

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE Procurement strategy for Minding the Gap (the Hive, counselling and psychotherapy and systemic integrative therapy). (SP/2021/08).	
REPORT OF Cabinet Member for Best Start for Children and Families	
FOR SUBMISSION TO Children, Schools and Families Scrutiny Committee Cabinet	DATE 5 July 2021 7 July 2021
STRATEGIC CONTEXT Camden 2025 is our communities' vision for Camden. Minding the gap strongly supports the objectives of Camden 2025 by working with our NHS and voluntary sector partners to help reduce the prevalence of mental ill health in the borough. Our Camden Plan is the Council's response to Camden 2025. These services contribute to the ambitions of Our Camden Plan by: <ul style="list-style-type: none"> • Helping reduce the prevalence of mental ill health in the borough, fighting against the root causes such as social isolation and tackling the stigma that exists towards mental illness in public attitudes. • Working with health partners and the voluntary sector to support young people to look after and improve their mental health. • Focusing on intervening early and preventing long-term conditions arising. 	
SUMMARY OF REPORT This report sets out the proposed procurement strategy for key services which form part of minding the gap (MTG). The strategy also includes CAMHS systemic integrative therapy (a progressive, intensive form of family based psychotherapy for children and their families). Minding the gap is an innovative approach to mental health services for young people aged 16-24 that has a national profile. It was created by Camden Council in partnership with Camden CCG in 2015 and co-designed with young people. The key aim of MTG is to improve transitions between child and adult mental health services, to improve the reach of mental health services for young people aged 16-24 and to destigmatise health services by offering holistic and integrated support. Since its launch in 2015 it has received significant national attention, with visits from Sir Malcolm Grant (at the time Chair of NHS England) and others with influence in the health system. It has been part of presentations to the Commissioning Academy, the Cabinet Office, regional and national conferences and at the global mental health summit in 2018.	

The NHS Long Term Plan (2019) ¹ recommends that local areas extend current service models to create a comprehensive and integrated offer for 0-25 year olds that reaches across mental health services for children, young people and adults, and highlights Camden's MTG as an example of nationally leading practice in this area. As a consequence, MTG is receiving substantial interest as a model to replicate from other areas in London and across the country. MTG is now the recommended model to implement across the other four NCL CCG boroughs to improve their 0-25 mental health offer. It is one of Camden's mental health flagship projects.

The services which are in the scope for this procurement strategy are:

- a) The Hive youth hub, currently delivered by a consortium of NHS and voluntary sector organisations, led by Catch-22 (a national charity);
- b) Specialist counselling and psychotherapy for young people under 25 years of age, currently delivered by the Brandon Centre, a Camden based charitable organisation; and
- c) Systemic integrative treatment (SIT), also delivered by the Brandon Centre. This service is not part of minding the gap but is included in the contract with the psychotherapy service (currently provided by the Brandon Centre) and is therefore included in this procurement strategy.

The total value of this procurement is estimated to be £8,262,000. In accordance with Contract Standing Orders, this procurement strategy needs to be approved by the Cabinet.

Local Government Act 1972 – Access to Information

No documents that require listing have been used in the preparation of this report

Contact Officer:

Marta Calonge Contreras
Strategic Commissioning Manager
Supporting People
5 Pancras Square
London N1C 4AG
Marta.calonge-contreras@camden.gov.uk
Tel: 020 7974 1202

RECOMMENDATIONS

That the Children, Schools and Families Scrutiny Committee considers the report and makes any recommendations to Cabinet.

That Cabinet approves:

1. The procurement strategy for: the Hive hub, the counselling and psychotherapy service (both services part of minding the gap) and systemic integrative therapy as set out at paragraphs 2.5 to 2.10 of the report, to include a price/quality split of

¹ <https://www.longtermplan.nhs.uk/publication/the-hive-a-coordinated-approach-to-support-young-peoples-mental-health/>

30/70 and a contract term of five years plus two extensions of two years each (nine years in total), for an estimated aggregate value of £8,262,000; and

2. The delegation of the award of contracts to the Executive Director, Supporting People in consultation with the Cabinet Member for Best Start for Children and Families.



