

Item No. N/a	Classification: Open	Date: 29 January 2019	Meeting Name: Cabinet Member for Children, Schools and Adult Care
Report title:		Gateway 0: Strategic Options Assessment for the provision of mental health support and housing services	
Ward(s) or groups affected:		All wards	
From:		Director of Commissioning	

RECOMMENDATION

1. That the Cabinet Member for Children, Schools and Adult Care, in consultation with the Cabinet Member for Housing Management and Modernisation, and other members of the Cabinet, approves this strategic options assessment for the delivery of support and housing services for people with mental health needs in Southwark and approves the next steps set out in the report.

BACKGROUND INFORMATION

2. In January 2018, Southwark Council and NHS Southwark CCG agreed the Southwark Joint Mental Health and Wellbeing Strategy 2018-21. The strategy set out an important new direction for mental health services in the borough, with the council and local NHS working together to transform provision for people who require this help. A key component of the strategy was for the council and local NHS to bring forward a common approach across support and housing services to ensure that individuals in need could access this help.
3. There is a shared challenge across the council and NHS to ensure that those individuals who have mental health problems are able to access the right health, care and support. The role of housing is a critical component in this. Many people with mental health problems risk entering a situation in which they cannot sustain a tenancy of their own due to poor mental health but also will not be able to self-manage their own condition or recover until they have a safe place in which to live. In this way housing with the right support is often the foundation of many individual journeys to recovery and independence.
4. Southwark has long adopted a model of help for individuals in which holistic services of support and housing are provided for people with mental health problems who are also homeless or at risk of becoming homeless. These services mean that people are able to access help and housing at the same time, receiving a combined offer of support and somewhere to live to meet their needs. The projects help people who are coming out of a stay in hospital as well as people with a history of street homelessness. The support provided includes help for individuals to access education or employment opportunities, to tackle substance misuse, to learn new skills and to find and move successfully onto permanent accommodation when each person is ready to do so. However, it should be noted that another vital component is the provision of local clinical services that can support the recovery in cases of mental ill health.

5. There are currently 28 different adult mental health supported housing projects in Southwark, which are delivered out of 66 buildings and, each day, support 698 people. Many of these individuals have “stepped down” to these services from hospital or residential care. These individuals’ poor mental health would as yet prohibit them from sustaining a tenancy, therefore the supported housing project provide an opportunity to live more independently, to build resilience, and to overcome challenges.
6. Some of the people with mental health problems that are supported in these projects have very complex support needs; others have a long history of substance misuse or street homelessness. For many the supported housing scheme they come to will be the first place where they have been able to live more independently after many years of struggling with poor mental health. Whatever the individuals’ background, the supported housing project will provide tailored support to help their specific needs.
7. In Southwark, £6.6m annually is spent on supported housing services for people with mental health problems. Southwark Council funds 71% of the overall budget and NHS Southwark CCG funds 29%. Many of the individual supported housing projects are jointly funded by both the council and CCG in recognition of the role of these services in providing health, care and support within a single service setting. In addition, many of the individuals in supported housing are provided with healthcare from the NHS South London and Maudsley Foundation Trust (SLAM) as part of a wider aim to treat and help more people in a community setting rather than in hospital.
8. Southwark has a history of working closely with Lewisham Council on the provision of supporting housing, and there is an existing framework in place for prevention and inclusion accommodation-based services across the two boroughs, although this is coming to an end in 2019. The framework includes a category covering mental health support. There has been no decision to continue with joint working with Lewisham in this area beyond 2019 at this time.
9. The supported housing services that the council and local NHS provides are underpinned by the principle of helping to ensure that everyone is able to realise their own potential, as set out in the council’s ‘Fairer Future’ principles. Adult social care services are driven by a personalised approach to care, where social care assessments, in line with the Care Act 2014, identify eligible needs, and the outcomes people need. Many of the individuals in supported housing are entitled to free “aftercare” from the council and NHS under s117 of the Mental Health Act 1983.
10. The following is a breakdown of contract values and in-house services across all current adult mental health supported housing providers in Southwark in 2018-19¹:

¹ Note – these figures do not yet account for any potential in-year savings at this time as this has not yet been realised.

Provider (2018/19)	Number of units	Council contribution	CCG contribution	Total funding	Average annual unit price
Certitude	60	£693,765	£217,861	£911,626	£15,194
Equinox	14	£359,951	-	£359,951	£25,711
Hexagon	14	£204,769	£422,562	£627,331	£44,809
LookAhead	218	£1,532,859	-	£1,532,859	£7,031
Metropolitan	12	£307,110	£238,633	£545,743	£45,479
Riverside	42	£249,037	-	£249,037	£5,929
Southwark Council	100	£481,172	-	£481,172	£4,812
St Mungo's	77	£324,232	-	£324,232	£4,211
Thames Reach	30	£229,337	£71,157	£300,494	£10,016
Three C's	14		£600,340	£600,340	£42,881
Turning Point	22	£292,053	£373,046	£665,099	£30,232
Sub-total (clients)	603	£4,674,285	£1,923,579	£6,597,884	£10,942
Other services not funded by the council or CCG (e.g. St Mungo's - Great Guildford Street)	95	-	-	-	
Total	698	£4,674,285	£1,923,579	£6,597,884	

11. Southwark mental health supported housing services are contracted by either the council or CCG under a number of different arrangements, as well as provided in-house by the council. The overwhelming majority of buildings (71%) out of which the support services operate are provided specifically for this purpose by 15 different housing associations, including the Hyde Group, Metropolitan and London and Quadrant (L&Q).
12. The council is in negotiations with all of its existing supported housing providers in order to deliver in-year efficiencies. The negotiations have been constructive with savings identified for 2018-19.
13. Further work with potential future providers will take place. Some of the focus areas will be establishing the provision to ensure that the service successfully moves people towards independence, contributes to a better mental health pathway in Southwark, manages risk effectively and provides value for money. This will enable us to further determine the provision on offer and to establish a pathway through the various housing options, leading the resident to the least restrictive route for recovery and independence.

Demography

Mental Health in Southwark – overall

14. Southwark's Joint Strategic Needs Assessment for Mental Health (JSNA-MH) was published in 2017 and outlines important data about the incidence of mental health problems in the borough.
15. Common mental disorders (CMD) include conditions such as depression and anxiety. Results from the 2014 national Adult Psychiatric Morbidity Survey (APMS), if applied to Southwark, would suggest almost 47,600 adults in the borough are experiencing a CMD. Population projections suggest this could increase to around 52,000 adults over the next decade.
16. Severe Mental Illness (SMI) refers to a range of conditions which include schizophrenia, bipolar affective disorder and depression with psychosis. This cohort has significant health needs and also experiences great socio-economic disadvantage. People with SMI in Southwark are more likely to be male, older and from a black ethnic background.
17. Southwark's Joint Strategic Needs Assessment for Mental Health provides a picture of the numbers of adults accessing local services:
 - In 2015-16 there were 8,325 people in Southwark accessing adult secondary mental health and learning disability services.
 - Around 1 in 11 (8.7%) of those spent time in hospital during the year, compared to around 1 in 20 nationally (5.6%).
 - Nationally Black or Black British ethnic groups had the highest proportion of people who had spent time in hospital in the year, with levels more than twice the average for the white ethnic group.

Mental Health in Southwark – supported housing

18. There are 698 adults with mental health problems that are currently being supported by Southwark supported housing services. A further 149 people are being supported in residential care services due to their mental health. Whilst all of the people in supported housing are located within the boundaries of the London Borough of Southwark, the majority of those in residential care are located outside of the borough. This is due to limited provision of residential care in central London.

