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| <b>LONDON BOROUGH OF CAMDEN</b>  | <b>WARDS:</b> All           |
| <b>REPORT TITLE</b><br>Commissioning Strategy for Mental Health Supported Living (AH/2025/02)  |                             |
| <b>REPORT OF</b><br>Cabinet Member for Health, Wellbeing and Adult Social Care   |                             |
| <b>FOR SUBMISSION TO</b><br>Cabinet  | <b>DATE</b><br>2 April 2025 |
| <b>STRATEGIC CONTEXT</b><br><br>We Make Camden is our joint vision for the borough, developed in partnership with our community. Accommodation-based support is a vital part of enabling people to lead fulfilling lives, who may otherwise experience homelessness and housing insecurity, poor health and wellbeing, and social and economic exclusion. The commissioning strategy set out in this report delivers against many of the 'We Make Camden' ambitions and missions, most notably that everyone should have a place they call home, that communities are open to all to contribute, and that people facing structural inequalities are supported with good health, wellbeing and social connection.   |                             |
| <b>SUMMARY OF REPORT</b><br><br>This report sets out the proposed commissioning of Mental Health Supported Living services, which will provide accommodation-based support to up to 199 people with serious mental illness in Camden. People will be supported to progress their mental health recovery in a safe and supportive environment, develop independent living skills to have their own home and live healthy, fulfilling lives as part of their community.<br><br>The current contracts are due to expire on 31 <sup>st</sup> March 2026 with no provision to extend. The proposed strategy is based on extensive engagement with residents of supported living services and other key stakeholders. The strategy recommends recommissioning services to align with Camden's neighbourhoods, with a further standalone women-only provision. The contracts are all proposed for a duration of 60 months with the option of a 24-month extension, at the sole discretion of the Council. The estimated total value of all contracts, including extension, is £32,734,520.<br><br>This report is being submitted to Cabinet for approval as Contract Standing Orders requires this for contracts with an estimated value of over £5 million.<br><br><b>Local Government Act 1972 – Access to Information</b><br>No documents that require listing were used in the preparation of this report.<br><br><b>Contact Officer:</b><br>Jonathon Horn, Head of Learning Disability, Autism and Mental Health<br>Commissioning<br>Jonathon.horn@camden.gov.uk |                             |

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## RECOMMENDATION

That, having considered the result of the equalities impact assessment in Appendix 1, and having due regard to the obligations set out in section 149 of the Equality Act 2010, the **Cabinet** approves the commissioning strategy as set out in this report, which includes a 40% price / 60% quality split and contract term of 60 months, with a possible extension of 24 months (5+2 years), for an estimated value of £32,734,520.

Signed:

A handwritten signature in black ink, appearing to be 'DMG', is written over a light grey rectangular background.

Date: 20/03/2025

## **1. CONTEXT AND BACKGROUND**

- 1.1 Camden has a long and proud history of providing accommodation-based support for people who are at risk of exclusion, including mental ill health, learning disabilities, homeless adults and young people (including those with care experience). This report sets out the commissioning strategy for Mental Health Supported Living services, which will provide accommodation-based support to up to 199 adults with serious mental illness in Camden. People will be supported to progress their mental health recovery in a safe and supportive environment, develop the independent living skills to have their own home and live healthy, fulfilling lives as part of their community.
- 1.2 As well as a serious mental illness, people drawing on supported living services will also present with additional needs and risks associated with physical health issues, substance misuse and involvement with the justice system. Services are experiencing a rising level of 'complexity' of these needs, which are typically overlapping and mutually re-enforcing. This is often referred to as 'multiple disadvantage'. As such, services will need to work alongside people drawing on support in a strength-based, flexible and trauma informed way.
- 1.3 Following a period of support from Mental Health Supported Living services, most people are expected to be ready to move into their own home. As such, the services are often referred to as a 'pathway' from hospital and/or homelessness, into independent living in the community. Partnership working across mental health services, adult social care, housing and other community services is essential to the success of this 'pathway' model.
- 1.4 The current contracts in place to provide these services are due to expire on 31<sup>st</sup> March 2026 with no provision to extend. Following extensive engagement with residents of supported living services and other key stakeholders, a strategy has been proposed that commissions services based on Camden's neighbourhoods, with a further standalone women-only provision. These contracts are proposed for a duration of 60 months with the option of a 24-month extension, at the sole discretion of the Council. The estimated total value of all contracts including extension is £32,734,520.

