



**Agenda item: 5**  
**Paper no: 1**

<b>Title of Report:</b>	<b>Implementing a strategic commissioning approach to supported living for adults with a mental health and/or substance misuse problem</b>	
<b>Status:</b>	<b>TO APPROVE</b>	
<b>Committee:</b>	<b>Surrey-wide Commissioning Committees-in-Common</b>	<b>Date: 25/09/19</b>
<b>Venue:</b>	Mandolay Hotel, 36-40 London Rd, Guildford GU1 2AE	
<b>Presented By:</b>	Simon White, Interim Executive Director for Adult Social Care, Surrey County Council	
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**Executive Summary:**

Adult Social Care supports a range of people with a mental health and/or substance misuse problem. Some of these individuals can be helped to recover through the provision of supported living services. This paper outlines Adult Social Care’s new strategic approach to working with the providers of supported living in Surrey. It also provides details on how the Council wishes to engage with the market to make sure that people who need this level of support experience good quality care that the Council can afford.

**Governance:**

<b>Conflict of Interest:</b>	None identified	✓
<b>Previous Reporting:</b> (relevant committees/ forums this paper has previously been presented to)	N/A	
<b>Freedom of Information:</b>	Open – no exemption applies. Part 1 paper suitable for publication.	✓

**Decision Applicable to:**

Decision applicable to	NHS East Surrey CCG	
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the following partners of the Committees in Common:	NHS Guildford and Waverley CCG	
	NHS North West Surrey CCG	
	NHS North East Hants and Farnham CCG	
	NHS Surrey Downs CCG	
	NHS Surrey Heath CCG	
	Surrey County Council	✓

**Recommendation(s):**

The Committees-in-Common Sub-Committee is asked to:

1. Approve the implementation of this strategic commissioning approach to supported living for adults with a mental health and/or substance misuse problem.
2. Approve the award of Dynamic Purchasing System Agreements for Supported Living (lot 1) to the successful providers for the provision of high quality, value for money services to individuals (see Part 2 paper).

**Reason for recommendation(s):**

This strategic commissioning approach sets out Surrey County Council's market management structure and a clear message to the market in relation to future needs and our commitment to work in partnership across social care and health and with providers.

The award of Dynamic Purchasing System Agreements for Supported Living will ensure people who require mental health and/or substance misuse support and use supported living services in Surrey will be in provision that is specified to improve their outcomes and enable recovery at an affordable cost.

**Next Steps:**

Subject to approval, Adult Social Care and Procurement colleagues will:

1. Commence the contracts for Dynamic Purchasing System Agreements for Supported Living on 1 November 2019.
2. Hold a welcome session for successful providers in October 2019 and on board these providers to Adult Social Care's e-brokerage system, enabling effective market management and sourcing of care. This will involve ensuring all new care supported living care packages are commissioned only with providers who have been approved on the framework at the agreed prices.
3. Allocate commissioning and operational staff as supplier relationship managers to each successful provider, to further develop relationships and ensure quality and high levels of performance against the service specification, ensuring people are supported to achieve their outcomes within two years.

## 1. Details:

1.1 The co-produced integrated commissioning strategy for emotional wellbeing and mental health identified 'making recovery real' a key priority for people who use mental health services and their carers. An integral part of an individual's recovery is having safe and appropriate accommodation. Most people with a mental health problem will be living independently and will be supported by family and friends, primary care, the voluntary sector and/or specialist services in the community. A smaller number of people will be in need of specialist accommodation with care and support services such as supported living.

1.2 Local qualitative data from people in supported living settings highlights the importance of having appropriate specialist supported living services. The quotes below illustrate the range of outcomes such services can deliver:

1.2.1 *'I'm learning skills around planning and budgeting, understanding benefits and using public transport: these all encourage independence and are vital for when I move on.'*

1.2.2 *'Even when I have screwed up, staff are kind, tolerant and encouraging. They stick around until I am ready to accept help.'*

1.2.3 *'I have passed a NVQ in peer support since being here.'*

1.2.4 *'I feel safe...feeling safe is important.'*

1.2.5 *'Since being here I've felt empowered and encouraged to contribute in some way. I now volunteer.'*

1.3 Feedback from mental health teams indicates that Surrey County Council has challenges in securing appropriate supported living within Surrey that is both affordable and meets identified needs. Mental health practitioners often spend significant amounts of time trying to source appropriate care for people with complex needs.