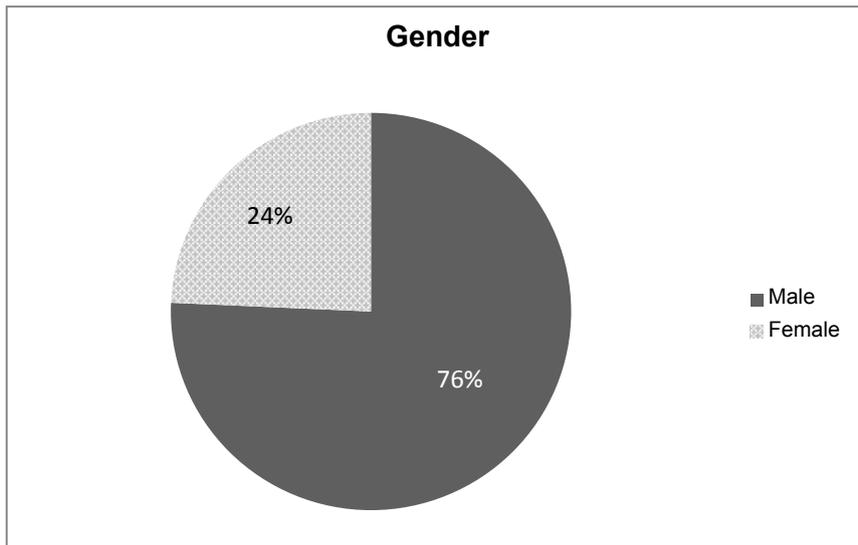
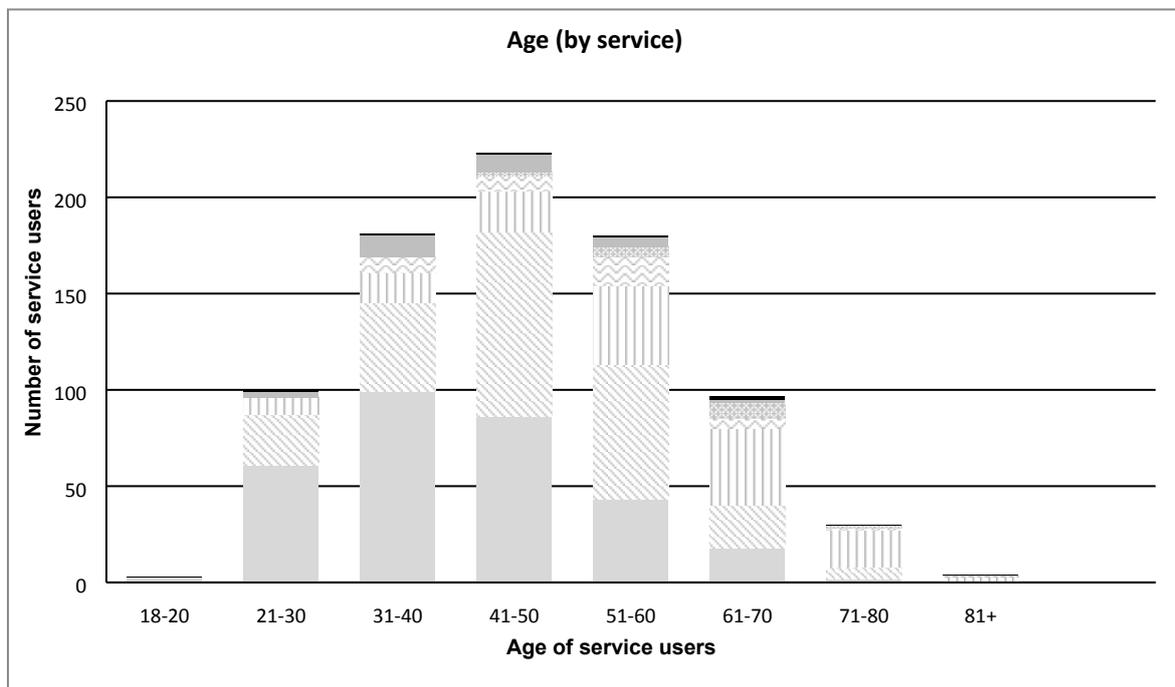


Chart 1: Southwark Mental Health Support and Housing Population – Gender Profile

19. There are significantly more men than women receiving support and housing due to their mental health problems in Southwark [see chart1]: 76% of people in services are men whilst 24% are women. The majority of people in services are middle-aged [see chart 2], primarily between the ages of 41-50 years, although there are significant numbers of people aged 31-40 and 51-60. There are near-equal numbers of [see chart 3] white and black people in services (which, compared to Southwark's actual population – 63% white and 20% black – is a proportionately higher number of people who are black in services).



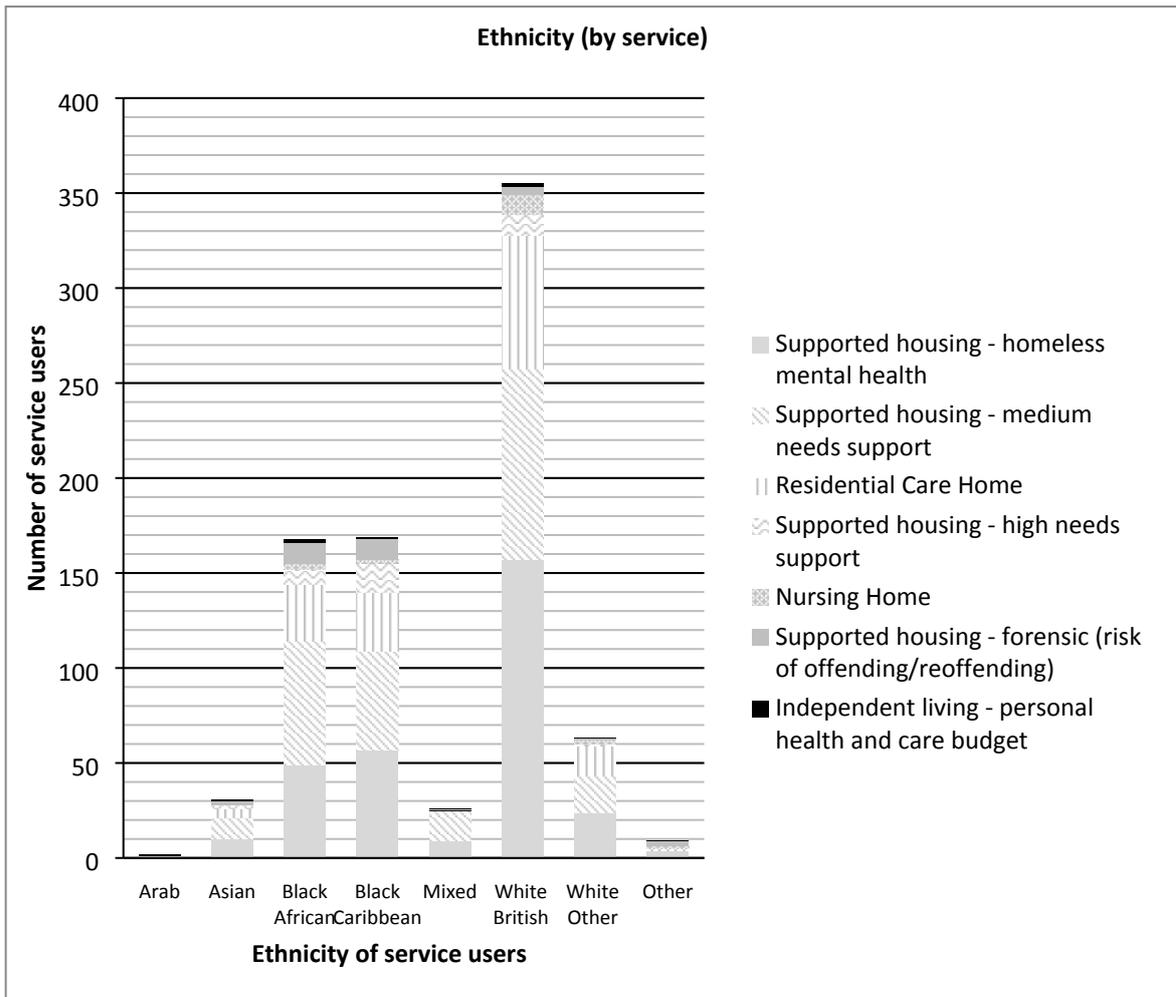


Chart 2 and 3: Southwark Mental Health Support and Housing Population – Age and Ethnicity Profile

20. The service user profile changes considerably across the age-range of the population, with the majority of service users aged 21-30 located in hostels and low-level services. For people in services aged over 60, the majority are in residential or nursing care.

