

WANDSWORTH BOROUGH COUNCILHEALTH COMMITTEE – 20TH SEPTEMBER 2023EXECUTIVE – 25TH SEPTEMBER 2023Report by the Director of Adult Social Care and Public Health on the Mental Health
Commissioning ReviewSUMMARY

The Directorate of Adult Social Care and Public Health commenced a review of the commissioning of social care services for adults with mental health needs in August 2022. This was driven by increased pressures on social care provision for mental health services, reflecting both an overall increase in the numbers requiring support and increased complexity in the needs of service users. This has led to serious budgetary pressures and a concern about the quality of support being offered.

The findings of the review are structured around four thematic areas: the quality of the accommodation offer; the design of the service model; service acquisition and procurement processes; and contract management and quality assurance. These highlight significant weaknesses in the provision offered to people with mental health needs, and detailed recommendations have been made in this report to address the weaknesses. It is also noted that Wandsworth pays more than comparable authorities for mental health placements in residential care and supported living services. A more strategic approach to commissioning would therefore enable significant savings to be made.

It is proposed to create a new delivery team to lead the implementation of the review recommendations. This will cost less than the savings to be made from the implementation of the new model of strategic commissioning and will provide the capacity to address the issues identified with the quality of the provision the Council commissions for people with mental health needs.

The Director of Finance comments that staff costs for 2023/24 and 2024/25 will be funded from the Market Sustainability and Improvement Fund grant. A positive budget variation of £78,946 in 2025/26 and a full year; for permanent costs associated with the delivery team.

GLOSSARY

SLP South London Partnership (of Mental Health Trusts)

Mental Health Commissioning Review

RECOMMENDATIONS

1. The Health Committee are asked to consider the findings and to support the recommendations in paragraph 2. If they approve any views, comments or recommendations on the report, these will be submitted to the Executive or the appropriate regulatory and other committees for their consideration.
2. The Executive is recommended to:
 - (a) Note the findings of the Mental Health Commissioning Review;
 - (b) Consider the recommendations presented (noting that these are subject to refinement through stakeholder engagement); and
 - (c) Approve a positive General Fund revenue budget variation of £78,946 in 2025/06 and a full year; for costs associated with proposals to establish a dedicated delivery team to implement the review recommendations, as set out in paragraph 27 of this report.

INTRODUCTION

3. Mental health has been identified as a particular priority by the Council's administration. A local Mental Health Needs Assessment was undertaken by the Council's Public Health Team in 2022 and on 14th November 2022, the Health Committee received a report on mental health needs, care and support services. This presented the findings of the Mental Health Needs Assessment and the challenges of responding to increased mental health needs, and advised that a review of the commissioning of mental health services was taking place. The present report presents the outcome of that review.
4. The Covid-19 pandemic has resulted in unprecedented challenges for mental health services. Its direct impacts have been manifested in increased isolation, anxiety, and suicidal ideation. Alongside this, the economic impacts of Covid-19 and the cost-of-living crisis have led to an increase in the number of people in poverty and at risk of losing housing, both of which are associated with increased mental health needs.
5. At the same time there has been a renewed focus on supporting people to move from hospital to community settings, in line with the expectation in the NHS long term plan for mental health that people should be treated in the least restrictive environment possible, and closer to home. In particular, the work of the South London Partnership for mental health (SLP) has led to an increased demand for community placements for people with complex needs or a forensic history.

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6. These changes have exacerbated a long-term increase in demand for social care provision for people with mental health needs. The following table shows the increase in service user numbers since 2018:

Mar-18	453
Mar-19	444
Mar-20	443
Mar-21	496
Mar-22	490
Mar-23	529
Jun-23	543

7. The overall impact is that, despite significant increases in spending, operational teams are struggling to find appropriate provision for service users, especially service users with complex needs. After allowing for additional resource allocation in this area, expenditure has still significantly exceeded budget allocations due to increased demand for services.