1.4 Therefore, as the system leader for supported living services, Adult Social Care undertook a strategic commissioning approach to assess the current status of the specialist accommodation with care and support services market in Surrey. A system wide working group was established and a market position statement (MPS) developed and finalised in 2018. The MPS was based on a robust analysis of both quantitative and qualitative data and it:

- Provides a summary of supply and demand of accommodation with care and support for people with mental health problems
- Presents data to help providers plan future business
- Provides a current market overview
- Identifies gaps in the market
- Tells people about commissioners' plans and future requirements

1.5 The quantitative and qualitative data analysis which informed the MPS clearly set out the current picture of the market in Surrey. It also confirmed the challenges that mental health practitioners had identified with regards to securing appropriate supported living at a consistent and affordable price. This in turn led to placements out of county, variation in costs and people being unable to move on from high support services to medium/low support services. There was no robust strategic oversight of the market or market shaping activities.

- 1.6 Working with the market and health commissioners, we wish to develop a commercial approach that enables a Surrey health and care system wide commissioning response, with consistency of expectation and clear methods of monitoring quality, cost and outcomes.
- 1.7 This proposal is to secure supported living provision by appointing successful providers that can provide services under a Dynamic Purchasing System (DPS) agreement. A DPS is similar to a framework agreement, but with the additional benefit of new suppliers being able to join the DPS at pre-determined intervals.
- 1.8 This commercial approach will enable commissioners to stimulate and manage the market more effectively and ensure high quality and consistency of cost for the delivery of supported living for people with mental health needs for qualifying Surrey residents. Only providers that meet the robust requirements of the specification and the price/quality/social value evaluation within the tender process will be appointed to the DPS.
- 1.9 The new service specification for supported living is recovery focused and strengths based to enable people to reach their desired outcomes within a maximum timeframe of 18-24 months. The current average length of stay for active supported living packages is a little under two and half years.
- 1.10 From September 2019, there is more commissioning resource for mental health which will ensure robust contract and performance management. The performance management framework identifies key performance indicators (KPIs) and targets such as individuals achieving positive outcomes and transitioning to independent living within two years. As a minimum, quarterly review meetings will be held with successful providers to ensure the contractual requirements and KPIs are being met.
- 1.11 To enable people to successfully move on from supported living, commissioners work closely with district and borough council colleagues. The increase in commissioning resource will further strengthen links with district and borough councils, to work together across the whole housing pathway for people with mental health needs. Adult Social Care also commission accommodation based housing related support services and floating support, to ensure adults with care and support needs are supported to maintain more independent living once they have moved on from their supported living placement.
- 1.12 Alongside strengthening commissioning and market oversight, the social care mental health review programme provides the opportunity for a renewed focus on prevention and earlier intervention, as well as on those individuals and carers with eligible social care needs. A strengths based model of social work, which will be further embedded in mental health social care, will facilitate the change in approach required to deliver improved outcomes at less cost.
- 1.13 As a result of the new ways of working outlined, it is anticipated that people will be supported earlier, require fewer costed services and have better outcomes. We expect a 40% reduction in the number of people in supported living at any one time by the time a new "steady state" service model has been reached by November 2021.
- 1.14 The DPS will be open to new providers for its term (four years) and enable commissioners to have an overview of the Surrey market. Currently, there is no strategic overview of quality and performance monitoring in place for this market and prices are negotiated on an individual basis. The proposed DPS will overcome these barriers and will future-proof the service by including a dormant lot for outreach support. This lot can be activated to allow the Council to respond to any emerging needs or in the event that outreach services are required to support this cohort of service users.
- 1.15 As part of this strategic and whole systems approach to stimulating and managing the mental health accommodation with care and support market, we have also tendered the Crisis

Overnight Support Service (lot 2) on behalf of Surrey and Borders Partnership NHS Foundation Trust (SABP). The governance for award of these contracts is via SABP internal processes.

