

CABINET MEMBER FOR ADULT SOCIAL CARE**DATE: 12 FEBRUARY 2014**

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SUBJECT: CONTRACT AWARD FOR THE PROVISION OF MENTAL HEALTH ADVOCACY SERVICES, INDEPENDENT MENTAL HEALTH ADVOCACY (IMHA) AND ADVOCACY FOR PEOPLE IN TREATMENT FOR SUBSTANCE MISUSE PROBLEMS

SUMMARY OF ISSUE:

The Council has a legal requirement under the Mental Health Act to provide Independent Mental Health Advocacy (IMHA) services. This requirement is covered by the current contracts that expire on 31 March 2014. It is therefore necessary to award a contract, following a procurement activity, starting on 1 April 2014.

The report provides details of the procurement process, including the results of the evaluation process, user engagement and consultation and, in conjunction with the Part 2 Annex (item 5), demonstrates why the recommended contract award delivers best value for money.

Due to the commercial sensitivity involved in the contract award process, the names of the potential supplier and their financial details have been circulated as a confidential Part 2 Annex (item 5).

RECOMMENDATIONS:

It is recommended that:

1. The background information set out in this report is noted.
2. Following consideration of the results of the procurement process in Part 2 of the meeting (as required), the award of a contract be agreed on the basis as set out in Item 5.

REASON FOR RECOMMENDATIONS:

The existing contracts will expire on 31 March 2014. A full tender process, in compliance with the requirement of EU Procurement Legislation and Procurement Standing Orders has been completed, and the recommendations provide best value for money for the Council following a thorough evaluation process.

The commissioning and procurement process has been completed on a co-design basis and service users have been involved throughout.

The contract will also deliver an improved service with strengthened performance measures and robust contract management. Adult Social Care will be the lead commissioners for the contract with support from Public Health commissioners ensuring a joined up managed process.

DETAILS:

Background and options considered

1. Advocacy is defined as “Taking action to help people say what they want, secure their rights, represent their interests and obtain services they need. Advocates and advocacy schemes work in partnership with the people they support and take their side. Advocacy promotes social inclusion, equality and social justice”. Source: A4A Advocacy Charter 2002.
2. A case study is attached as Annex 1 to illustrate the benefit to people who use this service. In summary, the case study illustrates how the advocacy provision enabled a seamless journey for an individual who had been sectioned under the Mental Health Act through to their subsequent engagement with community services.
3. Surrey County Council, through its Adult Social Care and Public Health teams have been commissioning the following services separately:
 - a. Advocacy for people with mental health problems who access secondary mental health services such as the community mental health recovery services
 - b. Independent Mental Health Advocacy (IMHA) services for qualifying patients under the Mental Health Act 1983 (transferred from NHS to County Council responsibility from April 2013).
 - c. Advocacy for people who access substance misuse treatment services.
4. In 2011/12, a co-designed joint commissioning strategy for advocacy was developed which has guided our commissioning intentions for provision of advocacy for people with differing needs. The countywide advocacy service which arose from this commissioning strategy provides advocacy services for a range of people with differing needs, including those who access primary care or the voluntary sector for their mental health needs.
5. As a result of this commissioning strategy, IMHA services and general advocacy for people who access secondary mental health services remained a separate service. The qualitative data indicated that the delivery of this service should be seamless. Guidance for commissioning IMHA services also states these services should complement and work with non-statutory mental health advocacy; again this is illustrated in the case study in Annex 1.
6. The role of advocacy in the substance misuse treatment system across services in Surrey was established in 2006. A substance misuse advocacy needs assessment, conducted during August and September 2013, indicated an evolving change in the needs of service users and that advocacy

resources may need to be expanded to a wider population within the substance misuse treatment system.

7. Commissioners from Adult Social Care and Public Health worked together to bring the different service requirements together and develop a joint tender across the two departments to deliver greater value for money and efficiency.
8. Different options were considered for the service design which were based on evidence from the advocacy commissioning strategy, we looked to contract with one lead provider. This model ensures equity of service delivery across the county and a single management structure. We specified the delivery of a range of advocacy services in Surrey outlined in the service specification:
 - a. Advocacy for people who access secondary care mental health services, such as community mental health recovery services
 - b. Independent Mental Health Advocacy, to help qualifying patients understand the legal provisions to which they are subject to under the Mental Health Act 1983, and the rights and safeguards they are entitled to, and to help them exercise their rights through supporting participation in decision-making
 - c. Advocacy for people who access substance misuse treatment services.
9. The Care Bill has implications for commissioning and managing the market, with a focus on preventing and delaying needs for care and support. The provision of mental health advocacy enables people to secure their rights and any services they may require, which can maintain people's mental health and well-being and help with recovery.
10. Provision of advocacy assists the family, friends and community to support direction of travel in Adult Social Care. Advocacy interventions look at the strengths of individuals, enabling and facilitating a person to 'speak up' and secure their rights.