Signed:

Date: 24th June 2021

1 CONTEXT AND BACKGROUND

- 1.1 The key aim of MTG is to improve transitions between child and adult mental health services, to improve the reach of mental health services for young people aged 16-24 and to destigmatise health services by offering holistic and integrated support. It is currently delivered by a partnership of specialist organisations (Catch-22, Camden & Islington NHS Foundation Trust (C&I), the Tavistock & Portman NHS Foundation Trust and the Brandon Centre).
- 1.2 The death by suicide of a 19 year old young man in 2012 while he was on a three month waiting list for a local mental health service highlighted significant failings in the way Camden provided support for vulnerable young people with mental health needs. Learnings from this case and a strategic review of the capacity of children and adolescent mental health services led to the development of the minding the gap project (MTG) in 2015.
- 1.3 The MTG model has been continually developed and evaluated over the last five years. MTG has demonstrated very good outcomes, and a socioeconomic evaluation of the model by the New Economics Foundation in 2017 showed MTG provides a return on investment of £3.5 for every £1 invested. Given its success, the purpose of this procurement strategy is therefore to ensure the continuation of the current model, as well as its ongoing development and enhancement.
- 1.4 Recently the service has started to see the impact of the Covid-19 pandemic in the mental health of Camden young people, with both the Hive and the Brandon reporting an increase in the number referrals over the last few months, with also a rise in the complexity of the cases being referred. This is an emerging theme across the mental health system generally. Officers are working with the current providers to ensure they are able to respond flexibly to the impact of Covid-19 on young people's mental health. The Hive is currently able to manage the number of referrals coming through, although there is (for the first time since the service has been in operation) a waiting list for the service. This procurement strategy presents the Council an opportunity to ensure the service to be procured is fit for future needs. As part of the procurement evaluation process we will assess how new providers are able to respond flexibly to new demands.
- 1.5 Feedback received as part of the market testing exercise indicates sustaining the current service delivery model with the same budget as the last five years is not possible. The services in scope for this strategy have not received any inflationary uplift over the last five years, at a time when NHS salaries in particular have significantly increased, meaning the current service is running with a budget shortfall. In addition, there is the added pressure on the service by increased demand and complexity of cases coming through. As a consequence, the proposal for this procurement strategy is for a combined increased annual budget of £120,000 for both the Hive Hub and the Counselling and Psychotherapy service. This will make the project viable for the next five years.

- 1.6 The elements of MTG which are part of this procurement strategy are:
- 1.7 **The Hive hub and the Hive team.** The Hive is an integrated, innovative youth hub. It is located on the Finchley Road in Swiss Cottage, within Camden Council owned premises. The core Hive team comprises mental health and young people workers, some of them seconded from the Tavistock, C&I and the Brandon Centre. The strength and uniqueness of the service is in the holistic, integrated and wide-ranging offer to young people under just one roof. It offers young people aged 16-24 individual and group interventions including mental health, substance misuse and sexual health services, as well as a wide range of group educational activities to explore and discuss topics such as sexual health, sexual consent, youth violence/knife crime, equality and diversity, LGBT issues and racial discrimination. The Hive building was co-designed by a group of young people with lived experience following an extensive process of collaboration.
- 1.8 **Counselling and psychotherapy.** This entails the provision of individual counselling and psychotherapy for young people aged 16-25 who do not meet adult mental health thresholds, offered at flexible times and locations in community settings.
- 1.9 **Systemic Integrated Treatment (SIT).** SIT is a programme for treating conduct disorder and harmful sexual behaviour. It is delivered as an intensive community based family treatment service for children and adolescents (age 8-16yrs) with moderate to severe behavioural difficulties and prevents them entering costly out of home care.
- 1.10 The performance data for the service shows the percentage of young people showing an improvement in outcomes after interventions from these services is high: approximately 80% for the Brandon Centre. Between 75% and 90% of young people rate the service highly across the three services. In terms of risk factors, in 2019/20 approximately 47% of young people presenting to the Hive had suicidal ideation 36% presented with self-harm, and 42% had social isolation as a risk factor. Social isolation and self-harm are two of the biggest risk factors for suicide. By responding to these needs, the service is able to prevent these issues from escalating and resulting in serious harm. The Hive recently carried out a deep dive of 6 cases from their high risk register caseload and estimated that, just based on these 6 cases (10% of their high risk register), an estimated £465,000 has been saved from inpatient admissions which had significantly decreased or stopped since being in the care of the Hive Team. This figure does not include the reduction in crisis team access and support which has also reduced for a number of young people in the Hive's risk register.
- 1.11 One of the key strengths of the current provision is the extension of the age range up to the age of 25. This is of critical importance because young people tell us that adult mental health services are not designed with young people in mind and this means young people who transfer into adult services at the age of 18 can feel alienated and quickly become disengaged. At age 25, young people are better prepared to cope with life challenges, and the service works with young people from age 24 to prepare them for transition and ensure there is no cliff edge at age 25.
- 1.12 The partnership between the NHS and voluntary sector organisations has been key to the success of the project. The Hive team mainly comprises young people's workers who are able to hold complex cases thanks to the supervision and support

they receive from two clinical psychologists seconded from the Tavistock & Portman CAMHS service and from the C&I adult mental health service. This makes the service much more cost effective than equivalent NHS provision, while making it clinically safe. The voluntary sector brings a wealth of knowledge and expertise in terms of delivery of community services, which clinical services often do not have.

