

PLYMOUTH CITY COUNCIL

Subject: Alliance for People with Complex Needs Contract Award
Committee: Cabinet
Date: 15 January 2019
Cabinet Member: Councillor Ian Tuffin/Councillor Chris Penberthy
CMT Member: Carole Burgoyne (Director for People)
Author: Sophie Slater, Commissioning Officer
Contact details Tel: 01752 305948
Email: Sophie.slater@plymouth.gov.uk
Ref: PEO 16175
Key Decision: Yes
Part: I

Purpose of the report:

Plymouth City Council commissions a broad range of statutory and non-statutory interventions for people who have support needs in relation to homelessness and may also have support needs around substance misuse, mental health, offending and risk of exploitation. Traditionally contracts have been commissioned in silos, often resulting in duplication, inefficiencies and poor outcomes for the person using multiple services.

On the 10th July 2018 Cabinet approved Plymouth Commissioning Intentions for the next two years. In recognition of the specific challenges faced by people with multiple needs these intentions included adopting the Making Every Adult Matter (MEAM) vision of ensuring that people experiencing multiple needs are supported by effective coordinated services and empowered to tackle their problems, reach their full potential and contribute to their communities. In order to achieve this it was agreed that an Integrated Substance Misuse, Homelessness and Offender System utilising an Alliance approach would be commissioned and Mental Health services would be aligned.

An Alliance is in effect a virtual organisation, where partners work collectively to create a collaborative environment without the need for a new organisational form. An Alliance agrees to behave in a certain way to achieve a shared goal and everyone is jointly responsible for implementing the decisions made. By having one alliance contract, all parties are working to the same outcomes and are signed up to the same success measures. It is a relationship based on trust, transparency and collective accountability and the Local Authority is a member of the leadership team, enabling us to have an active role in the development of the Alliance. An Alliance model enables both small and large organisations to work together in an equal way with decisions being made unanimously. This can inevitably mean that there are some decisions which are harder to make, but must ultimately be made through a 'best for user' decision making process.

Alliance contracts have been successfully used in a range of services in London, Greater Manchester, East Midlands and Scotland. Collaborations have been created for prevention services, mental health support and whole system working. In examples that have been going for some time there has been a demonstrable improvement in the experience of both people using services and staff, in addition to a reduction in costs.

Using an Alliance model, the focus is on creating systemic change: changes to culture, funding structures, commissioning and policy that will support a new way of working. Together we will create a contractual environment where suppliers share responsibility for achieving outcomes and are mutually supportive, making decisions based on the best outcome for the service user. Representatives from Plymouth City Council will be members of the Alliance Leadership Team making collaborative decisions in partnership with the Plymouth Alliance.

The Plymouth Alliance aims to improve the lives of people with complex needs by supporting the whole person to meet their aspirations, whilst also contributing towards national outcome targets in relation to statutory homelessness, children in care and care leavers, drug treatment, reoffending rates, preventing admissions to hospital and urgent care targets.

Plymouth City Council, in conjunction with partners and people who use services, have co-designed the future complex needs system as one which will enable people to be supported flexibly, receiving the right care, at the right time, in the right place.

The Council has undertaken a competitive procedure with negotiation in accordance with Public Contract Regulations 2015 to award the contract for an Alliance for People with Complex Needs. This report describes the key stages of the negotiated procedure and seeks approval from this Cabinet for contract award.

Corporate Plan

The Corporate Plan 2016 - 19:

Embodying our value of being Cooperative, the Plymouth Alliance will bring together partners from across the city to serve the best interests of Plymouth and its communities. Through listening to people who use services we will deliver quality public services which also use resources wisely, reducing duplication and producing better outcomes.

The Alliance for People with Complex Needs will support the City's vision of becoming one of Europe's most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone through meeting the following priorities:

A GROWING CITY

The Plymouth Alliance will deliver a broad range of sustainable accommodation options for people with complex needs.

A CARING COUNCIL

The Plymouth Alliance will have a focus on prevention and early intervention, ensuring that there is a 'no wrong door' approach and that people can access support at the right time, in the right place.

