

Subject:	Re-tendering of Voluntary Sector Mental Health Provision		
Date of Meeting:	Monday 15th September 2008		
Report of:	Terry Baker		
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Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Board is asked to consider options for managing the voluntary sector market for mental health services.
- 1.2 This report addresses three aspects: the conclusions of the day services review, from Board recommendations of March 2006 routine market testing services to ensure best value and the impact of Self Directed support on these contracts.
- 1.3 This report addresses thirteen small mental health contracts many of which will not have been market tested for 5 years by March 2009.
- 1.4 The Third Sector Strategy for Communities and Local Government recommends that third sector organisations be of sufficient scale and capability to develop and deliver objectives and that funders and purchasers should endeavour to join-up or standardise parts of the funding or procurement chain to minimise burdens on organisations and ensure a focus on delivery.
- 1.5 Local Authorities are required to extend Self Directed Support (SDS) and to implement the personalisation agenda for all care groups, and is described in the Self Directed Support Strategy later on this agenda. This is a priority LAA target and a development strongly supported by working age mental health services users in their 'Pacing the Cage' report to commissioners about the future of day services.
- 1.6 The requirement for statutory bodies to make efficiency savings in line with Gershon recommendations means that current commissioning capacity to service many small contracts is limited. Current contractors regularly express the view they would like more commissioning engagement in relation to relative small sums of money, detail of relatively minor operational issues, and advice on Organisational Development direction.
- 1.7 In parallel to the to the SDS agenda, consolidated third sector contracts potentially provide greater opportunities for mental health provider sustainability, improved clinical and corporate governance assurance frameworks, more efficient engagement with the statutory sector, a stronger foundation for the development of direct payments and individualised budgets, a stronger potential competitor to current providers, and more energy being spent on direct service delivery, rather than fundraising and attending meetings.
- 1.8 The process of consolidating third sector contracts may also result in high levels of expressed anxiety during the transition period, a short term loss of inward investment

from charitable funding, and a perception that fewer separate organisations represents less choice and less competition on price and quality.

- 1.9 The process of rolling out Self Directed Support may require a different configuration from the consolidated contracts, and may effect sustainability of services, depending on service user choice. Current and future providers will need to consider how they operate within this environment.
- 1.10 The Mental Health Act 2007 requires that advocacy is available to all those detained under the Act. Financial provision has been made to commission an advocacy service to meet anticipated statutory obligations that could potentially be included in this tender. However at the time of writing, there is insufficient clarity from guidance as to what is required in this area.
- 1.11 Within this framework for tendering and contract configuration, the long standing and outstanding issues in relation to Day Services need to be resolved. Commissioning proposals have been formally consulted on, and the JCB has previously requested that service users develop proposals for day services, and that the Local Implementation Team (LIT) take a decision on future configuration. 'Pacing the Cage' was produced by service users facilitated by Consumer Consultancy and MIND, and accepted as the direction of travel for day services by the LIT. The key conclusions are that the Allen Centre (local Authority building) is included in the tendering above as a 'user led' service; that Aldington House is decommissioned as a block contract and the resources freed up used to contribute to a facilitate choice through individualised budgets; and that Preston Park Day service should remain in its current configuration. Although accepted by the LIT, these recommendations have not received universal service users support. Officer opinion is that it is not possible to achieve universal service user consensus on the direction of travel.
- 1.12 In summary, the JCB are requested to consider the following options:
 - 1.12.1 Extending current contracts in the current configuration;
 - 1.12.2 Tendering current contracts in the current configuration;
 - 1.12.3 Tendering current contracts in a consolidated configuration;
 - 1.12.4 Hold tendering and re specification of current contracts pending a review of the impact of Self Directed Support.

Option:	Strengths	Weakness
1. Extend Current contracts in the current configuration.	Preferred option of some existing providers.	Some contracts have not been market tested for 5 years; Not compatible with national Third Sector Strategy. Less efficient use of commissioner and provider management and 'back room' time. Outstanding issues regarding 'best value'.
2. Tendering current contracts in the current configuration;	Preferred option of some existing providers.	Not compatible with national Third Sector Strategy. Less efficient use of commissioner and provider

		management and 'back room' time. Outstanding issues regarding 'best value'.
3. Tendering current contracts in a consolidated configuration.	Result in larger, stronger, more stable voluntary sector contracts . Services aligned more explicitly to the Stepped Model of Care; More efficient use of provider management and commissioning time; 'Best value' established.	Some local organisations may not be sustainable; Unclear impact on other care groups; Premature in the context of Self Directed Support.
4. Hold tendering and re specification of current contracts pending a review of the impact of Self Directed Support.	Resources from these contracts may be required for self directed support; Implications for care planning to be established; Market management options for the transitional period to be established;	A further year of uncertainty for some voluntary sector organisations; Potential concern of service users regarding the speed of implementing day services changes set out in 'Pacing the Cage'.