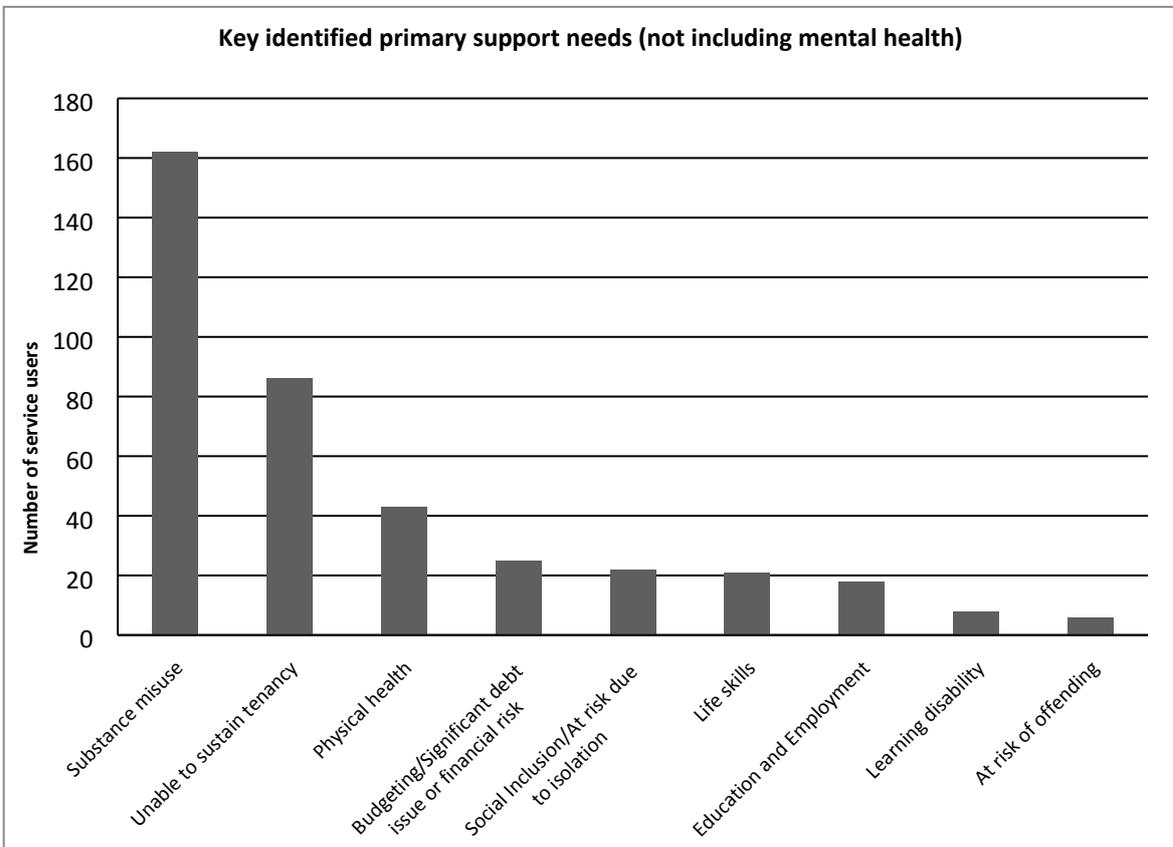


Chart 4: Southwark Mental Health Support and Housing Population – support needs

21. The key support need [see chart 4] for service users as identified by professionals working in supported housing (besides their mental health problems) is substance misuse. This relates to alcohol and drug abuse, as well as to the misuse of both alcohol and drugs by a single individual. The next most significant support need relates to a range of issues which means that individuals would be unable to sustain a tenancy without help. The third most significant support need for this population relates to physical health problems – primarily in relation to diabetes, mobility issues and hepatitis c.

22. The importance of mental health and wellbeing and how our society supports good mental health, has an increasingly positive media profile. The recommissioning of this service will ensure that integrated and preventative service models deliver parity of esteem for mental health and physical health that will form a recovery focussed pathway, which will enable residents to move on to, and sustain, independence and create a ‘flow’ throughout the system.

23. The redesigned pathway will include

- The development of a pathway to support people to live independently in their own homes
- Specialist accommodation and support for people with mental health needs at a point of crisis

- Step down accommodation from hospital or a care setting to support recovery
- Embedded drug and alcohol services that reach into supported housing
- Better support to access local services, such as training and employment, including peer support schemes;
- Floating support that follows residents moving to 'mainstream' housing; and
- Build on partnerships with the CCG and SLAM to ensure that there are responsive GP and community mental health services, as well as healthy living initiatives for the residents.

Service user engagement

24. In 2017, the council and local NHS undertook a significant piece of service user engagement with 60 individuals across the mental health system. The engagement exercise was led by "Experts by Experience" – a group of people who themselves have experienced mental health problems. The results of the study provided an extremely rich insight into the current population in Southwark mental health, care, support and housing services. The outcome of this work was four reports covering people in residential care, supported housing, focus groups and over 50s.
25. The Experts by Experience reports documented the stories of individuals in mental health services whose voices had not previously been heard in this way.
26. Many of the people that Experts by Experience engaged with as part of their work said that they wanted to get a job where their abilities can be used, or to learn new skills. Others hoped to be able to overcome personal health problems with the aid of healthcare professionals. A number of service users said that they wanted to quit smoking or eat more healthily. People hoped to see more of their families, to have pets and to be able to pursue different pursuits. Some people talked about wanting to fall in love, get married, have children, or simply to have a companionship.
27. A large number of service users who engaged in the exercise with Experts by Experience talked about wanting to live independently in suitable housing in a safe environment. Many hoped for a flat in Southwark, whilst others talked of their hopes of moving to places including Dover, Littlehampton and Gillingham. A few people wanted to move abroad. On talking about his aspirations, one person told Experts by Experience that they were simply "to be a normal man – go to work, come home, have a meal, get on with my neighbours, get a girlfriend. I miss all that." The sadness and frustration set out by this individual in many ways echoes the unfulfilled ambitions of many of this group. Many people involved in the engagement exercise said that they just wanted, as they saw it, a "normal life" but that this was not possible because of their mental health problems.

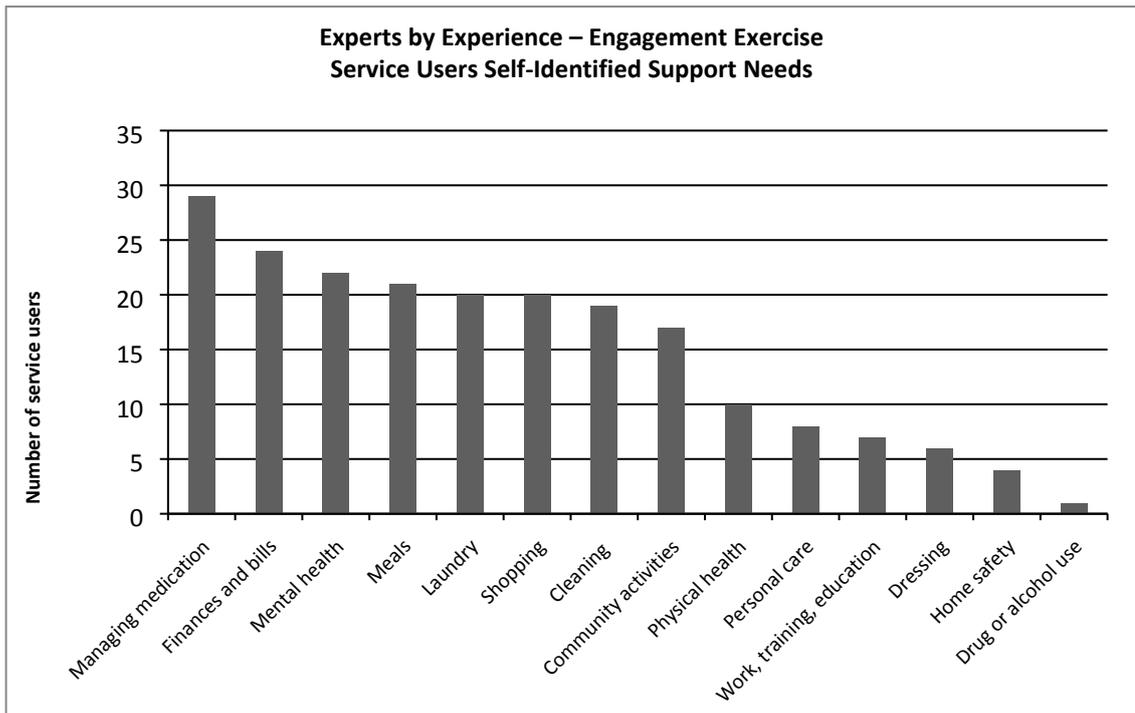


Chart 5: Southwark Experts by Experience – engagement exercise – self-identified support needs