2 PROPOSAL AND REASONS

- 2.1 The recommended option is to procure the service. Key to the success of the project has been the partnership between the voluntary and community sector (VCS) and NHS in developing and delivering the project in collaboration and the wealth of experience and expertise that each partner and their respective organisations bring to the project as a whole. Through the tender exercise, the Council will be seeking bids from similar provider partnerships.
- 2.2 Through the procurement process, it would also be possible to incorporate a comprehensive social value framework for potential providers to adhere to, with opportunities to develop social value outcomes for Camden residents. Currently, the partnership with the voluntary sector is key to providing added social value, with additional resources and expertise from the organisation's charitable funds. This includes trips and activities for disadvantaged Camden young people. Through a re-procurement process, this social value added by the VCS would be maintained and built into the contracts.
- 2.3 The service will be procured through the light touch regime using a process similar to the competitive procedure with negotiation. The proposed term for each of the contracts is for an initial period of five years, with two options to extend for an additional two years each (potentially nine years in total). The services will be procured in two lots as specified below, the cost of each lot over the whole of this period (assuming no inflationary increases are passed on to the provider) will be:
 - The Hive Hub: £550,000 per year; or £4,950,000 for the duration of the contract period (Lot 1).
 - The counselling & psychotherapy service and systemic integrative therapy: £368,000 per year, or £3,312,000 for the duration of the contract period (Lot 2).
- 2.4 A notice was published on Contracts Finder, along with a questionnaire on 1 December 2020 to undertake market testing on the proposed service, budget and commissioning process for the services. A market engagement took place on the 22 April 2021, which gave potential organisations an opportunity to learn more about the service specification and procurement process and to feedback on the proposed services and strategy.
- 2.5 The tender evaluation will be undertaken in the following stages:
 - Initial selection stage: tender capacity and initial tender. The process will include an initial assessment of the tenderer's capacity and capability to deliver the contract. This will be done on a pass/fail basis and will include consideration of the tenderer's experience, health and safety, and equal opportunities. Tenders which do not demonstrate sufficient capacity to deliver the services will be eliminated from the process. This will be made clear to tenderers in the documentation along with clear guidance about the pass/fail criteria.
 - Tender stage: after applying the selection criteria, those tenderers that pass the initial assessment will then have their initial tender evaluated. Following the

evaluation of initial tenders, the Council reserves the right to award the contract on the basis of the initial tenders without negotiation. Alternatively, tenderers will be invited to a negotiation session/s where they will have the opportunity to present their proposals and clarify details around how their individual bids could be improved.

2.6 Following a negotiation phase, if required, tenderers will be invited to submit a best and final offer. These tenders will then be evaluated and the Council will award the contract to the supplier with the most economically advantageous tender in accordance with the evaluation criteria. Full details of the procurement process will be clearly set out to bidders within the tender documentation.

2.7 The potential tender award criteria, subject to further development and refinement, are set out below:

Tender award criteria	Weighting (%)
Price	30%
Quality criteria such as staffing, methodology, partnership working, quality systems	60%
Social Value	10%

2.8 A 70/30 quality/price ratio is proposed because the quality of service provision (particularly in terms of expertise and social value) is paramount in achieving the intended outcomes, particularly as these services provide support for a very vulnerable cohort of young people in Camden. A 10% weighting for social value has been included. Through the re-procurement process, bidders will be required to demonstrate how they will deliver an enhanced social value element to make sure that Camden residents see the additional benefits from the wider experience that bidders bring, as well as their professional expertise in delivering services. This may include provision of additional resources from the charitable funds at no charge to Camden, such as additional activities and opportunities for disadvantaged Camden young people.

2.9 Quality thresholds against key criteria such as staffing will be set to ensure only quality tenders are considered for award. For the social value tender award criteria, consistent with the Social Value Act 2012, Camden is legally obliged to consider how the proposed contract might improve economic, social and environmental wellbeing. Officers will use the social value framework in the evaluation criteria.