Procurement strategy

11. Several options were considered prior to commencing the procurement activity. These included not delivering any service, awarding the contract in separate lots or to aggregate demand county wide into one contract.
12. After a full and detailed options analysis, it was decided to invite tenders as this demonstrated best value for money from the options appraisal completed.
13. A joint commissioning and procurement project team was set up, including representatives from service user groups.

Use of e-Tendering and market management activities

14. Steps were taken to stimulate interest in the tender through a series of meetings and supplier awareness events. Use of the electronic tendering platform enabled a competitive process that was open and transparent to all involved.

Key implications

15. By awarding a contract to the supplier recommended in the confidential annex (Item 5) for the provision of Mental Health Advocacy Services to commence on 1 April 2014, the Council will be meeting our statutory responsibilities towards qualifying people detained under the Mental Health Act.
16. By awarding the contract, Surrey County Council will receive a high quality of service at a competitive rate.
17. Feedback from users on the current service was that advocacy is not being offered to all eligible people. Data from current contracts indicate 60% of all eligible people in Surrey take up the offer of IMHA. The expectation is that by the end of the Contract all eligible people will be offered IMHA services and a minimum of 80% eligible people will use the service.
18. The tender model incorporates incentivised payments. The Provider will be paid 90% of the total service cost quarterly throughout the year and the additional 10% will be paid to the Provider quarterly in arrears, on the successful completion of service outcomes.
19. The incentivisation of payments will encourage the provider to achieve the desired outcomes.
20. Performance will be monitored through a Key Performance Indicator as detailed in the contract and reviewed at quarterly monitoring meetings.

KPI	Target	Notes
Delivery of IMHA to eligible people within quarter	<p>Year 1 delivery of IMHA to a minimum of 70% of eligible people within Surrey</p> <p>Year 2 delivery of IMHA to a minimum of 75% of eligible people within Surrey per Surrey and Borders quarterly dataset submission</p> <p>Year 3 delivery of IMHA to a minimum of 80% of eligible people within Surrey</p>	Surrey and Borders quarterly dataset submission is the baseline for eligible people

21. The management responsibility for the contract lies with Adult Social Care Commissioning – Mental Health team and will be managed as stated in the contract documentation. This allows for regular reviews of performance, cost, and any efficiency savings identified from continuous improvement in performance.

Competitive tendering process

22. The contract has been let as a competitive tendering exercise. The detailed results of the procurement process are included in the Part 2 Annex (item 5). Tenders were evaluated under the following criteria to ensure the most commercial advantageous response.
 - a. Quality was awarded 70% of the overall score: a detailed specification was developed by the project team drawing from the evidence in the joint commissioning strategy for advocacy and wide ranging knowledge and experience of the team

- b. Price was awarded 30% of the overall score.

CONSULTATION:

- 23. The commissioning of this service covers both Adult Social Care and Public Health responsibilities. The Cabinet Member for Public Health and Health & Wellbeing Board has reviewed the report and agreed that the Cabinet Member for Adult Social Care award this contract.
- 24. Our commissioning and procurement approach has been based on the co-designed joint commissioning strategy for advocacy. Further engagement and involvement was sought from people who use services, carers, providers and other stakeholders to ensure the recommendations from the strategy continue to be relevant.
- 25. A provider day was held in October 2013 where potential providers received the opportunity to find out more about the tender and hear from service users 'what good looks like'.

RISK MANAGEMENT AND IMPLICATIONS:

- 26. The Contract includes a Termination Clause. This will allow the Council to terminate the contract with three months notice should priorities change or funding no longer be available.
- 27. To mitigate any shortcomings should these arise in delivering services the terms & conditions of the Contract include standard provision for:
 - Default
 - Dispute resolution.
- 28. All tenderers successfully completed satisfactory financial checks as well as checks on competency in delivery of similar contracts.
- 29. The following key risks associated with the proposed contract awards have been identified, along with mitigation activities:

Category	Risk Description	Mitigation Activity
Financial	Budget changes	<p>Specification is designed to facilitate flexibility in service levels if needed.</p> <p>The contracts and services delivered will be reviewed quarterly to ensure they are meeting the need of the individuals accessing the service.</p>