28. As part of the engagement exercise, the Experts by Experience organisation asked service users to identify their own key support needs [see chart 5]. In contrast to the support needs identified by services, service users set out that managing their medication was their key support issue, followed by issues around finance, debt and paying for bills. Many service users highlighted day-to-day activities as a particular challenge due to their mental health including preparing meals, doing the laundry, going shopping and cleaning.
29. There will be further engagement with service users in the coming period, including on any service specifications and outcomes that are planned as part of the service offer for mental health supported housing. This will be a co-produced solution with Experts by Experience (residents with mental health problems).

Service offer

30. Southwark supported housing services comprise of:
- 3 forensic (risk of offending/reoffending) supported housing projects.
 - 7 supported housing projects for people with high needs.
 - 8 supported housing projects for people with medium needs.
 - 9 supported housing projects (including hostels) particularly for people who are homeless or street homeless with mental health needs.

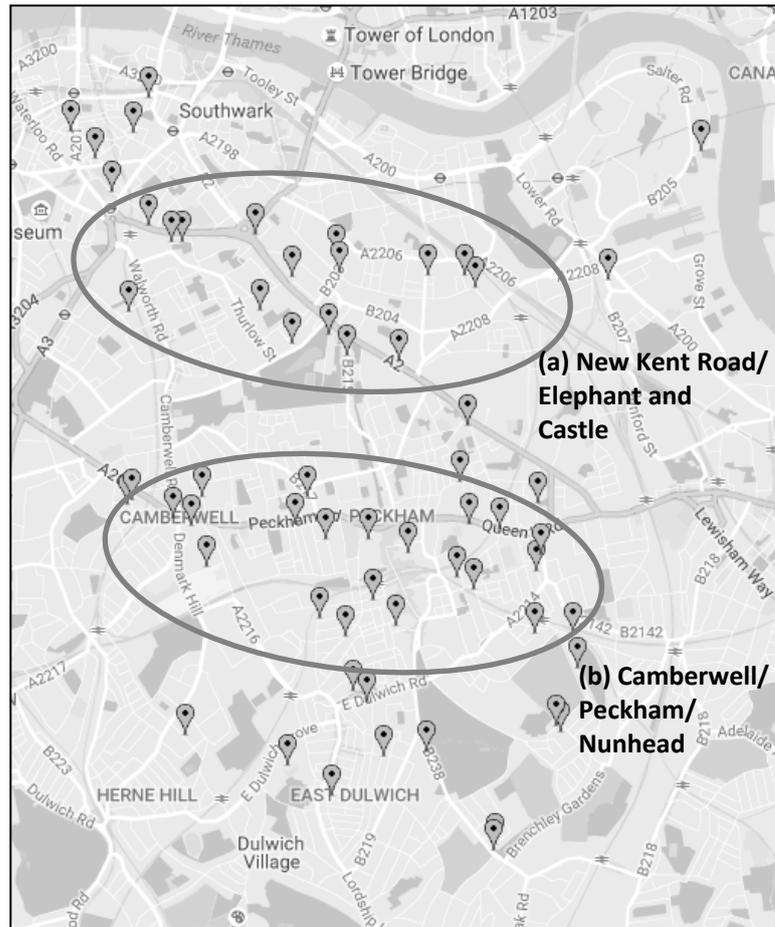
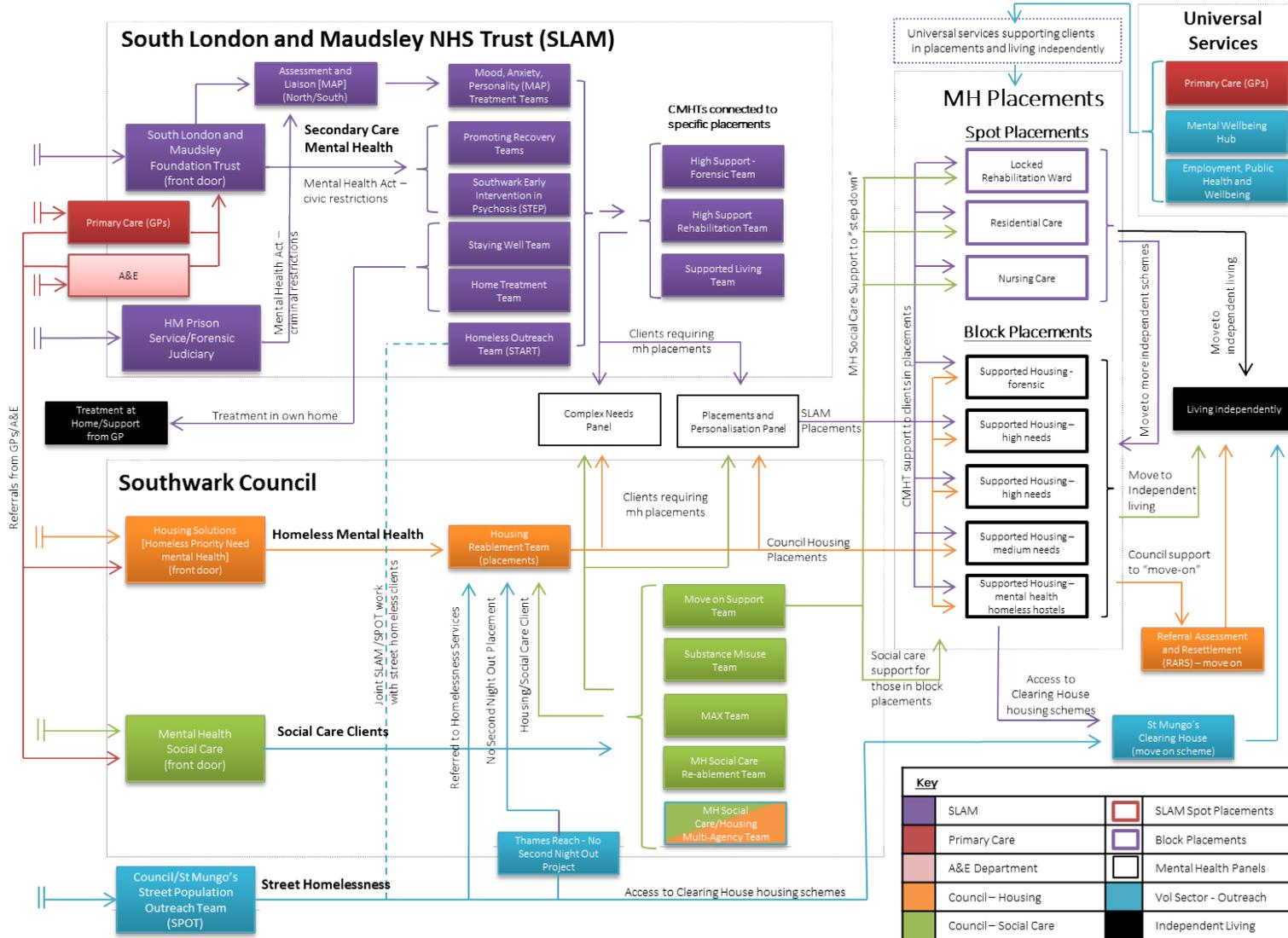


Chart 6: Southwark Supported Housing Services – current service offer

31. The majority of services [see chart 6] are located in geographical clusters either around (a) the New Kent Road and Elephant and Castle area or (b) in the communities of Camberwell, Peckham or Nunhead. These services are mainly located in areas that have properties, which are large enough to accommodate shared housing and they are areas that support social inclusion, independent living and a healthy lifestyle with facilities such as shops, GP practices, etc..
32. The majority of supported housing schemes are relatively small with between 4-8 service users living within an individual house. There are also a number of larger schemes in the borough, including 7 hostels with 35 or more service users in a single project. In some of the projects, the service users share communal kitchen and bathroom facilities, and in others there is the opportunity – often for those able to live more independently - to have a flat with its own facilities.
33. The route into housing for mental health patients is demonstrated as below.