The Plymouth Alliance will keep children, young people and adults protected by working closely with partners to have a 'Think Family' approach whilst recognising that safeguarding is everyone's business.

The Plymouth Alliance will reduce health inequalities by delivering community based treatment services and co-locating health outreach services to improve access for vulnerable groups who may be homeless or rough sleeping.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The annual value of this new contract is £7,746,286, which is a 5% reduction on the current financial envelope. The contract reduces by 3% in year 2 and a further 2% in year 3. Costs for the remaining years will be negotiated with the Plymouth Alliance.

By remodelling separate services into a single contract the Plymouth Alliance will reduce inefficiencies and duplication including transaction and management costs.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety and Risk Management:

This service will contribute towards the delivery of an integrated system for people with complex needs, improving health and wellbeing for a population who often experience health inequalities. It specifically supports the delivery of the Community Care Strategy with a focus on promoting people's independence within the community and preventing needs escalating.

Equality and Diversity

An Equality Impact Assessment has been undertaken.

Recommendations and Reasons for recommended action:

The recommendation is to award a contract to the successful tenderers (hereinafter referred to as the "Plymouth Alliance") under a single multi-party contract for a period of 5 years, plus an option to extend for a further 5 years (2+2+1).

The reason for the recommended action is that the current system for people with complex needs is not fit for purpose. Transformational change cannot be achieved given the present configuration of contracts and the following challenges:

- A growing number of people experiencing addiction, homelessness, offending and poor mental health as a result of changes in welfare reform, under-funding and increasing health inequalities.
- A broken system, with duplication, an inefficient use of resources, limited joined up working and poor access to mental health services and appropriate accommodation.
- Challenges in relation to increases in complexity, issues accessing sustainable accommodation, disjointed working, safer information sharing, managing risks and missed opportunities for timely interventions.

Through the procurement process the Plymouth Alliance has evidenced that they are able to deliver the new requirements post April 2019.

Alternative options considered and rejected:

Extend existing contracts

Plymouth City Council's Contract Standing Orders do not allow the existing contracts for services in scope of the Alliance to be extended. Also, this was not a viable option as it would not provide the opportunity for transformational change required.

Published work / information:

Strategic Commissioning Intentions for the Plymouth Health and Wellbeing System 2018-20
<http://democracy.plymouth.gov.uk/mgConvert2PDF.aspx?ID=86747>

Background papers:

Equality Impact Assessment
 Commissioning Plan for people with Complex needs

Title	Part I	Part II	Exemption Paragraph Number							
			1	2	3	4	5	6	7	
Strategic Commissioning Intentions for the Plymouth Health and Wellbeing System	x									
Equality Impact Assessment	x									
Commissioning Plan for people with Complex needs	x									

Sign off:

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Originating SMT Member Craig McArdle, Director for Integrated Commissioning													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

I. INTRODUCTION

This report outlines the background and rationale for the commissioning of an Alliance for people with Complex Needs. It outlines the procurement process including the evaluation methodology, the evaluation process and provides an outline on the offer from the winning tenderers. It makes a recommendation to award a single contract to the Plymouth Alliance (consisting of Bournemouth Churches Housing Association, Hamoaze, Harbour, Livewell Southwest, Live West, Plymouth Access to Housing, Shekinah and the Zone).

2. BACKGROUND

On the 10th July 2018 Cabinet approved Plymouth Commissioning Intentions for the next two years. In recognition of the specific challenges faced by people with multiple needs these intentions included adopting the Making Every Adult Matter (MEAM) vision of ensuring that people experiencing multiple needs are supported by effective coordinated services and empowered to tackle their problems, reach their full potential and contribute to their communities. In order to achieve this it was agreed that an Integrated Substance Misuse, Homelessness and Offender System utilising an Alliance approach would be commissioned and Mental Health services would be aligned.

Plymouth City Council commissions a broad range of statutory and non-statutory interventions for people who have support needs in relation to homelessness and may also have support needs around substance misuse, mental health, offending and risk of exploitation.