## **2. PROPOSAL AND REASONS**

- 2.1 Supported living can have a significant positive impact on residents' quality of life, from their physical and mental health to employment, secure housing and their engagement with the community. The purpose of Mental Health Supported Living services is to provide the right accommodation-based support for people to:
  - Progress their mental health recovery in a safe and supportive environment
  - Move away from, or prevent, homelessness and hospital admissions, to develop the independent living skills to have their own home
  - Live fulfilling, healthy lives as part of their community

- 2.2 The services will also contribute significantly to the resilience and effectiveness of the wider health, social care and housing system that supports people with serious mental illness. This includes keeping people well in the community and preventing admissions to hospital, as well as ensuring a supportive 'pathway' of services for people to leave hospital and clinical rehabilitation services, and towards independent living.
- 2.3 Mental Health Supported Living services will contribute to the Council's statutory responsibilities. This includes duties under the Care Act (2014) to meet eligible care and support needs, keep people safe and prevent, reduce or delay the development of further need for care and support. Services will also meet duties under Section 117 of the Mental Health Act (1983), to provide suitable aftercare for people who have been detained in hospital under certain sections of the Act.
- 2.4 Mental Health Supported Living services will also play a critical role in reducing the significant health, social and economic inequalities people with mental health needs experience. For example, services will promote self-care, healthy living and timely access to healthcare services, to address the significant 'mortality gap' whereby people with a serious mental illness die 20 to 30 years earlier than the general population. Services will also be responsible for engaging people in meaningful use of time and community inclusion, addressing barriers to accessing employment, further education and wider community involvement.
- 2.5 Securing accessible accommodation of sufficient quality within Camden to deliver supported living services is a growing challenge and landlords are an important stakeholder in the success of the model. Keeping people supported in Camden, close to family, friends and wider support networks, has a significant positive impact on their recovery from mental ill health. It also reduces the need to place people out of borough, where placements can be harder to quality assure and are less cost effective.
- 2.6 To set the conditions for a networked, well-connected service offer, the proposal is to deliver services through a neighbourhood approach. This will be reflected in how contracts are organised to align with Camden's neighbourhood footprints, offering both 'high' and 'low' support tiers across a geographic area that will be co-terminus with Integrated Neighbourhood Teams. This will facilitate a population health approach to addressing the wider determinants of peoples' health and wellbeing and forging closer relationships with local health and care services. Services will work with local primary care (GPs), community health services, adult social care and mental health clinical teams to develop targeted support for residents.
- 2.7 The proposed model of Mental Health Supported Living services will build on existing strengths and address the challenges and opportunities that were raised by residents and wider stakeholders in the engagement period. In addition to the neighbourhood approach, the model will focus on:
- **A Women-only service and a gender informed approach** across the pathway that responds to the current lack of women-only provision, which

is problematic for the appropriate placement and recovery of those who have experienced gender-based violence and associated traumas.

