

## **CABINET MEMBER FOR ADULT SERVICES – 16 NOVEMBER 2010**

### **PROVISION OF HOUSING AND SUPPORT SERVICES FOR ADULTS WITH MENTAL HEALTH CONDITIONS**

**Report by Director for Social & Community Services**

#### **Exempt Information**

1. Annex 1 to this report is exempt because its discussion in public might lead to the disclosure to members of the public present of information relating to the financial or business affairs of any particular person (including the authority holding the information).

#### **Introduction**

##### **Purpose of the report and key issues:**

2. To seek approval for the recommended options for the award of contracts for mental health housing and support services across Oxfordshire.
3. These services will work as a pathway, offering graded support ranging from intensive accommodation based support through to community based floating support. Move through the pathway will enable a service user to achieve recovery and improved choice; need less support; achieve a reduced frequency of hospital admission; and therefore require reduced expenditure from both the local authority and the NHS.

#### **Background**

4. Oxfordshire County Council and NHS Oxfordshire (Oxfordshire Primary Care Trust), with NHS Oxfordshire acting as lead commissioner, have undertaken a joint procurement for mental health housing and support services in Oxfordshire. Our strategic aims for these services are that they promote service users' recovery from mental ill health, foster independence and offer best value.
5. The project has recently won an NHS South Central Strategic Health Authority Health and Social Care Award for enabling "support for independence".
6. There are currently a range of mental health housing and support services which are subject to separate funding arrangements from either Oxfordshire County Council or NHS Oxfordshire. The contracts for these services are due to end in early 2011.
7. Extensive research and consultation, published as a joint strategy ('From Supported to Independent Living'), has resulted in Oxfordshire County Council

and NHS Oxfordshire commissioning future services together. Doing so will maximise our resources and ensure that these services work more coherently and more closely to achieve our strategic aims. The decision to carry out joint commissioning has particular relevance as this procurement is taking place at a time when budgets are reducing due to the tough economic climate. The budget for this procurement reduced considerably during the commissioning process although we remain confident that it will help meet our strategic aims.

8. The funding streams brought together under this procurement are:
  - (a) Supporting People Partnership funding for housing related support for adults with mental health difficulties
  - (b) The Adult Mental Health Pooled Budget from NHS Oxfordshire and Oxfordshire County Council Social and Community Services
9. New services will work as a pathway, encouraging recovery and independence through a stepped but flexible support process. For example, they will offer intensive 24 hour accommodation based support where an individual has very high support needs. When these needs have reduced to a level where the individual is able to live with support in their own home, there will be extensive floating support services which will enable the individual to reintegrate into the community and access relevant employment, education and training. The pathway is designed to help individuals move away from institutions and specialist services where appropriate and will be centred on the needs both of the person and their carers.
10. Access, quality and choice will all be improved within these services. There will also be a much simpler referral process where it will be easier to make appropriate choices between different services offered. These services will help people recover from mental ill health and, as far as possible, to live as ordinary citizens with the right support.

### **Equality Impact Assessment**

11. NHS Oxfordshire undertook a standard screening of any equality impact of this procurement and no adverse impacts were identified.

### **Stakeholder Involvement**

12. There has been excellent and wide-ranging stakeholder involvement in this process. Key stakeholders involved in both the development of the strategy and this procurement itself (such as informing the specifications, setting the evaluation criteria and sitting on the evaluation panel) include representatives of the following:
  - Service users
  - Carers
  - Oxford and Buckinghamshire Mental Health NHS Foundation Trust
  - District Councils

- Children, Young People and Families
- Probation

## Provider Involvement

13. Current providers were involved in the development of the strategy (although not in the development of the service specification or any tender/evaluation documents). A pre-tender supplier seminar which set out our commissioning intentions was held in December 2009. This was very successful, with approximately 50 providers from across the country in attendance.

