of the support received in the service and 89% felt that they had developed confidence to have greater choice, control or independence.

Given the excellent outcomes and cost benefit of these services, and the anticipated longevity of these to maintain a reduction in use of care homes and restricted hospital beds, we recommend that they are recommissioned for 5 years with a break clause at 3 years, and potential annual financial reviews.

We recommend procuring these two services as two different lots and not allowing the same provider to run both buildings. This is to ensure that clients have a choice of service as well as location, and it enables people to move from one unit to another in the event of a relationship breaking down with one particular provider.

It is anticipated that the cost of these services will increase as they have had no inflationary rise in 5 years and staff retention is becoming an issue.

#### 1.3.2 Assertive Prevention Services

These services are commissioned as prevention to prevent people with more

common mental health disorders from needing care. These services are assertive in their approach and are delivered within a person's home; unlike other provision, an external appointment is not required. They work to prevent people from needing higher levels of care. They also support people to leave hospital / residential care or move on from the two supported accommodation schemes. The current model is predominantly that of visiting support, though one contract provides a number of dispersed supported accommodation units, and a number of service units run on a transitional landlord model.

These services sit between early help and formal social care. They are flexible, can work positively alongside other Mental Health Services and have also enabled people to come out of long stay hospital. An example of innovation has been 4 people who were trapped in long term residential care moved onto independent living with the help of Adullam. Not only did this enable those people to live less restricted and more independent lives, but it resulted in actual savings of £174,720 p.a. to the care purchasing budget (£43,680 a year each). This demonstrates what can be achieved when you work with providers on a flexible approach.

Demand for services is going up and is projected to increase over the next 5 years (see table 2 on page 5³). Access is open but the biggest referrers are from the SHSC (mainly IAPT, SPA and Substance misuse). 71% of service users live in the most deprived areas of Sheffield. 86% of service users are also known to MH services. Outcomes are good with 93% being stable at the end of the support, and 89% do not represent to the service.

There is no doubt that Services are needed but we recommend that we commission a single assertive prevention service, thus combining the non-accommodation elements of the two current services. However, we recommend that a separate contract is required for dispersed accommodation.

In relation to the Assertive Prevention Service, it is important that this reflects the fact that it will be working within an environment where care services are changing. It is essential that we commission a provider that is responsive to the needs of the Council and is open to working flexibly with the Council to respond to changing community provision and closer working with Health.

Dispersed accommodation will be furnished and supported, and will provide a service for clients who do not meet the eligibility for the two accommodation schemes but who are unable or unready to access their own independent tenancies. Access to this service will also be through the Mental Health Nominations Panel alongside Sevenairs and Beaufort. This will provide a greater degree of screening and prioritisation, ensuring that people with mental health issues who might otherwise move to less suitable provision which is not designed to manage their recovery have another option. It will also ensure that the units are not used for people without assessed mental health needs.

15 properties are available from Housing Association partners to support this contract and we will require the bidding providers to bring with them additional units. We estimate approximately 25 to 30 units from the tender. There will be fewer units than in the current Connect 3 service but as they will not be in large shared units,

<sup>&</sup>lt;sup>3</sup> Table 2. PANSI.

utilisation will be higher and more successful.

It is recommended that we commission these two services (one assertive prevention service and one dispersed accommodation service) for five years with a break clause at three years.

## 1.3.3 **Psychology Service**:

This is a service that has been commissioned to provide reflective practice and support for staff across the housing support services to enable them to work effectively in a trauma-informed way. Acuity is rising across all client groups and staff require support to understand the impact of trauma and to help improve outcomes for clients. The Council has recently extended this service to provide direct therapy to some of the homeless women who are struggling to access therapy services when they require it.

Within the current service there has been a 26% improvement in staff's knowledge and skills in terms of the principles of psychologically informed practice in the ever challenging environment in which they work i.e. resource reductions and increased acuity of need. Feedback from providers states that support from the services has averted a number of evictions that would otherwise take place.

The current service has shown that it has helped women to improve their insight and understanding of their past traumas (adverse childhood experiences – ACEs). The therapy has improved the way a person expresses their feelings and problems in a way which does not lead to eviction. It has also helped women to develop coping strategies which have improved day to day their functioning now and potentially in the future.

This extended service will enable women to break the cycle of ACEs within their current and future families and will support a wider range of services to work in a psychologically informed model.

It is recommended that we recommission this service for 5 years with a break clause at 3 years but with more flexibility to offer direct therapy in some cases.

# 1.3.4 Proposal

Our proposals are worked out taking into account potential inflation pressures in the market and increase in demand.

Total resources available to commission the services are £1,153,350.

Lot	Service type	Estimated units	Estimated cost
1	Sevenairs supported accommodation	20	£200,000
2.	Beaufort	18	£200,000
3.	Assertive prevention support	132	£524,350
4	Dispersed supported	25	£99,000
5	Psychology service	N/A	£130,000
	Total	195	£1,153,350

The proposal estimates a loss of 31 support units and a reduction of support hours per person from 5 to 4 per week in the assertive prevention service and dispersed service. However, it enables the recommission to remain within the allocated budget. These are estimates based on our best knowledge. The tender process may result in a slightly different result.

