

ANGUS COUNCIL

SOCIAL WORK AND HEALTH COMMITTEE – 20 MAY 2014

**PROVISION OF SERVICE USER INVOLVEMENT
WITHIN THE INTEGRATED ADULT MENTAL HEALTH SERVICE**

REPORT BY HEAD OF QUALITY AND PERFORMANCE

ABSTRACT

This report advises committee of the procurement strategy for the provision of service user involvement within the integrated adult mental health service and seeks approval to implement the strategy.

1. RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

- (i) authorises a competitive tendering exercise for the provision of service user involvement within the integrated adult mental health service;
- (ii) approves the procurement strategy and procedure outlined in section 5 of this report.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/COPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- 1 We have a sustainable economy with good employment opportunities.
- 8 We have improved the health and wellbeing of our people and inequalities are reduced.
- 9 Individuals are supported in their own communities with good quality services.

3. BACKGROUND

- 3.1 Reference is made to Item 8 of the minute of meeting of the Social Work and Health Committee of 4 April 2013.
- 3.2 Angus Council previously commissioned a service user involvement service, on behalf of NHS Tayside, from Augment (Scotland) Ltd. The service level agreement with Augment ended on 31 March 2013 (Report No 206/13 refers).
- 3.3 Members of the Adult Mental Health Reference Forum, which includes service users, carers, third sector providers and statutory providers, were given the opportunity to consider how best to secure service user involvement across the service. The first stage of this process was to invite members of the Adult Mental Health Reference Forum and representatives of the integrated adult mental health service to a consultation event to enable an open discussion on outcomes for the service.
- 3.4 The second stage of the process was the preparation of an Option Appraisal Report which was considered by the Accountable Officers Group (officers from NHS Tayside and Angus Council).

4. CURRENT POSITION

- 4.1 There has not been a contract in place for the provision of service user involvement within Angus since 31 March 2013 when the service level agreement with Augment (Scotland) Ltd came to an end. In the interim, more limited service user engagement is being achieved by means of liaison with a range of providers.
- 4.2 It is proposed to undertake a competitive tendering exercise for the service user involvement service in order to obtain best value for the provision of the service.

5 PROCUREMENT AUTHORITY / STRATEGIES / PROCUREMENT PROCEDURES

5.1 Procurement Authority

The procurement is not considered to be a 'major procurement' in terms of Financial Regulation 16.8.4. Approval of this report would mean that Angus Council can proceed with a competitive tendering exercise for the provision of service user involvement within the Angus integrated mental health service. The contract award will be reported to the Policy and Resources Committee for noting only.

5.2 Procurement Strategy

Supply Market

- 5.2.1 The supply market has been analysed and it is considered that the market for this service is reasonably competitive. A competitive tender approach to the procurement is therefore considered to be likely to deliver best value to Angus Council and NHS Tayside for the provision of these services within the context of the procurement of social care services.
- 5.2.2 The new service would be provided across Angus and it is anticipated that this proposal will be attractive to local providers.
- 5.2.3 It is proposed that the contract opportunity will be undertaken as a "restricted procedure" tender (see section 6.3 below).

Collaboration

We have consulted with Dundee City and Perth & Kinross Councils about the possibility of a collaborative approach to this procurement exercise. Both Councils have current arrangements in place for this type of service and would not be interested in a collaborative exercise at this time.

Consultation

A consultation exercise with members from the Adult Mental Health Reference Forum and staff from the integrated adult mental health service has taken place. They have informed the outcomes which will be used as part of the competitive tendering process.

- 5.2.6 An option appraisal has been carried out and, based on this, the Accountable Officers Group has agreed to a competitive tendering exercise being undertaken for the service.

Duration of the Contract

It is envisaged that the contract will commence on 1 April 2015 for a three year period with an option to extend for a further 2 years.

5.3 Procurement Procedure

It is considered that a two stage ("restricted") tender procedure would be the best means of procuring the required services. This is because:

- (a) there is likely to be a high degree of interest in bidding for the contract; and
- (b) the quality of services will be highly dependent on the quality of the providers selected.

- 5.3.1 The maximum number of suitably qualified bidders who will be invited to tender will be 5.