2.10 Pricing for this contract is fixed at a maximum budget per lot and this will be clearly laid out in the documentation. Any supplier who submits a price in excess of this budget could be deemed non-compliant and may be excluded from the process. Providers offering pricing less than that budgeted maximum will mean the whole tender will be scored using the lowest price mechanism. The lowest priced compliant tender will receive the maximum price score and points will be awarded to the other tenders by measuring their tender price against the lowest priced compliant tender.

3 OPTIONS APPRAISAL

3.1 The following options were considered in relation to this project:

- A. Re-procure the service (outsourcing). This option would entail re-procuring the service through a public procurement exercise due to the contract value and is the

recommended option for the reasons set out in Section 2 of this report.

- B. Insourcing. This option would only apply to the Hive hub, currently delivered by a consortium of three VCS organisations and two NHS providers, led by Catch-22. It would not apply to the psychotherapy or to the systemic integrative treatment service currently delivered by the Brandon, which is delivered by clinical staff and not suitable for insourcing. Insourcing was considered but is not recommended. This option would mean the transfer of the Hive team workforce from the VCS contracts onto Council contracts through the TUPE system. The Council would not be able to benefit from the innovation, expertise or additional social value that the voluntary sector and NHS providers can offer. In addition, financial analysis shows that the total cost of the insourcing option for the Hive hub would be £565K in total over the life of the commissioning period, over and above the costs of the external commissioning option.
- C. Do nothing (decommissioning). This option would entail letting the current contracts expire, and therefore the Council and the CCG would be left without any service provision from 1 April 2022. This option is not recommended. The impact of the service ceasing to exist would be approximately 400 young people per year currently receiving individual support through these services needing to find alternative provision. These young people may go on to develop more severe problems, resulting in increased demand for crisis care and hospital admissions and an adverse impact on wider health, social and economic outcomes.

3.2 More information about the above options is provided in Appendix 2 (commissioning options table).

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

4.1 Project specific impacts / risks, and the associated mitigation strategies are set out below:

- Insufficient interest from providers. Only three other VCS providers have submitted responses to the market testing questionnaire, and they have stated their level of interest is “medium”.
Mitigation: A provider engagement will be conducted to inform providers about the services to be commissioned and procurement process, as well as ongoing communication and engagement with providers to keep interest.
- The budget envelope may be not be sufficient to fund current level of service provision. Over the last five years budgets have reduced considerably, while workforce salaries and demand have both continued to increase. This has put some pressure on providers.
Mitigation: The procurement process includes an element of negotiation, to allow to negotiate offer with providers, in a way which will allow us to focus limited resources in a way which best meets our priorities for Camden young people.
- A new provider winning the contract could result in disruption to service provision. Young people using the Hive have developed trusting relationships with current team. The idea of a new team delivering these services could cause a lot of anxiety and distress for young people.
Mitigation: TUPE will apply, which means most of the current team would remain in post, although this is not guaranteed (staff may wish to transfer to other roles within their current employer organisation rather than to transfer to another employer). Premises are provided by Camden Council which means the location of the services will remain the same. The Hive Young People’s Board will be involved in

the re-procurement process and will be kept informed throughout the procurement process to make sure they are informed and prepared for a potential change in provider.

- 4.2 The contract will include the requirement for providers to pay at or above the London Living Wage (LLW) as it has been assessed that this will ensure the recruitment and retention of staff with the appropriate skills and qualifications to deliver the services.
- 4.3 An Equalities Impact Assessment (EIA) has been completed and is included in Appendix 1. The EIA shows that there is no potential for discrimination and all appropriate opportunities to advance equality and foster good relations have been taken.

5 CONSULTATION / ENGAGEMENT

- 5.1 Formal consultation is not required for this re-procurement, however commissioners have engaged with users of services and providers during the project development.
- 5.2 Commissioners sought views and feedback from service users on current service provision. Feedback includes the need for 'longer sessions' and shorter waiting times, feedback about the range and variety of activities offered at the Hub, feedback about improving the publicity, about refurbishments (painting the walls, replacement of sofas, etc.) and range and availability of equipment. One of the suggestions from young people is they would like the Hive to run accredited training courses (e.g. first aid, food safety).

