

# North Yorkshire County Council

## Health and Adult Services

### Executive Members Meeting

13<sup>th</sup> September 2024

**REPORT TO** Corporate Director of Health and Adult Services (HAS) in consultation with the Executive Member for Health and Adult Services

## **Extension and Variation of Mental Health Supported Housing Services and Mental Health Community Support**

### **1.0 Purpose Of Report**

To seek approval for the extension and variation of Mental Health Supported Housing Services

### **2.0 Executive Summary**

Health and Adult Services commissions Mental Health Supported Housing services from a number of providers across the County to support people with mental health needs to develop the skills they need to live independently.

An identical service, which runs as a single entity with the HAS commissioned service was commissioned by the former Craven District Council (CDC) and runs in parallel.

This paper seeks approval to merge the former North Yorkshire County Council and CDC contracts in line with procurement advice and to enter into the final extension year allowed by the North Yorkshire Council (NYC) contract. The paper also seek approval to apply a negotiated uplift to the contract to reflect additional cost pressures beyond those initially anticipated in the tender.

### **3.0 Background**

#### **3.1 Service Background**

The original contract for the provision of mental health housing support managed by North Yorkshire County Council commenced on 1st October 2021, the overall value of these contracts was £501,000 per annum.

North Yorkshire Council commissions a countywide service for people aged 18 and over who are experiencing mental health and housing issues. The aim of the service is to maximise and sustain independence in the community, prevent avoidable hospital admissions, and support people to achieve their rehabilitation and recovery goals.

This contract commissioned Mental Health Housing Related Support across the county consisting of a mixture of floating support for those who have their own tenancy, plus a number of short-term accommodation units.

Housing with support provides accommodation for up to one year with input from a housing support worker to develop the skills required to maintain a tenancy and ensure the person is able to move to

independent living at the end of period. The service takes a person-centred approach to develop other protective factors which may include budgeting, reducing social isolation, benefit maximisation, links with other services, becoming employment or volunteering ready. Transition support is also provided as the person moves to their long-term accommodation.

Floating Support is provided to people who already have a home but are at risk of losing this due to their circumstances. The housing support worker will work with them to identify the risk factors and work with them to develop a plan to support them to maintain their existing tenancy or find a new property where appropriate. Floating support can be provided for up to 12 months.

Seven Lots were commissioned to deliver support in seven different localities. Three providers are responsible for the provision of this service. Units procured were considered to be proportionate to the population in each locality.

### 3.2 Contract

The contract was procured by the Council on 2 year + 1 year + 1 year basis to start from 1st October 2021.

Lot Number	Supplier	Area Covered	Units supplied	Floating support Units
Lot 1	Foundation	Craven	3	6
Lot 2	Broadacres	Hambleton	5	12
Lot 3	Horton	Harrogate	11	25
Lot 4	Broadacres	Richmondshire	2	5
Lot 5	Broadacres	Ryedale	3	7
Lot 6	Broadacres	Scarborough	7	17
Lot 7	Horton	Selby	4	9

In parallel to this then County Council procurement, Craven District Council (CDC) completed a tender process for the same service under the same specification for 5 additional units in the Craven area. This reflected CDC's view of the service as highly beneficial and also mitigated the loss units which were re-allocated to other areas as a result of the needs analysis which underpinned the then NYCC procurement.

This CDC contract was let on a 2+1 basis and as such ends with no additional extensions on 30<sup>th</sup> September 2024.

### 3.3 Performance

The service has supported over 100 people between April 2023 and March 2024. During this period, 12 people have moved from the accommodation pathway, 11 of whom have done so in a positive way (92%) by developing their independent living skills to manage a tenancy. Over 100 people have moved through the floating support service, of which 89% did so in a positive way. A small number of people disengaged from the service. Part of the success of the pathway is that people are considered holistically and the reasons why their tenancies are at risk are explored. Supportive approaches are developed to address the reasons, so the person is empowered to make informed choices and develop resilience longer term.

The service is well used and carries a waiting list in most areas. Utilization is calculated based on the number of people in service at the end of the quarter against the number of people each provider is contracted to support. For the accommodation with support, the rate is 87%, 85%, 100% and 92% for the four quarters of the above period. Where the figure is lower than 100% this is due to maintenance or the period between people moving out and the next person moving in at that particular snapshot in

time. For the floating support, the utilisation rate is 82%, 88%, 92% and 76% for each quarter. This is due to recruitment challenges and long-term illness in the Harrogate area which in part have been covered by agency staff, but due to the relative size of the service, disproportionately impacts on the overall rate. The Harrogate service is now fully staffed.

#### **4.0 Variation and Extension**

On entering into discussions with providers to extend the Mental Health Supported Housing contract into a final year, the providers of two Lots raised challenges relating to financial sustainability with commissioners, which they felt would require either an increase in funding or reduction in units.

As such, the Council have entered into negotiations with the providers to reach a mutually agreeable position enabling the service to continue with the current level of units and support.

The contracts were let with 0% annual uplift in 2021 following a period of extended low and predictable inflation. Since that time, inflation has risen, peaking at more than 11% before returning close to the baseline figure. This increase in costs has placed significant pressure on providers operating on tight margins. The Council has worked through a detailed process with the providers to understand the need for additional funding, including:

- Initial bids assumed 2% year on year inflation and as such this must be absorbed within the original bid cost.
- Staffing and pay levels within the provider have been reviewed and the providers have been challenged to review their staffing model and ensure the Council is receiving best value. As a result one provider has moved away from the NJC pay spine as of this year to a wage structure based on performance and affordability.
- Robust contract management has ensured the Council are aware of gaps in staffing and other areas of underspend which need to, and have been, utilised prior to any additional uplift
- The contract has been thoroughly reviewed for opportunities for efficiencies by maximising the service model, these have been explored and implemented prior to this ask
- Very significant increases in utility costs and overheads need to be acknowledged

Following this process and a period of negotiation it is recommended that a 9% uplift is applied to two contracts to ensure sustainability of the service, the annual cost of this is £11,538, following due diligence on the remaining Lots the Council is confident they will remain sustainable at the existing contract value for the remainder of the contract

#### **4.2 Alternative Options Considered**

The alternative to applying an uplift to these contracts would be to reduce the number of units available within each contract. This would reduce the ability of the service to support individuals and promote good outcomes.

#### **5.0 Financial Implications**

The uplift will fall across financial years 2024/5 and 2025/6 – totalling £5,769 for each financial year.

#### **6.0 Legal Implications**

The above proposal has been approved by Procurement Assurance Board and as such legal and procurement risks have been considered and addressed.

## **7.0 Conclusion and reason for recommendation/s**

Mental Health Supported Housing continues to deliver a strong service which supports offenders to reintegrate into communities on release and reduces rates of reoffending. This variation and Extension will allow to service to continue at capacity whilst work is completed to reproduce the service from 2025 onwards.

### **8.0 Recommendation/s**

That the Corporate Director in consultation with the Executive Member:

1. Approve the merge of the former North Yorkshire County Council and Craven District Council services
2. Approve the variation and extension of the Mental Health Supported Housing Service

**Mike Rudd**  
**Head of Housing, Technology & Sustainability**  
**County Hall**

**13<sup>th</sup> September 2024**