Traditionally contracts have been commissioned in separate silos, often resulting in duplication, inefficiencies and poor outcomes for the person using multiple services. Twenty five contracts spanning substance misuse and homelessness have been aligned and are due to end on 31st March 2019.

Plymouth City Council, in conjunction with partners and people who use services, have co-designed the future complex needs system as one which will enable people to be supported flexibly, receiving the right care, at the right time, in the right place.

Using an Alliance model, the focus is on creating systemic change: changes to culture, funding structures, commissioning and policy which support a new way of working. Together we will create a contractual environment where suppliers share responsibility for achieving outcomes and are mutually supportive, making decisions based on the best outcome for the service user.

The purpose of the new Alliance is fourfold; to enable people to fulfil their potential; to provide support to enable people to become independently and step down from services; to support people to achieve their goals and to support the local authority in discharging its statutory duties in relation to homelessness.

The level of expenditure on the current contracts requires any future external provision to be competitively tendered in accordance with the Council's Contract Standing Orders. A competitive procurement was run as a negotiated process.

The new service will contribute towards a number of City priorities including reducing rough sleeping, fewer people in emergency accommodation, reducing the number of inappropriate bed days in hospital, increasing the number appropriately stepping down from care and more people in employment.

3. PRE TENDER SELECTION CRITERIA

A competitive procurement was run as a one stage process incorporating a Supplier Questionnaire (SQ) and Invitation to submit Initial Tenders (ISIT) followed by an Invitation to submit Final Tenders (ISFT).

The SQ, ISIT and ISFT documents were published via Supplying the Southwest (www.supplyingthesouthwest.org.uk) on the 6th June 2018 in accordance with the following timeline:

Activity	Date/Target Date
OJEU Notice Submitted for publication	25/05/18
OJEU Notice Published	29/05/18
Dispatch of ISIT	06/06/18
Alliance Market Engagement Event	25/06/18
Deadline for ISIT clarifications	25/07/18
Return of ISIT	08/08/18
Presentation and Interview stage	14/08/18-15/08/18
Evaluation of ISIT	16/08/18 to 29/08/18
Notification of outcome of ISIT to Tenderers	30/08/18
Negotiation with selected Tenderers stage one	30/08/18 to 13/09/18
Negotiation with selected Tenderers stage two (if required)	20/09/18-03/10/18
Dispatch of ISFT	04/10/18
Return of ISFT	01/11/18
Evaluation of tenders completed and selection of successful Tenderer	02/11/18 to 16/11/18
Regulation 87 standstill period (commencement)	21/01/19
Contract award	01/02/19
Estimated Service Commencement	01/04/19

The objective of the selection process was to assess the responses to the Supplier Questionnaire and ISIT and select potential Economic Operators to proceed to the next stage of the procurement.

The following sections of the SQ contained mandatory questions, the responses to which were reviewed and treated as pass or fail criteria:

Grounds for Mandatory Exclusion

Grounds for Discretionary Exclusion

Economic and Financial Standing

Parent Company Details

Modern Slavery Act Requirements

Insurances

Equality and Diversity

Quality Management

Data Protection

Business Capability

Health & Safety

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In addition the following sections of the SQ were evaluated and awarded a score.

Section	Weighting (%)
Technical and Professional Ability	25
Health & Safety	10
Disputes	10
Business Capability	30
Social values	5
Skills and apprentices	5
Safeguarding	15

These weightings and the scoring methodology for each section were published in the SQ documentation. The overall threshold (minimum) score for the SQ was 65%.

One SQ was received from each member of the Plymouth Alliance. All of them exceeded the minimum requirements and therefore the Plymouth Alliance proceeded to have their ISIT evaluated.

4. TENDER EVALUATION METHODOLOGY

The evaluation weightings were agreed prior to the dispatch of the tender documentation and were published in the ISIT:

Award Criteria	Weighting (%)	Sub Criteria (%)	Weighting (%)
Commercial	10	Price	20
Proposed contracts, collaborations and partnerships	5	Delivery arrangements	5
Invitation to Submit Initial Tenders (ISIT)			
Technical Response	65	Outcomes for Individuals	26
		Outcomes for Plymouth	21
		Sustainability	18
Invitation to Submit Final Tenders (ISFT)			
Technical Response	20	System Description	10
		Management and Operation	10

The submitted tender was evaluated by a team of individuals with various skill sets from across Plymouth City Council and NEW Devon CCG, in order to ensure both transparency and robustness.