Southwark Mental Health and Mental Health Homeless – current pathway and providers



Mental health supported housing in other areas

34. Nearly all local authorities provide some form of supported housing for people with mental health challenges, whether as enhanced temporary accommodation, as hostels, or as schemes as in Southwark. The majority of councils have a formal contract in place for these services with others “spot” purchasing these for individuals with this particular need.
35. In London, in light of the particular housing challenges that exist, there is a prevalence of supported housing and all London boroughs (often jointly with their CCGs) have a role in commissioning these services. All of Southwark’s geographical and statistical neighbours in London have a significant mental health supported housing portfolio, and the council works closely in particular with Lambeth and Lewisham to share good practice in this area.
36. At the next stage of work, in order to develop a Gateway 1 report, detailed benchmarking will be undertaken in order to better understand supported housing provision in other areas. The outcome of this work will be included in the Gateway 1 report.

KEY ISSUES FOR CONSIDERATION

Future service requirements and outcomes

37. The provision of a future supported housing service for people with mental health problems would, by necessity, need to replicate many of the features of the current service. The model would include both a support and housing element, and would have a focus on helping people to overcome mental health challenges in order to make a successful shift to independent living. The services would continue to fulfil elements of the council’s duties for people with mental health problems as set out in the Mental Health Act 1983, Care Act 2014 and Housing Act 1996.
38. There is growing public awareness around mental health nationally and, in some mental health services, there has been an increase in demand. There are, for example, an increasing number of adults in Southwark with a Common Mental Disorder (CMD) – increasing from an estimated 47,600 currently to a projected 52,000 in the next decade. That said, as set out in the Southwark Joint Mental Health and Wellbeing Strategy 2018-21, there is an aim to shift the model for mental health provision (including supported housing) in Southwark. As more people are able to access healthcare and support in their own homes, with a focus on prevention and primary care, the strategy aims to reduce the need for hospital, residential, nursing care and supported housing places overall.
39. The mental health supported housing project group comprises social workers, housing officers, health professionals and commissioners. The group have noted:
 - there will be an ongoing need for supported housing for people in Southwark with mental health problems. Children and Adults’ commissioners are working with Public Health who will inform the commissioning strategy, development of the specifications and approach to demand management.
 - in line with the Southwark Joint Mental Health and Wellbeing Strategy 2018-21, there may be a need for more provision for people with higher and complex

needs, and a reduction in the level of provision for people with lower needs – many of whom will be able to live successfully in their own homes.

- there will overall be a reduction in the numbers of supported housing services needed as more people are able to receive healthcare and support in their own homes.

40. In order to review requirements for now and the future there will be a total mapping, and analysis, of the supported housing pathway. The initial work to bring together total system information to support a Gateway 1 is underway. Additional information will be gathered from leads across mental health social care, public health, drugs and alcohol commissioning and homelessness. The pathway will ensure that key services such as drug and alcohol support services reach into these schemes – given the identified needs of the current service users.

41. To ensure that a successful service is designed, and then delivered, there will be a strong focus on ensuring that measurement and maintenance of the quality of the service is in place. There needs to be a system in place that ensures that a high quality service will be delivered and maintained, regardless of changes in staffing and customers over time. There is a regular cycle of monitoring and reporting, which provide formal measures of quality and compliance. The key areas monitored are:

- Health and safety of services;
- Condition of the premises;
- Effectiveness of service delivery (outcomes);
- Quality of support and care provision;
- Quality of responsiveness to complaints and feedback;
- Quality assurance; and
- Voids, if the service is a block contract.

Budget

42. Funding for services for people with mental health problems in Southwark covers hospital, psychological (including talking therapies, counselling), residential care, supported housing and voluntary and community services. The total spend in these areas is set out below:

	Southwark Council	NHS Southwark CCG	Total
South London and Maudsley NHS Foundation Trust (SLAM)	£695K	£48.6m	£49.2m
Increasing Access to Psychological Therapies (IAPT)		£3.3m	£3.3m
Residential and Nursing Care	£2.1m	£4.2m	£6.3m
Supported Housing	£4.7m	£1.9m	£6.6m
Voluntary and Community Services	£468K	£402K	£870K
Total	£7.9m	£58.4m	£66.3m

Chart 6: Southwark Adult Mental Health Spend – 2018-19

43. Mental health social care packages comprised of 8% of all adult social care spend in Southwark in 2017-18. This figure does not include the cost of mental health services to the NHS, whose spend on mental health is higher.
44. NHS national planning guidance for 2017-2019 states that CCGs will continue to grow their investment in mental health in line with their overall budget allocation, with increases of 2-3% each year. There is also an expectation that CCGs will spend no less than 14.2% of its total budget on mental health. For 2017-18 this target was met in Southwark with 14.4% of the CCG budget spent on mental health.
45. Southwark Council faces great financial challenges now and into the future, with central government grant funding reducing by £15m in 2017-18. At the same time as central government funding decreases, local Children’s and Adults’ services have experienced increased demand pressures.

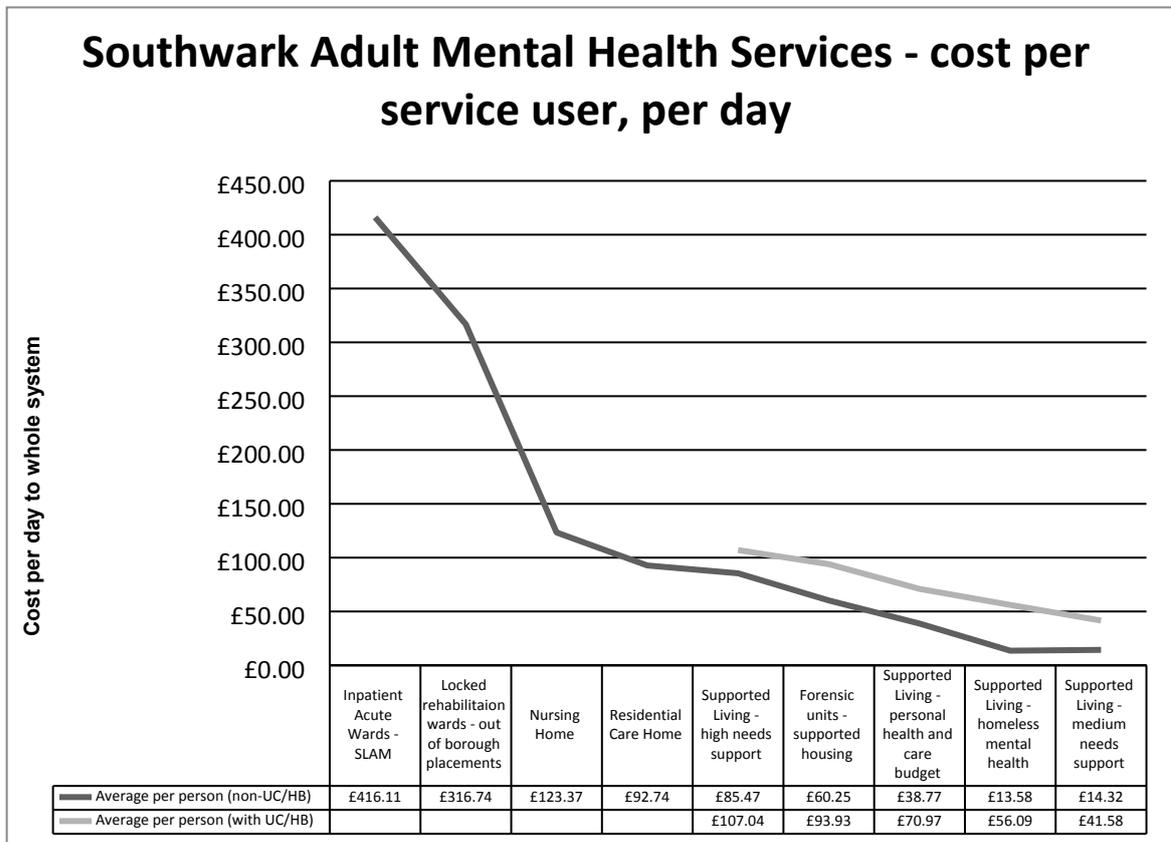


Chart 7: Southwark Adult Mental Health Spend – cost per person, per day – 2017-18 – with or without the addition of Universal Credit/Housing Benefit (UC/HB) funding into services