- 1.16 SABP received submissions from three new providers and one existing provider for Crisis Overnight Support Services (COSS). All passed the quality evaluation. SABP have found the exercise extremely beneficial and it has met the objective of providing a wider geographical spread of COSS provision across the county. This will result in crisis overnight support being brought closer to the homes of Surrey residents.
- 1.17 The implementation of this strategic commissioning approach to supported living for adults with a mental health problem makes a significant contribution to Surrey County Council's ability to deliver our statutory responsibilities. In this area of work, Adult Social Care has statutory responsibilities under The Care Act 2014, the Mental Health Act 1983 (as amended), the Mental Capacity Act 2005 and the National Health Service Act 2006.

## **2. Consultation:**

- 2.1 This strategic commissioning approach for supported living for adults with a mental health problem has been co-produced from the start, with people with mental health needs and their carers initially identifying accommodation with care and support as a priority area. The independent mental health network, who are the independent service user and carer voice in Surrey, have been engaged throughout the process of developing the MPS and the new service specification for supported living.
- 2.2 In addition, a number of service user and service provider engagement events and focus groups have also been held. These included meetings with people who use services at three different supported living establishments in the summer of 2018 and a focus group meeting in June 2018 with the Independent Mental Health Network, which included people who use services and carers.
- 2.3 Three market engagement events for existing and new providers were held to capture the views of service providers, mental health practitioners and the voluntary sector. Commissioning colleagues from clinical commissioning groups and Surrey and Borders Partnership NHS Foundation Trust have been involved throughout, co-hosting and delivering the market engagement events.
- 2.4 Commissioning surgeries have also been held to enable providers to access 1:1 support from commissioners and procurement colleagues to answer queries and troubleshoot any issues people were experiencing with the tender process.
- 2.5 Key Surrey County Council stakeholders have been involved at appropriate points throughout the process, including:
  - Strategic Governance Board
  - Adults Leadership Team
  - Cabinet Member for Adult Social Care
- 2.6 There will be ongoing partnership working with the independent mental health network around the area of quality assurance. There is an expectation that visitors from the independent mental health network will be welcomed by providers, as planned and appropriate, to support development of services and best practice. Findings from any visits will be reported to commissioners and discussed in quarterly contract monitoring review meetings, or sooner depending on any areas of concern.

## **3. Risk Management and Implications:**

### 3.1 Reputational risk

- 3.1.1 Adult Social Care has been engaging with the market for the past 18 months to develop this approach.
- 3.1.2 Should the benefits outlined fail to be achieved, this will be mitigated by the close management of progress by commissioners, finance and operational colleagues.

### 3.2 Operational risk

- 3.2.1 E-brokerage will be used to source the appropriate care for individuals. If adequate numbers of providers do not sign up over the lifetime of the DPS, this will reduce choice for individuals. This will be mitigated by comprehensive market engagement that has been planned in to the procurement timeline to ensure new market entrants are supported to submit a successful bid.
- 3.2.2 For this approach to be financial viable, it is dependent on people being supported to reach their desired outcomes in the supported living setting within a maximum timeframe of 18-24 months; there is a risk this will not happen. This risk will be mitigated by mental health social care staff regularly assessing, reviewing and working with individuals to ensure they are making progress to achieve their desired outcomes, as well as close management of providers on the DPS by commissioning staff.

Financial risks are explored in section 4 below. In summary, the business case for implementation of the new supported living framework is reliant on reducing people's length of stay, which in turn should reduce the total number of people in supported living care settings at any one point in time. There is robust monitoring set out for providers on the DPS and for Adults Leadership Team to assess progress against the outcomes of enabling people to reach their desired outcomes within 18-24 months – this approach is outlined in Annex 1.

## 4. Financial and 'Value For Money' Implications:

- 4.1 The Council currently funds care for just under 200 people with Mental Health problems in supported living care settings at a cost of £5.3m per year. If the proposed new countywide framework and DPS were not to go ahead it is considered unlikely that the number of people in supported living care settings would change and total expenditure on supported living services would therefore rise in line with general price inflation.
- 4.2 The proposed new countywide framework and DPS has two key financial implications that will affect the cost of the planned new service model compared to current expenditure on MH supported living care services as follows:
  - a) Prices for MH supported living services will increase. To be accepted onto the framework providers were asked to submit prices that would be fixed for four years. This will provide stability of prices over an extended period, but it inevitably leads to a higher price at the outset as providers need to cover future inflation risk. This, combined with providers taking account of changes to service specifications (such as length of stay as set out in the next point below), means that prices for providers who have been selected for approval onto framework are 17% higher on average than their current prices. When the weighted average new framework price is compared to the total current cost of all supported living packages (i.e. including providers who have not bid, or who are not recommended for approval onto the framework), the price differential increases to 20%.
  - b) It is expected that the new framework and its much stronger outcomes based service specification, supported by a more dedicated approach by social care practitioners