#### 2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 This proposal supports the priorities of the Council's Corporate Plan. In particular it helps improve Health and Wellbeing and tackle inequalities. 71% of service users live in the most deprived areas of the city. The decision will help reduce inequalities faced by people in poor health, living in deprived neighbourhoods. Demand for statutory mental health services has increased by 40%. The services are designed to prevent individuals with mental health needs from needing statutory services and for those that have met the threshold to rebuild their resilience and prevent them from deteriorating further.

As shown in the customer feedback about the current services, the customer experience is greatly improved and service users are very positive about the contribution these services make to improving their health, wellbeing and self-worth.

The economic impact is very positive. Not only will this decision continue to prevent expenditure in higher cost statutory services (see section 1.3.1 and 1.3.2), but it will also support people to enhance their self-worth and recovery journey enabling some of them to take part in voluntary activities and access paid employment.

#### 3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 Consultation has taken place with service users in all of the operational services. The responses were very positive and service users overwhelmingly felt that that the services are doing the right things now, were very well-respected by service users and that this should continue in new services. This includes:
  - Staff respecting and treating service users fairly
  - Involve service users in support planning and goal setting
  - Help service users to make their own decisions about things that are important to them
  - Key workers should continue to be skilled, caring, non-judgemental, patient, understanding, inspiring and empathetic

It was felt that these are the attributes that help turn service users' lives around. The service specifications, including required training, will pick these points up.

When asked how the services could be improved the general response was that the only improvement would be an extension to the duration of the support provided. People felt that the period of support for the floating and dispersed accommodation services was not long enough (currently these are for 6 and 12 months respectively with the option to extend beyond this by exception in agreement with the commissioners).

This will be balanced with the availability of resources and the increase in demand picked up in new service specifications for dispersed accommodation and the assertive outreach service.

Provider feedback for the psychology service is very positive and they feel that the service has helped them understand the reasons for people's behaviours and supported them with techniques for responding more consistently and appropriately to some service users. It has also prevented them from evicting some service users where previously they would have done.

#### 4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

#### 4.1 Equality of Opportunity Implications

- 4.1.1 Two EIAs have been completed for these services.
  - 1. The three accommodation services and the assertive prevention service.

The services have a positive outcome on people's well-being, and support inclusion for people with mental ill health. The services support adults over 18. Men, women and people from the LGBT+ community can access these services as long as they meet the eligibility criteria. The accommodation based services have a number of flats which are fully wheelchair accessible. Outcomes of the proposal are generally positive as this will continue to provide a range of prevention and supported accommodation services to meet support needs. Resources into the services have increased, however the cost of services has also increased which means that there may be a small reduction in number of dispersed supported accommodation units and the number of hours of support per person (which has reduced from 5 to 4 per week). The remodel of the services has been proposed to mitigate the pressures on services to give them the best chance to meet need and growing demand. The tender exercise might also help to mitigate the small estimated reductions if hourly rates come in at less than anticipated or units of support offered are greater than expected.

#### 2. The psychology service

This recommission is a positive outcome for the supported housing sector (both staff and clients). Acuity of need has increased across all support services and staff require professional support to enable them to work with more and more complex needs. Services cater for people from all protected characteristics as long as they meet the eligibility criteria for the particular service.

The direct therapy is a new positive service which supports women of all ages with complex needs who would otherwise not access psychology services due to barriers faced by this group of women. It supports women to understand their past trauma and develop strategies for managing their mental health.

### 4.2 Financial and Commercial Implications

#### 4.2.1 Financial

As shown in the body of the report these services save considerable funding by

preventing higher cost care services.

Resources available to fund these are services are £1,103,350 from the Housing Independence Service budget and £50,000 from the mental health commissioning budget (which currently funds the therapy aspect of the psychology contract). This comes to a total of £1,153,350.

Estimated costs of commissioned services:

Lot	Service type	units	Estimated cost
1	Sevenairs supported accommodation	20	£200,000
2.	Beaufort	18	£200,000
3.	Assertive prevention support	143	£524,350
4	Dispersed supported	30	£ 99,000
5	Psychology service	N/A	£130,000
	Total		£1,153,350

This arrangement allows for potential inflationary pressures. To achieve this there has been a reduction of dispersed accommodation of 31 units and the assertive prevention and dispersed supported housing services will lose an hour a week support per person (from 5 hours to 4 hours support per person per week).

#### Commercial

The 5 contracts will be procured under one tender with 5 lots. A procurement strategy has been written by Commercial Services which ensures that all commercial requirements within the law and Council policy are met.