- **A clearer focus on equalities**, with clear expectations around the services being autism and neurodivergent informed and developing more tailored offers for meeting the needs of young people (aged 18-29). There will be a focus on creating safe spaces for LGBTQ+ residents and understanding their intersectional needs, as well as focusing on culturally informed practice to ensure equitable outcomes and experience for traditionally over- and under-represented ethnic groups.
- **Centring strength-based practice and the adult social care ethos of doing ‘what matters’ most to residents**, with clear commitments and expectations on how residents will be supported to pursue meaningful activities that aid their recovery. There will be a focus on addressing the wider determinants of their health and wellbeing and the use of multiagency approaches such as ‘Team Around Me’, ‘Family Group Conferencing’ and use of Camden’s trauma informed framework.
- **Consistent and effective in-reach from partner services**, such as Camden’s commissioned drug and alcohol services, which will be established through joint service level agreements (SLAs) and protocols to clarify and strengthen support offers. This is recognised as a key determinant of being able to meet the rising complexity of need within services.
- **Partnership working** across a range of services, sectors and community groups to meet the holistic needs of residents. Strong relationships are particularly key with the Council’s new model of mental health social work and community mental health teams and inpatient hospital services delivered by North London Foundation Trust. There will be an emphasis on joint working protocols and SLAs to ensure safe discharge, medication management and support around transitions and trigger points in a resident’s recovery.

### 3. OPTIONS APPRAISAL

3.1 Officers considered the following options:

| Options  | Recommended option (x) |
|--|------------------------|
| <b>Option 1</b> – Outsource to the specialist supported living services as locality-based ‘block’ contracts  | <b>X</b>               |
| <b>Option 2</b> – Outsource to the specialist supported living sector through a flexible ‘spot purchased’ framework or ‘dynamic purchasing system’                                   |                        |
| <b>Option 3</b> – Insource provision to be delivered by the Council  |                        |
| <b>Option 4</b> – Do nothing (allow contracts to end and spot purchase support from 31 <sup>st</sup> March 2025 to meet the needs of those eligible for support as per the Care Act) |                        |

- 3.2 Having appraised the options above, the strategy recommends a neighbourhood-based model outsourced to specialist supported living providers (option 1).
- 3.3 Organising and delivering services within neighbourhood footprints will facilitate closer relationships with, and targeted service offers from, key stakeholders such as primary care (GPs), community health services, adult social care and mental health clinical teams. Contracts will be organised as follows to promote a neighbourhood-based approach.

| Proposed contracts                                    | Minimum no. units | Total annual value | Total estimated value (60+24 months) |
|---|-------------------|--------------------|--------------------------------------|
| Mental Health Supported Living - North/West           | 55                | £963,000           | £6,741,000                           |
| Mental Health Supported Living - East                 | 27                | £861,000           | £6,027,000                           |
| Mental Health Supported Living - Central              | 44                | £1,148,960         | £8,042,720                           |
| Mental Health Supported Living - South                | 58                | £1,283,400         | £8,983,800                           |
| Mental Health Supported Living - Women-only provision | 15                | £420,000           | £2,940,000                           |

- 3.4 There are a number of specialist supported living providers operating in Camden and across London. Outsourcing provision to this sector, with a high proportion of charities and Registered Social Landlords, allows the Council to draw on considerable expertise. Opting for a 'block' contract, in which the Council agrees a specific service for a fixed budget, provides for stable contracting, which helps mitigate the significant uncertainty being faced by providers across health, social care and housing sectors. Contracts will have flexibility and innovation built into their terms, to allow providers and the Council to form a strategic partnership that can test new ways of working to improve outcomes for residents over the duration of the contracts.
- 3.5 There is the potential for geographic lots to create variance in quality, which officers will mitigate by developing consistency across outcome measures and ensuring a collective ownership across neighbourhoods. There will also be a requirement for providers to work in partnership and share good practice to deliver outcomes, which will be laid out in the service specification. Delivery against the specification will be monitored through quarterly contract monitoring meetings and service visits, including direct feedback from people drawing on support.
- 3.6 The tender opportunity will be advertised in Spring 2025 and will operate in line with the new Procurement Act 2023. The Open Procedure will be used under the Act to procure light touch contracts for these services. The process will incorporate responses to service specific scenarios, a clear method statement, and the approach to equality, diversity and inclusion and lived experience involvement. Bidders will also be required to detail how they will

ensure that their employment approach aligns with the Council's workforce standards including recruitment and retention and the payment of London Living Wage throughout the duration of the contracts, including extensions. The contracting opportunities will be tendered in two phases to encourage more competition and increased opportunities for partnership bids that include small and medium enterprises, charitable organisations and registered social landlords with extensive experience in delivering mental health supported living services.