2. RECOMMENDATIONS:

2.1 It is recommended that the Board approve holding the tendering of the services described in appendix one, pending a review of Self Directed support described in agenda item 21.

The will require the Directors of the Local Authority and PCT to approve the continuation of existing contracts for a further 12 months from the 1st April 2009. It is recommended that commissioning intentions for these WAMHS contracts be developed in line with the principles established for other care groups for Adult Social Care, and that the review work is undertaken by Adult Social Care staff, liaising as appropriate with PCT WAMHS Commissioners.

2.2 It is recommended that the Board approve Sussex Partnership Trust (SPT) working with service users to develop a User Lead Wellness Centre at the Allen Centre.

This service may be subject to the Self Directed Support agenda over time.

2.3 It is recommended that the Board Support the process of SPT reproviding Aldrington House Day Centre at the Allen Centre.

SPT have already provided assurance to the Board that individual support will be provided to each service user affected.

2.4 It is recommended that Buckingham Road Day Centre continues as it currently is provided.

This service may be subject to the Self Directed Support agenda.

2.5 It is recommended that the Preston Park Day Centre continues to be provided by the Current Provider.

This service may be subject to the Self Directed Support agenda.

2.6 It is recommended that the Board approve that the remodelling of accommodation services for adults with mental health problems be deferred, pending the wider accommodation services review due for report in January 2009.

Brighton and Hove housing department, in collaboration with Sussex Partnership NHS Trust are progressing a comprehensive review of accommodation and Adult Social Care provision for those with mental health problems. It is recommended therefore that the following contracts are extended until March 2010 and the recommendations from this review are considered at a later date.

- Brighton Housing Trust First Base Day Centre
- Brighton Housing Trust Route 1 Project
- Care Co-ops Floating Support
- Brighton Housing Trust Sackville Gardens registered care home
- Brighton Housing Trust Portland Road registered care home
- Brighton Housing Trust Westbourne Gardens supported accommodation

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Joint Commissioning Board requested, at its meeting of 5th March 2006, that the Day Services Steering Group, develop proposals for consideration by the LIT.
- 3.2 Following broad consultation, the LIT agreed to implement recommendations of a user led review of day services ("Pacing the Cage"), which proposed the closure of the Aldrington House Day Service and the development of a user led day service.
- 3.3 February 2007: Strategic Commissioner engagement with Community and Voluntary Sector Forum in relation to the contents of this Board report.
- 3.4 December 2007: Publication of the city's mental health needs assessment
- 3.5 January to March 2008: Rollout of stepped model care pathway by SPT
- 3.6 April 2008: Consultation with provider stakeholders concerning which existing contracts should form part of proposed tender
- 3.7 May 2008: Development of service specification
- 3.8 July 2008: Consultation on draft tender evaluation criteria

4. CONSULTATION

- 4.1 Engagement with the Community and Voluntary Sector (CVS) Forum started in February 2007, with the Strategic Commissioner explaining the tendering process requirements of the local authority in relation to existing contracts, the impact of Gershon efficiencies, and the whole system stepped model care pathway redesign. The CVS were informed at this stage to provide as early an indication as possible to the sector of the upcoming agenda. A number of meetings were held throughout the year to explore the key general issues and challenges further. Of particular concern to some third sector organisations is the impact of the re-configuration of the contracts and whether this would lead to fewer suppliers and different services. An option put to the CVS by the Strategic Commissioner was for the development of consortium arrangements by local contractors, or indeed local contractors with other suppliers. It was explained that a key feature of future suppliers would be their ability to provide strong corporate and clinical governance arrangements and to be a strong player in a potentially more competitive mental health market place. Some local organisations expressed concern about their readiness for a competitive environment while others were confident in their long track record of successful competitive tendering. The PCT's patient and public engagement team have supported some voluntary organisations in their organisational development, in response to requests from the CVS forum.
- 4.2 Once the SPT capacity plan and care pathway had been agreed and Practice Based Commissioning intentions finalised, the commissioning focus moved to request from the CVS and SPT which of the current services should be excluded from the tendering process and where areas of overlap in existing services provided opportunities for efficiencies through a tendering process.
- 4.3 From April to July 2008, voluntary and statutory sector providers met on seven occasions with commissioners to develop draft service specifications for two sets of services: engagement and advocacy, and community services. This group also agreed the tender evaluation criteria for the proposed tendering of these services. This group comprised representatives from thirteen mental health provider organisations.
- 4.4 Some voluntary sector providers welcome the opportunity for competitive tendering and the opportunities this may bring for service improvement, and others have expressed concern for the future sustainability of their organisations.