6 LEGAL IMPLICATIONS

- 6.1 Legal services has reviewed this report in the light of the Public Contract Regulations 2015 (as amended) ('PCR') and the Council's Contract Standing Orders ('CSO') which must be complied with.
- 6.2 This report sets out the proposed procurement strategy for key services which form part of minding the gap. The total value of this procurement is estimated to be £8,262,000. Therefore, in accordance with Contract Standing Orders the procurement strategy for a contract of this value requires approval from Cabinet. If Cabinet approve Recommendation 2 the Executive Director, Supporting People, in consultation with the Cabinet Member for Best Start for Children and Families, will need to authorise the contract awards. The proposed procurement strategy is to re-commission the service through a competitive tender exercise with an element of negotiation in accordance with the Public Contract Regulations 2015, as required under CSO C3.1. The proposed strategy is considered to be compliant with both the requirements of legislation and the Council's Contract Standing Orders. Procurement officers should ensure that the EU Treaty Principles set out in the PCR are complied with in implementing any approved strategy.
- 6.3 The Council must take into account its equality duties when exercising its functions, namely to have 'due regard' to the need to: eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act; to advance equality of opportunity between people who share a relevant protected characteristic and those who do not; and foster good relations between people who share a relevant protected characteristic and those who do not (which involves tackling prejudice and promoting understanding). Under the duty the relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion,

sex, sexual orientation. In respect of the first aim only (that is, reducing discrimination, etc.), the protected characteristic of marriage and civil partnership is also relevant.

- 6.4 The Public Services (Social Value) Act 2012 requires that public authorities letting service contracts consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area and how during the procurement it might act with a view to securing that improvement. In fulfilling this duty, the authority must (amongst other things) consider whether to undertake any consultation.

7 RESOURCE IMPLICATIONS

- 7.1 This report seeks to approve the procurement strategy for the Hive Hub and the Counselling & Psychotherapy Service and Systemic Integrative Therapy contracts totalling £918,000 per annum. The contract values reflect an increase from previous funding for these contracts.
- 7.2 The contracts are split between the CAMHS and MTG budgets with multiple funding streams including Public Health, the Integrated Better Care Fund (iBCF) and CCG contributions as well as the use of General Fund.
- 7.3 There isn't sufficient budget to fund this procurement so an additional £50,000 funding has been bid for from the iBCF. The council are currently awaiting full confirmation of better care funding and once received, need to prioritise the various bids and allocate the funding.
- 7.4 As many of the funding streams are agreed on an annual basis they are not guaranteed to be in place for the length of the contract. Although there are currently no indications to the contrary, there is a slight risk to these that if priorities do change, funding could be withdrawn. In this case alternatives would need to be sought unless the contract could be varied.
- 7.5 It should be noted that currently the minding the gap budget also pays the rent directly to property services for the facility in which the service is provided from. This is currently £130k per annum, as well as the Business rates at £10k per annum increasing the total cost of service to £940,190.
- 7.6 There are no current Medium Terms Financial Strategy (MTFS) savings linked to these contracts. The Council is currently forming future MTFS plans for the 2022-25 period and as of yet there are no proposals from this service area.

8 ENVIRONMENTAL IMPLICATIONS

- 8.1 The environmental impact from this procurement will be primarily in the use of premises by the service providers, and includes energy and water use, consumption of materials, and the generation of waste, all of which have potential carbon emissions. The successful bidders will be asked to support the Council's Carbon reduction programme through energy efficiency, recycling and other environmental measures.
- 8.2 The Hive is located on the Finchley road and is very well served by public transport links (it is located within 15 minutes walking distance from both the Finchley Road and Swiss Cottage tube stations) and there are a number of buses which stop nearby. Public transport is the main way young people and members of staff use to access the premises. The current Brandon Centre premises (in Kentish Town) are

also easily accessible by public transport. The provider for the counselling service (lot 2), currently provided by the Brandon, will need to demonstrate they can source premises which are easily accessible by public transport, walking and cycling for both staff and young people, to minimise the use of private transport which would contribute to CO2 emissions and congestion.

9 TIMETABLE FOR IMPLEMENTATION

9.1 An indicative timeframe is set out below:

Key milestones	Indicative date
Procurement Strategy agreed by Cabinet	7 July 2021
Call in period ends	15 July 2021
Tender advert	16 July 2021
Initial Tender deadline	Third week of September 2021
Meeting to discuss initial tenders	Mid October 2021
Deadline for submission of final tenders	November 2021
Presentation to Young People's Panel	Late November 2021
Relevant Contract Award Report to Executive Director and Cabinet Member	December 2021
Transition to the new arrangements	January 2022 – 31 st March 2022
Contract start date	1 st April 2022

10 APPENDICES

- Appendix 1 –EIA
- Appendix 2 – Commissioning options table