# 4.3 **Legal Implications**

4.3.1 The contracts for the 5 services are due to come to an end. To continue to provide the services a procurement process as outlined above is required. However, to enable continuity of service throughout this procurement process, contracts need to be aligned to end at the same date. A waiver of standing orders to enable three contracts to be extended by a few months has been approved by Commercial Services and the Executive Director of The People Portfolio as detailed below.

Contract	Annual contract value	Current Contract end date	Length of Waiver Required	Value of Waiver
Beaufort Road –	£156,979	02.08.2020	3 months (extended to 02.10.2020)	£39,245
Connect 3 –	£328,583	02.08.2020	3 months (extended to 02.10.2020)	£82,146

Total Waiver Value			10.10.2020)	£181,391
Sevenairs –	£159,809	13.05.2020	4.5 months (extended to 13.10.2020)	£60,000

4.3.2 On 17<sup>th</sup> Feb 2016 Cabinet approved a commissioning strategy and delegated the following decision making approval:

In accordance with the high level commissioning strategy and this report, authority be delegated to the Director of Commissioning to:
(i) in consultation with the Cabinet Member for Health, Care and Independent Living and the Director of Commercial Services, approve the procurement strategy for any service delivery during the period of the strategy;

(ii) authority be delegated to the Director of Commissioning, in consultation with the Cabinet Member for Health, Care and Independent Living, the Director of Legal and Governance and the Director of Commercial Services, to take such other steps as s/he deems appropriate to achieve the outcomes in this report;

There will be 5 lots in this tender. All of the contracts will be for 5 years with a break clause at 3 years. The process is supported by the Council's Commercial Services. The terms and conditions of the contract were drafted by the Council's Legal Services.

The Local Authority is under a duty to prevent needs for care and support following implementation of the Care Act 2014. Under sections 2(1)(a) and (b) of the Act the authority must provide or arrange for the provision of services, facilities or resources, or take other steps which it considers will contribute towards preventing or delaying the development by adults in its area of needs for care and support; and to reduce the needs for care and support of adults in its area. Under sections 2(2)(a) and (b) a local authority in performing that duty must have regard to the importance of identifying services, facilities and resources already available in the authority's area and the extent to which the authority could involve or make use of them in performing that duty; and the importance of identifying adults in the authority's area with needs for care and support which are not being met (by the authority or otherwise).

Under the Housing Act 1996 and Homelessness Reduction Act 2017 the Local Authority is also under a duty to provide advice and assistance to persons in its area who are homeless or threatened with homelessness.

#### 5. ALTERNATIVE OPTIONS CONSIDERED

(Outline any alternative options which were considered but rejected in the course of developing the proposal.)

- 5.1 Options are to:
  - Close one of the accommodation based services and retain all the prevention and dispersed (apart from the transitional landlord services). This would result in immediate pressure on residential care at a much higher

costs. The two services are funded on a block purchase to enable and ensure cover. As the costs of running the service remains the same regardless of the number of occupants, reducing small numbers in these services is not an option. Closing Beaufort Rd would result in a saving of £157,000 a year but would move a pressure of £550,000 to care purchasing. Closing Sevenairs would result in saving £160,000 a year but would move a pressure of £638,800 to care purchasing. We know that need for these services is increasing in line with the population statistics above, therefore this is not recommended.

- 2. End the psychology service. This service is supporting both vulnerable excluded clients who would otherwise not access therapy support, and the staff supporting them. Staff retention and skills to support clients with complex needs are key components of any consultation undertaken with service users. The service has shown positive outcomes working with very vulnerable people. We believe that we can readjust other services to retain this valuable service. Option 2 is therefore not recommended.
- 3. Commission the services as they are configured now with the same resources going into each. This is not a sustainable option as providers are already suffering a staff retention issue in the accommodation based services due to deflated wages. This is therefore not recommended.
- 4. Insource the delivery of the services. The Council does not own the accommodation required to provide the services and it would not be available to the Council to utilise this. There are no similar services in house and it is likely that the cost would be higher to provide in house.

#### 6. REASONS FOR RECOMMENDATIONS

(Explain why this is the preferred option and outline the intended outcomes.)

6.1 The option recommended (to recommission both accommodation based blocks as alternatives to or step down from residential and hospital care; to remodel the two outreach services into a single assertive prevention service and a small dispersed accommodation service; and to continue to provide a psychology service to support staff and service users who would otherwise meet barriers to accessing therapy services due to chaotic lifestyles) is recommended as this is the most cost effective option that targets the right level of support to the right customers. It strikes a balance of retaining services in buildings which are modern and suitable for providing a step down service and an enhanced assertive outreach service focussed on prevention to help meet challenges of increased demand and acuity of need. It recognises the need for a consistent approach across the city to people with complex needs and challenging behaviours, and it fills a gap in direct therapy services for women who cannot and do not access general therapy that is available for people. This service has positive long term impacts on service users and service providers.

It provides primary and secondary prevention services for people with common mental health issues and a safe home which enables people who have been in long term hospital or residential care to recover and learn the skills for independent living. Consultation has taken place with the Cabinet Lead for Health and Social Care who has supported the recommendations.