and commissioning in monitoring people's care pathway, will mean that people move out of supported living care settings much faster than is currently the case. The planned average length of stay in supported living in the new service model is 18-24 months compared to a little under two and a half years currently. When people move out of supported living it is anticipated that they will receive on average six hours per week of outreach support in their own homes. The reduction in people's average length of stay is expected to reduce the total number of people in supported living care settings by 40%. It is likely to take around two years for the new service model to reach a steady-state that achieves this reduction in supported living volumes.

4.3 If the planned reduction in the number people in supported living care settings is achieved then in spite of the increase in prices proposed for the new framework, it is modelled that savings of £0.9m per year could be achieved by the time the steady state for the new service model has been reached. However, if there is no reduction in the number of people in supported living then like for like expenditure could increase by £1.3m. As the planned reduction in supported living volumes will take place over time, even if it is achieved there is a risk that costs could increase in the short term at a time when the Mental Health service already faces significant financial challenges with expenditure currently above available resources. The scale of the short term risk will depend on the extent to which current prices are harmonised to the new prices from the outset of the framework. The issue of harmonisation is covered in Part 2 of this paper.

4.4 The business case for implementation of the new supported living framework is therefore completely reliant on reducing people's length of stay, which in turn should reduce the total number of people in supported living care settings at any one point in time. If this reduction does not occur then, in purely financial terms at least, it would have been better to have maintained the existing service model and simply paid annual inflationary uplifts on the current prices.

4.5 The proposed new framework has a number of other benefits including:

- A countywide dynamic purchasing system which is managed through E-brokerage will support oversight of spend previously commissioned on an individual basis
- Consistent quality of service provision as providers have been pre-qualified and quality assessed through the process of applying to the DPS and must achieve a minimum quality score in order to be successful. This screening process does not take place prior to awarding spot purchasing placements. The details of this are set out in the Part 2 paper
- Increased visibility of performance and service quality through a robust performance monitoring structure
- A reduction in use of out of county placements
- Bringing significant spend under contract to control various service delivery risk, including safeguarding and GDPR
- Control of inflation risk, as prices will be fixed for the duration of the DPS
- The ability to centrally manage the market and respond to emerging needs in a holistic and collaborative way
- The ability to award block contracts under the DPS through a mini-competition process should there be a service need and it be financially beneficial for the Council to do so. This would be awarded on predominantly price only basis

- The inclusion of a 'dormant lot' in the DPS which can be activated and expressions of interest invited should emerging needs be identified and a new specification required to support this cohort of service users. This will enable the Council to be responsive and flexible to change

4.6 It is not possible to quantify the potential financial benefits that could be derived from these other impacts of the proposed new framework, but they will assist with management of Mental Health's overall budget in the years ahead.

The social value benefits of these contracts are detailed in the Part 2 paper.

## **5. Section 151 Officer Commentary**

5.1 Surrey County Council faces a very serious financial situation whereby there are still substantial savings to be delivered in the current financial year and identified for future years to achieve a sustainable budget.

5.2 The Section 151 Officer recognises that the implementation of the proposed new countywide framework for Mental Health supported living services is intended to achieve better outcomes, reducing people's length of stay in these settings, and if successful that this could deliver cashable savings to support the Council's Medium Term Financial Strategy. Equally, though, there is a material risk that costs could increase much more than they would otherwise have done if the length of stay in supported living settings is not reduced.

5.3 In approving the recommendations, the Committee need to recognise the risk that costs could increase if the required changes in practice are not achieved. This would place further pressure on the already challenging financial circumstances in adult social care, and would require alternative remedial action in order to remain within the available budget envelope.

## **6. Legal Implications – Monitoring Officer**

6.1 Surrey County Council has a number of specific legal duties in relation to the provision of supported living accommodation for persons with mental health needs or substance misuse problems. These duties are contained in:

- 6.1.1 the Care Act 2014;
- 6.1.2 the Mental Health Act 1983 (as amended);
- 6.1.3 the Mental Capacity Act 2005, and
- 6.1.4 the National Health Service Act 2006.