**4. WHAT ARE THE KEY IMPACTS / RISKS? HOW WILL THEY BE ADDRESSED?**

4.1 The key risks identified in the procurement are as follows:

| Risk  | Mitigation  |
|---|---|
| Lack of bids from potential suppliers as the budget is viewed as insufficient to meet the cost of delivery. | Officers have benchmarked against similar services in other boroughs to assess viability. The contract values reflect the increased cost pressures in social care following London Living Wage and National Insurance changes. Where users of services require additional support, officers will seek to address this need by ensuring that there is improved wrap-around support from other services, such as NHS teams. |
| The procurement timeframe is not adequate for the number of contracts                                       | The procurement exercise will be conducted in two phases and suppliers will be given more time to submit their bids. This was met favourably by suppliers during the market engagement exercise.  |

**5. CONSULTATION/ENGAGEMENT**

5.1 Officers have engaged extensively with a range of stakeholders, as follows:

- Stakeholder event across NHS, Housing, Adult Social Care, Children and Young People colleagues, the voluntary and community sector and current providers, attended by 45 people
- Resident focus groups in existing services, with 8 meetings completed and over 40 residents spoken to
- Attendance at wider mental health service user and Carers groups
- Paper survey for all current pathway residents (68 responses received)
- Online survey for anyone with experience of services (frontline staff, family carers, residents in or previously drawn on accommodation-based support)
- Market engagement event with 45 organisations

5.2 Key findings from the engagement and how these have informed the commissioning strategy includes:

- Strengthening the support around services to better meet increasing demand and complexity of support needs, for example by securing additional resource in contracts to minimise lone working practices for staff and improving the in-reach of drug and alcohol and other supporting services.
- Tailoring support to ensure better outcomes for women and wider protected characteristics, for example with provision made for a women-

only service and expectations strengthened within the service specification to ensure more bespoke approaches for young people, and autistic and neurodiverse adults.

- Improving processes and support for people to 'move on' from services and into independent living, for example by focusing on increasing resident confidence and linking up in with meaningful activities that reduce social isolation and build community networks.

5.3 Equalities issues have been considered and will be vetted as part of the procurement process (see Appendix 1: Equalities Impact Assessment). Tenderers will have to respond to the standard selection question on demonstrating their organisation's active awareness of equality, diversity and intersectional issues surrounding the activities of their business.

5.4 The Equality Impact Assessment (EQIA) highlighted the following key considerations for officers to address as part of the commissioning strategy:

- Improving data collection on the prevalence of autism and neurodiversity within the pathway and clear expectations on making reasonable adjustments and providing autism-informed support.
- The higher incidences of trauma, gender-based violence and complex needs relating to women within the pathway, mitigated through the requirement for a women-only service and wider gender-informed response.
- Careful consideration required for transgender people's needs (less than 5% of the pathway) and how these relate to women-only provision.
- The high prevalence of drug and alcohol misuse as a co-occurring support need for people within the mental health pathway, leading to strengthened guidance and in-reach arrangements from Camden's commissioned drug and alcohol support services.
- Black ethnic groups are overrepresented in the pathway, accounting for 28% of residents compared to 9% of the overall Camden population. Data also shows that Black ethnic groups have poorer access to preventative support and have poorer experiences and outcomes from mental health services when compared to other ethnic groups due to complex reasons, including bias, discrimination and racism. In response, tender documents will strengthen expectations around identifying and mitigating in-built inequalities in the mental health system, for example through a requirement for anti-racism and inclusivity training for the workforce. Providers will also be required to better understand and triangulate differences in access, experiences and outcomes achieved across key protected groups.
- It is well documented that people with serious mental illness are at higher risk of social isolation and unemployment. Tender documentation will contain strengthened guidance and expectations for providers to develop partnership working arrangements to promote social inclusion and meaningful activities to develop peer support networks and opportunities around education, training and volunteering.