1; Technical Response

The technical responses were evaluated to identify how well each tenderer would meet the service specification requirements. This was carried out by the following officers:

Sophie Slater, PCC Commissioning Officer

Rachel Silcock, PCC Strategic Commissioning Manager

Karlina Hall, PCC Commissioning Officer

Lin Walton, CCG Mental Health Commissioner

Gary Wallace, OPDH Substance misuse Specialist

Jackie Kings, PCC Community Connections Strategic Manager

Helen Foote, PCC Lead Accountant

Andy Sant, CCG Clinical Lead

Phil Bees, PCC Product Portfolio Manager

2; Financial Response

The financial responses were evaluated to identify the overall price that tenderers could offer. These were assessed by:

Helen Foote, PCC Lead Accountant

5. SUMMARY OF EVALUATION

An Initial tender was submitted on the 8th August 2018 by one Alliance; the Plymouth Alliance (a collaboration between Bournemouth Churches Housing Association, Hamoaze, Harbour, Livewell Southwest, Live West, Plymouth Access to Housing, Shekinah and the Zone).

The resulting scores from the evaluation process for the ISIT are shown in the table below:

Tenderer	Technical Response (65% maximum)	Partnerships and collaborations (5% maximum)	Financial response (10% maximum)	TOTAL
Plymouth Alliance	40.60%	4.00%	10.00%	54.60%

The Plymouth Alliance was invited to submit a final tender.

Due to the content received in the ISIT the decision was made to proceed directly to the ISFT stage, followed by a period of negotiation/design sessions as required. A response to the Invitation to Submit Final Tender was received on 5th October 2018. In line with the preferred model this identified an Alliance Approach of 9 organisations delivering a holistic system for people with complex needs.

The resulting scores from the evaluation process for the ISFT are shown in the table below:

Tenderer	Technical Response (20% maximum)	TOTAL
Plymouth Alliance	7.00%	7.00%

Combined scores were therefore as follows:

Tenderer	ISIT Technical Response (65% maximum)	ISFT Technical Response (20% maximum)	Partnerships and collaborations (5% maximum)	Financial response (10% maximum)	TOTAL
Plymouth Alliance	40.60%	7.00%	4.00%	10.00%	61.60%

In accordance with the agreed negotiated procedure a number of design sessions took place between November – December 2018 with the Council and Alliance members. This led to the agreement of the final operating model on the 13th December.

The system being proposed by The Plymouth Alliance includes benefits such as:

- An Alliance wide shared I.T system, enabling a single record to be held and ensuring that all partners having access to vital needs and risk information
- An Asset management strategy to consider the best use of existing premises across the system and reflect identified priorities
- An increase in independent accommodation, reducing the use of emergency placements and rough sleeping
- Exploring a Housing First approach to accommodate our most complex residents
- A single governance process and prescribing competency framework, utilising community pharmacy resources
- Responsibility for the budget currently spent on emergency accommodation and associated risks; the Plymouth Alliance will have the ability to utilise this budget differently to reduce emergency placements and provide more appropriate accommodation.

6. FINANCIAL IMPACT

The current annual spend on the contracts being replaced by the tender is £8,154,903. This can be broken down into the following areas: Strategic Co-operative Commissioning, £3,743,410, Office of the Director of Public Health, £3,857,493, Community Connections, £554,000.

The annual contract value of the new service will be £7,746,286, indicating annual savings of approximately £408,617 per year.

7. RECOMMENDATIONS

To award a five year contract, containing the option to extend the contract for a further five years (2+2+1) to the Plymouth Alliance for the management of the Alliance for people with Complex Needs in Plymouth.

The tender process has determined that they have the critical knowledge and experience to provide the service and the considering all evaluation criteria they have offered the 'most economically advantageous tender'.