6.2 In addition to these specific duties, Surrey County Council is under a general duty in Section 3 of the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The new strategic commissioning approach proposed in this paper is intended to meet this requirement. The public sector equality duty contained in Section 149 of the Equality Act 2010 applies to the decision to be made by Committee in this report. This duty requires the Committee to have due regard to the need to advance equality of opportunity for people with protected characteristics, foster good relations between such groups, and eliminate any unlawful discrimination. These matters were reviewed as part of an equality impact assessment (EIA) and the outcomes are summarised in the Equalities and Diversity section below. The Committee's attention is specifically drawn to the EIA, including both the positive and negative outcomes identified.

6.4 A procurement exercise has been undertaken in compliance with the Public Contracts Regulations 2015 and Surrey County Council's own Procurement and Contract Standing Orders. The resulting DPS is described in further detail in the main body of this report.

6.5 In taking this decision, the Committee will need to be mindful of its fiduciary duties to Surrey residents to ensure Surrey County Council maintains a balanced budget in the exercise of its functions.

## **7. Equalities and Diversity**

The specification sets out clear expectations how people with serious mental illness and/or substance misuse will be offered personalised support and receive services that are recovery focused, from providers with a clear understanding, knowledge and experience in supporting people within the client group. There is a risk that not all accommodation will be fully accessible for wheelchair users. In the short term this would mean only a provider with accessible accommodation being commissioned, reducing the choice available to the client. This risk can be mitigated by suitable adaptations being made to properties to accommodate the needs of physically disabled people and linking with OT in the locality team.

Accommodation will be for both men and women with shared facilities such as bathrooms and communal living accommodation. However, accommodation must have sufficient bathroom facilities for residents and have bedrooms that can be locked internally to afford privacy. As no single sex accommodation is planned it may not be suitable for some people undergoing gender transition or reassignment surgery, for survivors of sexual abuse or for people whose religion forbids men and women who are not related to each other to live together. In these scenarios, the risks can be mitigated by working with individual providers where necessary to create single sex accommodation if required.

Current provision is not designed for expectant or new mothers, but service providers would be expected to support the woman to access ante natal care and support the woman to find more appropriate accommodation for mother and baby. There is a risk that a woman who becomes pregnant whilst living in the accommodation would have to move following her baby's birth. She would be supported by her care coordinator and service provider to find alternative accommodation, and support with parenting if necessary.

Providers will be expected to provide opportunities to everyone who is eligible regardless, but responsive to ethnicity and race. The needs of the traveller and Romany community may not be met by this type of service provision. However people from the GRT community would receive mental health support within their own accommodation should they not wish to move into supported accommodation.

The EIA for the proposed mental health/substance misuse supported living services is included as Annex 2.

## **8. Other Implications:**

### **Safeguarding Responsibilities for Vulnerable Children and Adults Implications**

8.1.1 The terms and conditions of the contracts stipulate that the provider will comply with the Council's Safeguarding Adults and Children's Multi-Agency procedures, any legislative requirements, guidelines and good practice as recommended by the Council. This will be monitored and measured through the contractual arrangements.

### **Public Health Implications**

8.1.2 Public Health have commissioning responsibility for treatment for people with substance misuse needs. For those people with substance misuse problems who

access Adult Social Care, this DPS will enable appropriate accommodation to be sourced as appropriate to individual needs.

- 8.1.3 There is a strong focus on promoting physical and mental wellbeing in the service specification. Providers are expected to promote access to physical and mental health care services, enable people to be included in their local communities and provide safe and appropriate accommodation and support. These requirements contribute to the health and wellbeing of people with mental health problems and to the strategic aim of reducing inequalities in health.
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**Consulted:**

Cabinet Member  
Adult Leadership Team  
Clinical Commissioning Groups  
Surrey and Borders NHS Foundation Partnership Trust  
Independent mental health network  
Mental health/substance misuse accommodation provider market

**Annexes:**

Annex 1 – Monitoring methodologies to reduce financial risk  
Annex 2 – Equality Impact Assessment

**Sources/background papers:**

[Market position statement for accommodation with care and support for people with mental health and/or substance misuse needs](#)