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

The recommendations are all within existing budgets. However, the cost of services to be reprovided at the Allen Centre will need to be kept under review to ensure the new service can be provided within the existing financial envelope for the Aldrington House Day Centre.

Finance Officer consulted: Nigel Manvell

5.2 Legal Implications:

The contracts referred to in this report are 'Part B' services for the purpose of EU procurement law and UK procurement Regulations, and therefore not subject to the full application of either. The Council is nevertheless required to comply with EU Treaty objectives of non-discrimination and openness in procurement, as well as comply with its obligation to seek Value for Money when letting new contracts. Where existing contracts are being terminated or extended this must be done in accordance with the relevant contract terms and legal advice.

The Council must take the Human Rights Act into account in respect of its actions but it is not considered that any individual's Human Rights Act rights would be adversely affected by the recommendations in this report.

Lawyer Consulted: Sonia Likhari, Contracts Lawyer

5.3 Equalities Implications:

Service user equalities are addressed through deployment of resources in line with Practice Based Commissioning locality allocations, which take account of levels of need across each of the PBC localities. The findings of "Count Me In Too" will inform the LGBT equalities requirements. The BME mini needs assessment will inform this aspect of service design. Equalities issues in relation to gender will be addressed through the tender evaluation process.

5.4 Sustainability Implications:

Implications will be established through the development of the Self Directed Support Strategy.

5.5 Crime & Disorder Implications:

None. Current service levels for mentally disordered offenders will be maintained.

5.6 Risk and Opportunity Management Implications:

The recommendations contain risks within the development of the Self Directed Support Strategy.

5.7 Corporate / Citywide Implications:

There are none.

SUPPORTING DOCUMENTATION

Appendices:

- Summary of existing voluntary sector contracts

Scope of the contracts to be incorporated:

Tender one						
Average Contract Value = £26,780.2						
Contract	Description	Finance PCT (£)	Finance LA (£)	Total Spend (£)	% Total of contract value	
Mind	Advocacy Provision	48,105	26,253	74,358	55.5	
Insight Projects	A user involvement service managed by service users, providing a range of services including support and signposting to users	39,763	11,183	50,946	38	
Mind Activities Fund	Small miscellaneous budget for MIND team to dispense to MH users	1,190		1,190	0.9	
Rethink - Advocacy	Advocacy Provision, promotion and advice and guidance	6,326		6,326	4.7	
Rethink- Voices	To assist service users in contribution and participation in user led forums		1,081	1081	0.8	
Totals		95,384	38,517	133,901	100	
	% Funding Split between PCT and LA:	71%	29%			
Tender two						
Average Contract Value = £70,109.2						
Contract	Description	Finance PCT (£)	Finance LA (£)	Total Spend (£)	% Total of contract value	
Mind - Community Projects	Resource room, welfare benefits advisor, promotion, advice and information and user engagement	34,887	95,581	130,468	27	
Rethink - SOS	Support for survivors of suicide	14,158	29,612	43,770	9	
Rethink - Mendos	Support for people coming out of the criminal justice system	21,156	11,893	33,049	7	

Impact	Young People's Counselling Services	4,559	4,559	1
Threshold	Women's Mental Health Services	38,525	16,181	19
Care- Co-ops	Women's Drop -in	1,353	12,525	3
Preston Park Resource Centre	Day centre provision		171,429	35
Totals		114,638	337,221	100
	% Funding Split between PCT and LA:	25%	75%	

Documents In Members' Rooms

None

Background Documents

None