46. Southwark Council has significant savings targets and efficiencies to meet across its budget for the 2018-19 year, and for future years, in order to keep up with central government reductions, and to offset the pressures from inflation/market pressures and demography (both in terms of client numbers and the level of complexity of needs).
47. As part of joint work across the CCG and council to understand the total costs of mental health services [see chart 7], the cost per service user, per day was mapped against different provision. This work took into account the cost of the

services to the council, the NHS and also the benefits system (that is, Universal Credit/Housing Benefits). The outcome was an understanding of the relatively high cost of hospital services and care homes relative to supported housing services.

Market considerations

48. The council has produced a market position statement for mental health supported housing which sets out how it will work with providers on any changes to current provision. The council and CCG have been engaging with current mental health providers to understand the services they provide and to set out a benchmark for current service provision, and will work with them to map what they anticipate future needs will be for the clients that they support. There have been a rolling series of provider workshops across children's and adults' services, with the most recent adults workshop (including supported housing) taking place in August 2018. Feedback from provider engagement has set out a range of approaches to improve working across the council, CCG, SLAM and other key partners, and also key areas to work on to increase independence and choice for people with mental health problems who receive support and accommodation.
49. Services are currently provided by a diverse cross section of organisations that span both the private and not for profit sectors. All of the current mental health supported housing services are provided in-borough, and there are in-house as well as external services. The sector is under significant pressure as its funding has been reduced in many areas in line with the overall reduction of local authority budgets. Since 2010, the council has been aware of periodic reviews undertaken by both housing associations and providers to "pull out" of the supported housing market but at this stage this has not materialised.
50. The number of people in residential and nursing placements outside of Southwark is significant, as it is for a number of inner London Boroughs – and how this relates to a pathway to independence including any "step down" to supported housing will be considered at the next stage of work.
51. Outside of the current service providers, recent framework procurements across other boroughs suggest there has been significant interest in bidding using framework agreements. Collaborative provider and commissioning events have also evidenced a healthy cross-section of providers in the supported housing market across the country. There are frequent contacts from new entrants to the local market who are interested in providing services in Southwark.

Policy background

52. There are a number of complementary if overlapping statutory duties set out in legislation in relation to the provision of health, care, support and housing for people with mental health problems. Under the Mental Health Act 1983 (s117), the council and CCG have a joint duty to make provision for health, care and support to individuals leaving hospital or prison settings and to reduce the risk of a deterioration of these individuals' mental health condition. These duties remain with the council and the CCG until such a time as the person is deemed to no longer require this support.
53. The NHS Act 2006² further sets out a requirement for the NHS to prevent illness, to provide care for people suffering from illness and to provide after-care – including

² as amended by the Health and Social Care Act 2012.

for those with a mental health condition. In addition, under the provisions of the Care Act 2014, local authorities are required to assess adults who may have care and support needs and, where eligible needs have been identified, to ensure those needs are met. For people who are also homeless, the council in addition has a duty under the Housing Act 1996 to provide housing to people who are statutory homeless, including those who are in priority need due to mental health. The Homelessness Reduction Act 2017 furthermore places a duty on councils to prevent homelessness through the provision of a number of services including for those “suffering with a mental illness or impairment.’

54. In February 2016, NHS England set out their Five Year Forward View for Mental Health. Noting the scale of the mental health challenge nationally, the organisation set out eight principles for improving mental health services:

1. Decisions must be locally led.
2. Care must be based on the best available evidence.
3. Services must be designed in partnership with people who have mental health problems and with carers.
4. Inequalities must be reduced to ensure all needs are met across all ages.
5. Care must be integrated, spanning physical, mental and social needs.
6. Prevention and early intervention must be prioritised.
7. Care must be safe, effective and delivered in the least restrictive setting.
8. The right data must be collected and used to drive and evaluate progress.

55. The Southwark Joint Mental Health and Wellbeing Strategy 2018-21 is based on the evidence for action set out in 2017 Southwark Joint Strategic Needs Assessment for Mental Health. In agreeing the strategy, the council and CCG set out a common vision as follows:

Southwark Joint Mental Health and Wellbeing Strategy 2018-21 - vision

56. *“Our vision is to improve the mental health and wellbeing outcomes of our residents in Southwark. We will improve the physical health of people living with serious mental illness and increase life expectancy for this population group. We will focus on prevention and early intervention, whilst delivering a sustainable mental health system in Southwark. This will require simplified and strengthened leadership and accountability across the whole system. It is fundamental that we unlock the potential of Southwark communities to enable active, resilient citizens and self-reliant communities in these times of quick-paced regeneration in the borough. By engaging with providers and working in partnership with the third and voluntary sector we will transform the mental health and wellbeing of Southwark residents.”*

57. The strategy sets out five strategic priorities which are:

1. Prevention of mental ill health and promotion of wellbeing.
2. Increasing community-based care and supporting communities.
3. Improving clinical and care services.
4. Supporting recovery.
5. Improving quality and outcomes.

58. In relation to mental health supported housing, the Southwark Joint Mental Health and Wellbeing Strategy 2018-21 set out that:
59. *“A settled home in good quality accommodation is vital for good mental health and the core recovery principles of hope, aspiration and choice. For people with poor mental health, gaining access to general or supported housing can be particularly difficult. Support with housing can improve the health of individuals, and in many cases provide a stable base for them to recover and live independently. In Southwark, we have reviewed our mental health supported accommodation provision across Southwark CCG and Southwark Council. We will create an improved pathway to promote recovery and step down from high support placements. We will also review placements that are out of borough to ensure quality care is being delivered, and ensure that care is provided in Southwark where appropriate.*
60. *“The strategy clearly sets out our ambition that people in Southwark are supported to live and stay well in their community. It aims to improve the social networks of people with mental health issues and tackle housing, employment and physical health concerns on an ongoing basis, with access to mental health care available locally as needed. We also aim to harness the potential for new ways of working together, and better delivering support to ensure people feel connected to their communities.”*

Strategic service delivery options and assessment

61. Detailed below are the main options available to the council and CCG when looking to provide mental health supported housing services.
- a) Do nothing**
62. This is not a viable option as the council and CCG would be unable to fulfil their duties under the Mental Health Act 1983, Care Act 2014 or Housing Act 1996 without a significant change to both hospital services and temporary accommodation.
- b) In-house**
63. A decision to bring some or all of the support services in-house could allow the council to create a significant community offer for mental health within direct management of the local authority. There may be opportunities for both efficiencies and service pathway improvements, in particular through greater alignment of these services with social care and housing, which could be made through holding all of these functions within the same organisation.
64. The council could increase its own in-house dedicated support service for people with mental health problems. The in-house service is currently working through a transformation programme to improve outcomes and this therefore presents an opportunity for commissioners to co-produce the related workforce development to align with the review and redesign of the services.
65. Like other support providers, the council would not bring the current properties used for supported housing in-house as these are housing association owned “freehold” buildings. The council could enter into negotiations with housing associations to lease these properties.