- 5.3.2 The contract opportunity will be openly advertised on the Public Contracts Scotland portal in accordance with Council policy and as a means of securing good competition to deliver best value for money.
- 5.3.3 Pre-Qualification Questionnaire Evaluation
The first stage of the process is the evaluation of the pre-qualification questionnaires (PQQs) submitted by those providers expressing an interest in the contract.
- 5.3.4 The first stage of evaluating the PQQs will involve screening of criminal convictions and business probity to determine eligibility to tender.
- 5.3.5 The second stage will involve the assessment of economic and financial standing against pre-defined, risk based financial criteria; in line with the Council's risk based decision matrix. Those providers meeting the financial criteria will automatically advance to the third stage.
- 5.3.6 The third stage will involve the assessment of provider defined 'must haves' as follows:
- 1 Satisfactory Recruitment and Selection Policy (Pass or Fail);
 - 2 Evidence of Provider's procedure or intended procedure for compliance with the PVG Scheme (Pass or Fail);
 - 3 Satisfactory Safeguarding/Risk Assessment Policy (Pass or Fail);
 - 4 Satisfactory insurance cover (Pass or Fail);
 - 5 Satisfactory Health and Safety policy (Pass or Fail);
 - 6 Satisfactory Equality and Diversity policy (Pass or Fail);
 - 7 Satisfactory Human Rights policy (Pass or Fail);
- 5.3.7 The fourth stage will involve analysis of the provider's suitability to provide the required services. The assessment will be made against a pre-defined set of quality weighted criteria as detailed below:

<u>Quality indicator</u>	<u>Weighting (%)</u>
1 - Values and Culture – Outcomes and Risk	15
2 - Values and Culture – Service User Involvement in Service Planning	15
3 - Organisational Management Structure (Organisational Vision/Leadership and Management)	25
4 - Quality Assurance Mechanism – Qualifications and Training	15
5 - Quality Assurance Mechanism – Staff Retention Arrangements	15
6 - Quality Assurance Controls – Systems	15
Total	100

- 5.3.8 Those providers gaining the minimum acceptable weighted score in each criterion will have their total weighted score calculated and the highest scoring (up to the maximum of 5 bidders) will constitute the select list.
- 5.3.9 Invitation to Tender Evaluation
Completed tenders returned to the Council, within the tender timeline, will be evaluated and the contract will be awarded on the basis of the most economically advantageous tender, on a mix of quality and price. The price/quality split applied will be 70%/30% in accordance with Financial Regulation 16.14.2. The evaluation criteria and weightings will be:

<u>Criteria</u>	<u>Weighting (%)</u>
1 - Price	70
2 - Service users are involved in the design and planning of	9

mental health services in Angus	
3 - Service users' views are adequately represented and taken account of in relation to influencing the strategic direction of services and contributing to overall improvement of local, national and regional services	6
4 - Service users are supported in expressing views about service provision in Angus	6
5 - Other providers of mental health services and the wider community are aware of the provider's aims and objectives	3
6 - Awareness of mental health in schools and further education establishments in Angus is increased	3
7 - Service users are free from discrimination and stigma	3
Total	100

5.4 Procurement Risks

Risks identified as part of the procurement strategy process were assessed and mitigating actions noted as below:

Risk	Mitigating action
1 - Continuity of service	Contingency plan to be put in place. Appropriate terms and conditions will be included in the contract in terms of business continuity / contingency.
2 - Demand for the service	The actual number of service users who may be involved in the planning and development of services cannot at this time be determined, however the provider will be required to obtain the views from a broad representation of service users from across Angus. The provider will also be required to establish a core group of representatives with whom they will meet with on a minimum of a quarterly basis. The level of service will be monitored.
3 - Supplier dominance in the market	Advertising on Public Contracts Scotland portal will increase awareness of the tender opportunity within the market.
4 - Quality of service	The service specification will contain key performance indicators which will be used to monitor the quality of the service.
5 - Provider failure due to bankruptcy	Potential bidders' financial viability will be assessed at pre-qualification questionnaire stage; ongoing financial viability will be assessed as part of the monitoring process; a business continuity plan to be put in place.
6 - Risk of adverse impact on third sector providers	Members of the third sector have been consulted on this service by way of a consultation exercise undertaken with members of the Adult Mental Health Reference Forum.
7 - Uncontrolled increase in cost of service	Either use of the Consumer Price Index (CPI) or a fixed cost for the duration of the contract.
8 - Poor uptake of the service	The provider and NHS/Angus Council to promote the service.
9 - Service does not meet the outcomes in relation to consumption/price	Appropriate key performance indicators will be in place to monitor this service.
10 - Confidentiality	Ensure that the provider handles confidential data appropriately: terms and conditions contained within the contract to address this.

6. FINANCIAL IMPLICATIONS

- 6.1 The estimated annual value of the contract is £54,270. This estimate is based on the funding previously allocated to Augment (Scotland) Ltd for the provision of the service user involvement service.
- 6.2 The estimated value of the contract over its duration will be £271,350. This does not include any uplift for the period of the extension.
- 6.3 The contract will be funded by resource transfer from NHS Tayside.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

- Committee Report No 206/13

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[Equality Impact Assessment](#)