Service	Poor quality of service and service does not deliver national and/or local objectives.	<p>Strong contract management and quarterly contract review meetings will mitigate the risk of a poor quality service. The use of an incentivisation model will enable us to closely monitor and understand performance delivery.</p> <p>Failure to meet the service outcomes and objectives will enable Surrey County Council to restrict payment based on performance and ultimately terminate the contract if performance does not improve.</p>
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30. The IMHA service is a statutory responsibility. To stop providing independent advocacy services for people who access secondary mental health services and people who access substance misuse treatment services would have reputational, financial and practice risks. After extensive co-design, communication and publicity, the withdrawal of independent advocacy would harm Surrey's reputation with users, providers, carers and staff.
31. The contract will ensure the rights of Surrey's most vulnerable citizens are protected and promoted. The contract will also fulfil our statutory responsibilities towards qualifying people detained under the Mental Health Act.
32. Commissioners and procurement will monitor the responsiveness of the service quarterly through agreed robust KPIs and the nature of the referrals they receive, to ensure that we monitor any changes in levels of need and the quality of outcomes.

Financial and Value for Money Implications

33. Full details of the contract values and financial implications are set out in the confidential annex (item 5).
34. The procurement activity has delivered a solution within budget – details of the commercial arrangements are included in the confidential annex (item 5).
35. Higher standards have been set in the new contract which will provide an improvement in service performance and a change in the Key Performance Indicators (KPIs) will mean improved service levels.

Section 151 Officer Commentary

36. This contract can be covered by combining existing funding streams and represents good Value for Money.

Legal Implications – Monitoring Officer

37. The provision of mental health advocacy services is a legal requirement under the the Mental Health Act 1983.

- 38. The Council has undertaken the tendering exercise in compliance with the procurement regulations.

Equalities and Diversity

- 39. An equality impact assessment has been completed for this tender process (attached see Annex 2) and will be approved by the Adult Social Care Departmental Equalities Group prior to the contract being awarded.
- 40. The contract will be managed and monitored in line with Surrey’s obligations under the equalities monitoring framework.
- 41. The contract which the supplier will sign stipulates that the supplier will comply with all relevant equality and diversity legislation (including the Equality Act 2010) whilst performing the services. The contract also requires the supplier to adopt Surrey County Council’s equal opportunities policy when recruiting and dealing with Safeguarding responsibilities for vulnerable children and adults implications.

Safeguarding responsibilities for vulnerable children and adults implications

- 42. The supplier recommended in the confidential annex (item 5) submitted their safeguarding policies as part of the tender process. This service plays a key role in safeguarding adults and we are confident that the supplier can deliver safe, quality and efficient services for the eligible population.
- 43. The terms and conditions of the Contract, which the providers will sign, stipulate that the providers will comply with the Council’s Safeguarding Adults and Children’s Multi-Agency procedures, any legislative requirements, guidelines and good practices as recommended by the Council. This is monitored through contractual arrangements.

Public Health implications

- 44. Advocacy contributes to increasing positive outcomes for those seeking or engaged in treatment for substance misuse issues in Surrey and those with mental health problems.

WHAT HAPPENS NEXT

- 45. The timetable for implementation is as follows:

Action	Date
Cabinet Member decision to award (including ‘call in’ period)	21 February 2014
10 Calendar day statutory Standstill Period	24 February 2014
Contract Signature	March 2014
Contract Commencement Date	1 April 2014

- 46. The Council has an obligation to allow unsuccessful suppliers the opportunity to challenge the proposed contract award. This period is referred to as the ‘Alcatel’ standstill period.

47. Colleagues from Procurement and Commissioning will work closely with the successful provider to ensure a smooth transition from the current provisions to new services.
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Contact Officer:

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Consulted:

Michael Gosling - Cabinet Member for Public Health & Health & Wellbeing Board
 People using mental health services
 Carers of people using mental health services
 People using substance misuse treatment services
 Surrey and Borders Partnership NHS Foundation Trust
 Procurement Review Group
 Adult Social Care staff
 Surrey Coalition of Disabled People
 Mental Health Stakeholder groups
 Anne Butler – Assistant Director for Commissioning
 Helen Atkinson – Acting Director of Public Health
 Christian George – Category Manager, Adults Procurement and Commissioning
 Donal Hegarty – Adult Social Care, Senior Commissioner
 Carmel McLaughlin - Legal Services
 Paul Carey-Kent – Strategic Finance Manager – Adults

Annexes:

Annex 1: Case study: how advocacy makes a difference
 Annex 2: Equality Impact Assessment Summary of Impact and Actions
 Part 2 Annex attached as agenda item 5

Sources/background papers:

Surrey County Council and NHS Surrey Joint Commissioning Strategy for Advocacy 2012-2016 <http://www.surreycc.gov.uk/?a=342874>