66. There would be both costs and risks related to a decision to bring services in-house. In particular the council would:
- by necessity have to directly take on the leases for housing association properties – and bear any liabilities for rent and service charges should there be any vacancies within the provision. The council may also need to take on any liabilities relating to damages within services.
 - need to renew the current in-house hostel management structure from the current £380K value to an increased service of up to £6.6m in value. By bringing a proportion of the services in-house, there will be increased staffing and management costs in developing an in-house service, which would be funded from the overall budget envelope.
 - need to retain and recruit staff with expertise in running the services, which are not normally run within a local authority.
 - be required to take on current staff of up to eleven different providers under the Transfer of Undertakings (Protection of Employment) Regulations 2006.
67. Where the support provider is a separate organisation from the council, the organisation is free to champion and encourage service users in engaging with, and challenging, social care or housing decisions. An in-house provider would need to build on the approach they take now, in this regard, and ensure that residents fully receive/realise their entitlements and rights from all agencies related to housing, care and income.
68. The continuation or increase of a full or partial in-house service or services for care and support would require a lead-in time commensurate to mobilisation of a transfer between incoming and outgoing independent sector providers..
69. The council's in-house provision established a Hostel Transformation Board that is focusing on service improvement and transformation to reflect best practice in relation to promoting independence.

c) Individual Placements

70. The council could provide the majority of support and accommodation services for people with mental health problems on an individual basis, with the brokerage and social care teams working together to establish and manage placements for individuals on a person-by-person basis, working with the market of providers. This would remove the need for larger “block” or cost/volume contracts, as services would be established on an individual, tailored basis – as is the case in many residential care schemes.
71. The teams are currently in place to support this model. The risks around the model are the significant resource that is required to negotiate and manage each individual placement to provide value for money for the council and appropriate services for the individuals. Services procured on a person by person basis are unlikely to be procured at the prices as competitive as larger service procurements, due to the loss of economies of scale.
72. This approach would likely also entail the loss of the majority, if not all, of the in-borough provision for supported housing as providers and landlords would not be

able to continue to operate these services “at risk” should the council not place the required number of individuals there.

73. Significant work will also be required with the market in order to ensure that sufficient provision is available locally, despite both rising housing cost and demand for the services. The local authority will have fewer options available to shape the market if negotiations with providers about provision are on a person by person basis. If all placements were to be made in this way, there would be a significant risk of challenge from other providers.

d) Existing frameworks

74. The council has in place an existing framework for prevention and inclusion accommodation based services across Lewisham and Southwark, although this is coming to an end on 31st July 2019. The framework included a category covering mental health support and there are 15 providers on this framework. The framework could however be used to award further services on a short-term basis up to the date of its expiry.
75. The prevention and inclusion accommodation based services framework was developed in 2014-15 prior to the agreement of the Southwark Joint Mental Health and Wellbeing Strategy 2018-21. As such the framework would not meet the overall aims of the new strategy and the outdated service specifications in the framework would no longer be fit for purpose.
76. There has been no decision to continue with joint working with Lewisham in this area beyond 2019 at this time. Further discussions between the two boroughs will be taking place in the context of the development of the Gateway 1.
77. This option would require redesigning the framework in order to meet the changed landscape following agreement of the Southwark Joint Mental Health and Wellbeing Strategy 2018-21.
78. The work that has taken place in the area of mental health since the establishment of the previous framework has also provided a more detailed and nuanced understanding of this market, and there would be limitations on how much this knowledge could be brought to bear in any new services should the existing framework be utilised.

e) Procurement

79. The council could meet support and accommodation needs through a market tested procurement process, to put in place a competitive tender for services. The process would require a minimum of 12 months to establish a range of providers able to meet the support and accommodation needs for people with mental health problems in Southwark. The council would be able to specify a range of provision options within the procurement, to include supported living, shared lives and outreach support, or residential care, where appropriate.
80. There are a number of procurement routes that could be used for this option including the establishment of a framework, a Dynamic Purchasing System (DPS), a restricted procurement and a Competitive Procedure with Negotiation (CPN). These options would need to be explored further as part of the development of a Gateway 1 report.

81. An external procurement could enable the council to access local providers, able to provide progressive support and accommodation within Southwark, as well as invite market entrants in who are developing new services focused on increasing independence for people with mental health problems, and specify how they work with Southwark's Housing Strategy.
82. This option would be more likely to secure best value through procurement than individual placements, it would enable stronger contract management, and give stronger leverage for the council to shape the local market. It will be the option which ensures closest compliance with procurement legislation.

f) Joint commissioning with geographical neighbours

83. The council could work with other boroughs to procure these services. Cross-borough commissioning may be able to deliver greater economies of scale working with geographical neighbouring boroughs and may give greater flexibility.
84. Cross-borough commissioning is likely to take longer to explore and to procure than working within Southwark due to additional complexities to be addressed. Complexities include the need to fully assess levels of need in partner boroughs, and ensuring services are commissioned that are sufficient to meet Southwark's needs as well as any partners. Commissioned services would also need to be sought which have appropriate geographical footprints across multiple boroughs that are compatible with our aspiration to allow people to choose a placement that, where appropriate, is within the borough. Additional consideration will need to be addressed with regards to establishing ordinary residence where persons are placed in jointly commissioned services outside of Southwark.
85. In any work going forward, it is proposed that there are discussions with other boroughs in order to explore all possible options in this area.

Decommissioning Services

86. The plans identified would not lead to any services discontinuing or require specific decommissioning work.
87. Where a person currently being provided with services is identified as having their needs better met by a different provider or new service, this would be addressed on an individual, case by case basis, and be reviewed with the affected person, their family members or carers, with input from the current provider.

Recommended Strategic Delivery Option

88. Based upon the information and details outlined in this report, the recommended strategic delivery option is for:
- A procurement exercise in line with Public Contract Regulations for some or all of the support and accommodation services for people with mental health problems, in order to secure best value within these services, and ensure sufficient services are available to meet need locally.
 - the exploration of an increase in in-house services.

- further discussions with other local authorities in order to explore potential joint approaches.

89. The further detailed work to consider both procurement and in-house options in the coming period will be undertaken prior to the presentation of a Gateway 1 report.

90. Work at the next stage will include service user engagement, a review of move on strategies and consideration of value added from these types of services – for example, contributions to employment and social value.

Identified risks for the service and recommended strategic option

Procurement risks

No.	Risk description	Mitigation and mitigated risk score	Risk Rating (mitigated score)
1	Poor response to the procurement could result in few providers presenting submissions for inclusion on the framework and would limit the council's choice of suppliers.	Engagement work conducted with current providers so far has been positive, with providers engaging well. This risk will be mitigated by significant and ongoing market engagement with current and potential suppliers prior to and during the procurement.	Low
2	An insufficiently robust specification would result in services on the framework being unsuitable to place individuals within, and would result in the council needing to rely on individually negotiated placements with the wider market, which is likely to result in higher costs.	This risk will be mitigated by significant and ongoing stakeholder engagement, engagement with people with mental health problems (building on the work of Experts by Experience) and engagement with providers, to assist in defining the scope of the services. The specification will also be informed by best practice, commissioning guidelines, and benchmarking with other organisations and services.	Low
3	Delays to procurement would result in the council continuing to pay for mental health supported housing services at the current cost base, which is expected to be higher than could be met through the procurement, for the period in which the procurement is delayed.	Mental health service transformation work is overseen by a project group chaired by the Assistant Director of Commissioning – Children's, Adults' and Families. This group would oversee the procurement timetable and ensure appropriate resourcing for any related work.	Low

No.	Risk description	Mitigation and mitigated risk score	Risk Rating (mitigated score)
4	Market failure - Local organisations may lack capacity to provide the required services, and/or a significantly sized provider may be unable to provide services.	This risk will be mitigated by market engagement, market shaping and analysis to ensure the state of the local market is known, and the revised market position statement sets out Southwark's requirements for mental health supported housing services.	Low

In-house risks

No.	Risk description	Mitigation and mitigated risk score	Risk Rating (mitigated score)
1	The cost of establishing an in-house service in the council could be high	The council would look at best practice elsewhere, building on the existing in-house service within the Housing and Modernisation Department. The council would undertake detailed financial mapping of the new in-house service to manage costs. There are likely to be higher staffing and on-costs (pensions etc.) within the council overall, however. value for money (best value) relates to both quality and price	Medium/High
2	An inability of the council to establish an in-house service to take on some or all of the existing services, with a new management structure and adequate staffing.	The council already provides a number of these services in-house within the Housing and Modernisation Department. Any increase in the level of in-house services provided would be able to build on the existing knowledge and skills of the current in-house services.	Low
3	Many staff currently working in supported housing services may not wish to transfer into the council's employment. This would require the council to recruit new staff, with a loss of knowledge and expertise of the current workforce.	The council would establish a robust mobilisation project in order to bring services (and staff) in-house, setting out the opportunities for staff in working directly for Southwark Council. The mobilisation project would manage this risk, seeking to mitigate any issues through a strong programmed approach.	Low

Key /Non Key decisions

91. This is a key decision.

Next Steps

92. Stakeholder engagement will continue, as set out in plans above and in the timetable below, to ensure that the scope of the work is agreed and that the specification will be fit for purpose. Workshops will be held with key stakeholders to ensure that the scope and specifications are fully captured ready for the future procurement.