5.5 As a result of the EQIA, a central priority for the contract will be to deliver culturally competent support that puts identity at the heart of practice and addresses intersectional discrimination. This requires implementing the learning from the 'Identity Matters' work led by Adult Social Care.



- 5.6 Positive impacts were identified across protected characteristics as part of the EQIA assessment, predominantly due to the opportunity to offer accommodation and support to a range of groups, such as adults who have been care experienced, people on low incomes, refugee and asylum seekers (where applicable) and across gender, age, ethnicity and disability.

## **6. LEGAL IMPLICATIONS**

- 6.1 The Council is required to carry out its procurement activities in accordance with the Council's Contract Standing Orders.
- 6.2 Legal Services have reviewed this report in light of the Council's Contract Standing Orders (CSOs), as well as the Public Contracts Regulations 2015 (PCR) and the Procurement Act 2023 (PA23).
- 6.3 The report relates to a procurement strategy for the Cabinet to approve the procurement strategy as set out in this report, which includes a 40% price / 60% quality split and contract term of 60 months, with a possible extension of 24 months (5+2 years), for an estimated value of £32,734,520. In accordance with CSO C2 procurement strategy approval for such a value over the life of the contract ultimately will require Cabinet approval.
- 6.4 Legal Services have assessed the strategy set out in this report and believe the recommendations are in compliance with CSOs, PCR and PA23.

## **7. RESOURCE IMPLICATIONS**

- 7.1 This report outlines procurement plans to commence in April 2026, for which the implications regarding inflation, London Living Wage, and National Insurance increases are currently uncertain. The proposal assumes that a 5% increase will be sufficient to preserve viability of the contracts and that this will be funded through the internal corporate inflation process without creating any additional budget pressures. Should the corporate provision be less than the 5% proposed, there is a risk of unfunded pressures.
- 7.2 As the overall Mental Health Care Purchasing budget covers both block and spot placements, delivering within the available budget constraints will require close monitoring of spot placement expenditure, as this component is not fixed and can escalate if demand exceeds projections.
- 7.3 Additionally, there is a request for a £238k investment in the service to improve the resilience and effectiveness of the Supported Living provisions. The department is exploring various funding options to support this, including a transfer of expenditure from spot placements to commissioned services. Additional resources will need to be met from existing Adult Social Care budgets.

## **8. ENVIRONMENTAL IMPLICATIONS**

- 8.1 There are limited environmental impacts related to the recommissioning of mental health supported living services. Officers will however encourage any

supplier awarded the contract to consider the environmental impact of any aspect of their service delivery, for example by incentivising local recruitment and promoting environmentally friendly travel within neighbourhood footprints. Residents drawing on support will be encouraged to minimise their environmental impact through daily habits, such as recycling and reducing energy use.

## 9. TIMETABLE FOR IMPLEMENTATION

9.1 The following timetable is proposed to implement the commissioning strategy, subject to further revision:

| <b>Key milestones</b>                                | <b>Indicative Date (or range)</b> |
|--|-----------------------------------|
| Procurement strategy report – Cabinet                | April 2025                        |
| Tender period – phase 1                              | Late April-July 2025              |
| Contract Award                                       | July/August 2025                  |
| Tender period – phase 2                              | May-October 2025                  |
| Contract Award                                       | November 2025                     |
| Contract signature / sealing                         | October onwards 2025              |
| Transition to the new arrangements (for both phases) | October 2025-March 2026           |
| Contract start date                                  | On or around April 2026           |

## 10. APPENDICES

10.1 Appendix 1: Equality Impact Assessment

**REPORT ENDS**