## Procurement Process

14. Procurement of the Supported to Independent Living (SIL) pathway has been carried out as a restricted Part B procedure.
15. The procurement was split into the following distinct service types:
  - SIL 1** - Intensive Supported Accommodation (split into two county-wide lots of equal size)
  - SIL 2.1** - Transitional Supported Accommodation Lot 1: Oxford City and Cherwell District
  - SIL 2.2** - Transitional Supported Accommodation Lot 2: Oxford City, Vale District and South Oxfordshire District
  - SIL 2.3** - Transitional Supported Accommodation Lot 3: Oxford City and West Oxfordshire District
  - SIL 3** - Longer Term Supported Accommodation
  - SIL 4** - Health Floating Support (split into two county-wide lots of equal size)
  - SIL 5** - Multiple/Complex Needs Mental Health Floating Support
16. Advertisements were placed on [www.supply2health.nhs.uk](http://www.supply2health.nhs.uk) (the NHS procurement portal) on 24 May 2010, inviting interested parties to complete Pre-Qualification Questionnaires (PQQs) which sought information relating to their technical capacity, professional ability and economic and financial standing. A PQQ was required for each service type, and they were to be uploaded on to the Bravosolution e-tendering website by 30 June 2010. Each service type attracted fourteen to sixteen PQQ responses (with many applicants submitting responses for more than one service).
17. A panel drawn from Commissioning, Procurement, Finance, HR, Governance and Health and Safety teams evaluated the PQQ responses according to the published evaluation criteria, resulting in either eight or nine (depending on service requirements) top-scoring applicants for each service type being invited to take part in the Invitation To Tender (ITT) stage:
18. Tender documents were published on the e-tendering website on 13 August 2010, with a closing date of 17 September 2010. These ITT documents contained a set of questions designed to test the bidder's proposal for service delivery and their financial model, with a focus on key areas identified by the

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project stakeholder group. Also provided was information for bidders regarding the project and the tendering process, an explanation of the evaluation criteria and scoring mechanisms, the full service specification and draft contract terms and conditions. Below is a list of the responses received for each service type:

**SIL 1 (Lot 1): 4 bids received**  
**SIL 1 (Lot 2): 3 bids received**  
**SIL 2.1: 1 bid received**  
**SIL 2.2: 1 bid received**  
**SIL 2.3: 2 bids received**  
**SIL 3: 4 bids received**  
**SIL 4 (Lot 1): 4 bids received**  
**SIL 4 (Lot 2): 4 bids received**  
**SIL 5: 3 bids received**

19. Although not all of those bidders shortlisted for the ITT stage actually submitted a proposal, it was felt that the responses received were strong enough to continue with the proposed procurement process for all of the service types.
20. Bids were assessed according to the following ratio, to allow final scores to be calculated for each bidder that would identify the Most Economically Advantageous Tender:  
  
Quality (response to the questions in the ITT): 60%  
Financial viability (cost of services): 25%  
Level of provision (number of places available in the scheme): 15%
21. A tender evaluation panel was formed to assess the Quality aspect of the bids, consisting of commissioners from NHS Oxfordshire, Oxfordshire County Council and Oxfordshire Supporting People, service users, carers, clinical specialists and representatives from District Councils, Probation and Children, Young People and Families teams. The bidder proposals were then disseminated to this panel for evaluation, with commissioners scoring all answers and other panel members assessing responses to questions relating to their specialist field/s. A moderation meeting was then held to set a draft consensus score for each answer, based on the individual scores of the various evaluators.
22. Following the evaluation of written responses, a team from the evaluation panel (member of the project team, a service user representative and a carer representative) visited current services for each of the bidders for accommodation-based services (SIL 1-3), to seek supporting evidence and clarification of some of the areas covered in the ITT submissions. These visits were taken into account for clarification of consensus scores for the relevant parts of the bidder responses, but were not an individually scored part of the process.

23. All bidders were then invited to bid clarification interviews, held at NHS Oxfordshire between 18 and 22 October 2010, and designed to clarify any aspects of the bids that the evaluation panel felt were unclear. Bidders were provided in advance with a list of ITT questions that might be covered in the interview, and for SIL 2, 3 and 5 were also asked to prepare a short presentation in support of some key aspects of their bid. The evaluation panel had the opportunity to ask questions of the bidders, based on their written proposals and presentation clarifications. Again, this part of the process was not scored independently of the written responses, but the answers given at interview were used to confirm or amend the draft consensus scores awarded.
24. Alongside evaluation of the Quality aspect of the bids, the Finance and Procurement teams assessed the cost and level of provision elements, according to the structures below:

**Financial viability:** Each bidder submitted a proposal that gave a total cost of service across a three year contract. This proposal was scored on a weighted basis, with the lowest cost of all the providers given full marks and each higher costed bid awarded a proportionately lower score. Bids were also reviewed for economic viability.

**Level of provision:** Each bidder submitted a proposal that gave a total number of units ("Units" refers to the total number of places available in the scheme at any one time) that would be available in their service. This proposal was scored on a weighted basis, with the highest level of provision of all the providers given full marks and each bid with a lower number of units awarded a proportionately lower score.

25. The final scores for Quality, Financial Viability and Level of Provision were added together to give a total score for each bidder, and the highest scoring bidders for each service type form the recommendations for contract award contained in this document.

## **RECOMMENDATION**

26. **The Cabinet Member for Adult Services is RECOMMENDED to confirm the award of contracts for all service packages as set out in Annex 1 (exempt) to the report.**

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Background Papers: Nil

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