93. Engagement is being conducted with service users, building on the work of the Experts by Experience project.

94. A rolling programme of provider engagement is taking place, led by the council's Assistant Director of Commissioning – Children's, Adults' and Families. A number of provider workshops specifically with supported housing services are planned to take place following agreement of the Gateway 0 report.
95. There will be further engagement with other local authorities about the potential to develop a joint approach for these services.
96. These engagement approaches will inform the options presented within the Gateway 1 report (procurement strategy approval).

Service Delivery Project Plan (Key Decisions)

Activity	Complete by:
Corporate Contract Review Board (CCRB) Review Gateway 0 - Mental Health Support and Housing Services	30/08/2018
Departmental Contract Review Board (DCRB) Review Gateway 0 - Mental Health Support and Housing Services	05/09/2018
Cabinet lead member to consider Gateway 0 - Mental Health Support and Housing Services	07/09/2018
Notification of forthcoming decision - IDM	07/09/2018
Approval of Gateway 0: Strategic Options Assessment - Mental Health Support and Housing Services	31/01/2019
Scrutiny Call-in period and notification of implementation of Gateway 0 decision	31/01/2019
Further stakeholder and service user consultation to be completed by early February 2019	28/02/2019
Gateway 1 presented to Cabinet	April 2019

Community impact statement

97. The services to be commissioned provide support and accommodation to people in Southwark with mental health problems, and would be commissioned to meet their assessed social care and accommodation needs and the outcomes as expressed in "I" statements from the engagement that has taken place.
98. The specification or procurement will try to address how best to help people find housing and support in or near Southwark, where appropriate.
99. As part of the council's duty to have due regard to the needs of individuals and groups having a protected characteristic under the Equality Act 2010 (the Public Sector Equality Duty) a detailed communities and equalities impact analysis will be undertaken as part of work to develop a Gateway 1 report, and the outcome of this will be set out in that report.

Social Value considerations

100. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing any procurement process, how wider social, economic and environmental benefits that may improve the well being of the local area can be secured. Social value considerations and how the delivery of these services can benefit the local area are detailed below.

Economic considerations

101. Economic considerations such as the London Living Wage, are to be built into the options appraisal process, and market engagement exercise, and will be reported in the GW1 report.
102. There may be an opportunity to look further at both local providers and workers for these services, including through an in-house delivery option.

Social considerations

103. Social considerations are to be built into the options appraisal process, and market engagement exercise, and will be reported in the GW1 report.

Environmental/Sustainability considerations

104. Environmental and sustainability considerations are to be built into the options appraisal process, and market engagement exercise, and will be reported in the GW1 report.

Plans for the monitoring and management of project

105. The project will be managed by the Mental Health and Mental Health Homelessness Supported Housing Transformation Project board; which will report in to the Move on Programme Board (members include CCG, Housing and SLAM) and will be overseen by the Children and Adults Board (chaired by the Strategic Director for Children and Adults).
106. High level plans include
- the review of every existing resident who are resident in the supported living accommodation noted in this document.
 - Each resident will have move on plans, these may be to stay in the current provision or to step down
 - Integrating good practice from elsewhere
 - Ensuring that it sits in the wider Mental Health pathway and strategy plans
 - Engaging with stakeholders, to ensure their voices are heard
 - Building in an evidence base

Resource implications

107. Resource implications will be included in the GW1 report.

TUPE/Pensions and TU recognition implications

108. There are no immediate implications from the recommendation of this report to continue to a Gateway 1 report that would have a direct bearing on the application of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). TUPE, pensions and TU recognition implications will be considered and detailed within a subsequent Gateway 1 and Gateway 2 reports.

Financial implications

109. There are no financial implications arising directly from this report. All financial implications will be identified in the procurement strategy and contract awards report.

Investment implications

110. There are no investment implications arising directly from this report.

Legal implications

111. Please see concurrent from the Director of Law and Democracy.

Consultation

112. This report takes into account the comments provided to the Lead Member for Children, Schools and Adult Care, as part of her consultation with other members of the Cabinet.

113. The council is undertaking consultation with stakeholders, service users, and providers, and this will be included in the Gateway 1 report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance

114. The strategic director of finance and governance notes the contents of this report and that there are no financial implications arising directly from this strategic options assessment. Colleagues in Social Care, Housing and Finance will need to work together and alongside counterparts in the CCG to ensure appropriate budgets are made available for options identified in subsequent reports.

Head of Procurement

115. This report seeks the approval of the Cabinet Member for Children, Schools and Adult Care, in consultation with the Cabinet Member for Housing Management and Modernisation and other members of the Cabinet, for the strategic options assessment for the delivery of support and housing services for people with mental health needs in Southwark.

116. The gateway zero report sets out the background to the provision of support and housing services for people with mental health needs at present and the projections of this into the future. It also assesses the options for the potential delivery of some or all of the services required by the council, from looking at in-house options to provision of services by external procurement means, either alone or as part of a joint arrangement with other contracting authorities.

117. It is proposed that detailed considerations, together with further service user engagement will form the basis of the procurement strategy for these services that will be set out in a gateway 1 report.

Director of Law and Democracy

118. This report seeks the approval of the strategic options assessment for the provision of mental health support and housing services in Southwark.

119. Under the council's Contract Standing Orders, a pre-procurement/gateway 0 report is required for any service contract with an estimated contract value of £10m or more, or other strategically important contract for services, goods or works where requested by the relevant cabinet member. The decision to approve the report recommendation is reserved to the relevant cabinet member.

120. There are no specific legal implications arising from the report. The recommended strategic delivery option is set out within paragraphs 88 to 90 and the details of the proposed procurement strategy will be confirmed in the Gateway 1 report following the completion of further review and development of service strategy and further service user engagement.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Experts by Experience Reports – Phase 1 – people in residential and nursing care homes and hospitals in the community	160 Tooley Street, SE1P 5LX	Abi Garraway Tel: 020 7525 7627
Experts by Experience Reports – Phase 2 – people in low to medium level supported housing	160 Tooley Street, SE1P 5LX	Abi Garraway Tel: 020 7525 7627
Experts by Experience Reports – Phase 3 – people aged over 50	160 Tooley Street, SE1P 5LX	Abi Garraway Tel: 020 7525 7627
Experts by Experience Reports – Phase 4 – Focus Groups	160 Tooley Street, SE1P 5LX	Abi Garraway Tel: 020 7525 7627
Southwark Joint Mental Health and Wellbeing Strategy 2018-21	http://moderngov.southwark.gov.uk/ieDecisionDetails.aspx?ID=6405	Deborah Cohen Tel: 020 7525 5046
Southwark Market Position Statement (MPS)	160 Tooley Street, SE1P 5LX	Cynthia Davis Tel: 020 7525 4227

AUDIT TRAIL

Cabinet Member	Cllr Jasmine Ali, Cabinet Member for Children, Schools and Adult Care	
Lead Officer	Genette Laws, Director of Commissioning	
Report Author	Genette Laws, Director of Commissioning	
Version	Final	
Dated	29 January 2019	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Democracy	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	5 September 2018	Yes
Corporate Contract Review Board	30 August 2018	Yes
Cabinet Member		
Date final report sent to Constitutional/Community Council/Scrutiny Team		30 January 2019