

North Yorkshire County Council

Health and Adult Services

Executive Members Meeting

13th September 2024

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

Variation of Community Mental Health Services

1.0 Purpose Of Report

To seek approval for the variation of Community Mental Health Services

2.0 Executive Summary

In 2018, NYCC commissioned several providers to deliver preventative Mental Health Services across the then 7 districts of North Yorkshire in 6 Lots.

Approval was given to enter into the final extension within the scope of the original contract from 1 October 2023 to 30 September 2025. Following negotiations with one provider this paper seeks approval to apply an uplift to the final year of the contract to reflect additional cost pressures beyond those initially anticipated in the tender.

3.0 Background

3.1 Service Background

The main objectives of support delivered through the Contract are:

- To help prevent people from developing mental health issues.
- To support people with mental health issues to recover and stay well.
- To act as a local point of contact for people with mental health issues or concerns and their carers and family members.
- To support people with mental health issues or concerns to be able to access the support they need.
- Provide brief interventions on practical support for people with mental health issues or concerns.
- Provide social support and support social inclusion for people with mental health issues or concerns; and
- To promote self-management of mental health conditions

3.2 Contract

The contract was procured by the council in 2018 and is in the final 2 year extension to an end date of 30th September 2025.

Lot Locality	Supplier	Annual Value
Hambleton and Richmondshire	Darlington MIND	£58,033.80
Ryedale	Next Steps	£20,996.00
Scarborough	Scarborough Survivors	£55,438.00
Harrogate	MIND in Harrogate	£65,000.00
Craven	Pioneer Project	£18,983.00
Selby	Horton Housing	£28,327.46

3.3 Performance

The service is meeting the contract requirements, delivering a well-used service and extending their reach using a mixture of approaches including offers of telephone support, group activities and 1:1 support. Referrals are accepted from any source, including self-referrals and referrals from family members and carers, and professionals.

The Council has a summary of information relating to the contract which includes the number of people receiving support, types of information, no. referrals, type of mental health conditions, feedback from people who use the service and case studies.

4.0 Variation

As part of ongoing contract management discussions with providers, one of the providers raised issues around the financial viability for the service going in to the final year which puts service delivery at risk and would potentially have knock on effects for associated services also delivered in the area by the same provider such as Supported Housing which share some staff.

As such, the Council has entered into negotiations with the provider to reach a mutually agreeable position enabling the service to continue with the current level of support.

The contracts were let with 0% annual uplift in 2018 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 HAS team have worked through a detailed process with the provider to understand the need for additional funding, including:

- Staffing and pay levels within the provider have been reviewed and the provider has been challenged to review their staffing model and ensure the Council is receiving best value.
- Robust contract management has ensured the Council is 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 be applied to this contract to ensure sustainability of the service, the annual cost of this is £2,549.47:

4.1 Alternative Options Considered

The alternative to applying an uplift to this contract would be to reduce the service level available. 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 £1,274.74 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

The Community Mental Health services continue to provide good quality and good value services. Applying the proposed uplift ensures continuity of service into the final year of the agreement whilst work is concluded on a successor service.

8.0 Recommendation/s

That the Corporate Director in consultation with the Executive Member:

1. Approve the variation and uplift of the Community Mental Health Service

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