THE SCOPE OF THE REVIEW

8. The review focused primarily on accommodation-based services and alternatives to accommodation-based provision but acknowledged the need to develop a vision for low threshold and preventative provision and to assess its potential in managing demand for care services. The scope of the review encompassed:
- Current and future demand for adult social care services for people with mental health needs.
 - Establishing the required capacity and preferred model of social care
 - Joint commissioning arrangements and co-funding of provision.
 - Interfaces between services that support people with co-occurring needs e.g., co-occurring substance misuse and mental health needs.
 - Identifying investment opportunities will be identified to achieve service improvement or savings.
 - Setting out a plan for implementing a new service model.
9. The commissioning of dementia services, substance misuse services, and mental health services commissioned solely by the NHS were outside the scope of the review.

PROCESS

10. A Project Board was established to oversee the review. This included representation from across the Directorate of Adult Social Care and Public Health (including Commissioning, Operations, Finance and Public Health teams) as well as from the NHS and service users. This ensured that there was a strong focus on service user experience and outcomes, and also provided a link to the wider programme of change in complex care pathways being undertaken by the NHS through the SLP.

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11. The review built upon the Mental Health Needs Assessment, which highlighted increasing needs, limited capacity and a shortfall in support for people with complex needs and co-occurring conditions. There were three phases to the review process, as follows:
 - (a) Assessment of current provision to establish a full understanding of the current picture.
 - (b) Scoping of future needs and plans to determine service requirements going forward.
 - (c) Agreement of findings and recommendations to ensure that the Council has a clear plan to transform the Council's Mental Health service offer.
12. A specific exercise was undertaken, using external expertise, to review all the purchasing of residential care and supported living services by the Council, benchmarking the prices paid and volume purchased against that purchased by comparator local authorities and assessing the extent to which the Council was currently securing value for money, as well as potential risks to the sustainability of provision.

FINDINGS AND RECOMMENDATIONS

13. The findings of the review in relation to the commissioning of accommodation-based services for people with mental health needs fell into four thematic areas: -
 - Securing and managing the quality of the accommodation offer
 - Designing a service model for better outcomes
 - Service acquisition and procurement
 - Contract management, quality assurance and safeguarding

Recommendations were agreed in relation to each of these areas which are set out below.

14. *Securing and managing the quality of the accommodation offer.* There is no regular flow of, or systematic approach to securing, buildings for supported housing services for people with mental health needs, nor is there any active process for reviewing and improving the quality of the accommodation used. Officers do not have a clear oversight of the housing stock used but are aware that much of it is outdated and of poor quality. Only a small proportion of the accommodation used is accessible for people with physical disabilities.
15. The recommendations of the review are to:
 - (a) Work with Housing Department, planners and Registered Housing Providers to secure new accommodation for supported housing services for people with mental health needs as part of developments taking place in the borough.
 - (b) Compile and maintain a record of the standard of accommodation used for supported housing for people with mental health needs. Use contractual levers and direct liaison with Registered Providers to secure refurbishment and repairs where necessary and arrange for decommissioning of services that are not fit for purpose as new premises become available.
 - (c) Review uptake of Disabled Facilities Grant funding to establish the amount of support given to people living with mental health conditions and establish scope for increasing this, e.g., to improve accessibility and adaptations.

- (d) Secure additional housing options for step-down through work with Housing Department, Registered Providers, and possibly private landlords.
16. *Designing a service model for better outcomes.* The current service model might be categorised as 'one size fits all' which results in less focus on how to prevent escalation or intervene earlier in a person's mental health condition. The only differentiation between contracted services is by whether they offer high, medium or low-level support (with the exception of some D/deaf services and some gender-specific provision). High, medium, and low needs are not systematically defined. This may lead in some cases to delays in placements, as providers identified as offering 'high' support may be insufficiently resourced to support clients the Council would consider having high support needs. The absence of tailored services for more tightly defined client groups means that the primary driver for referral routes is the availability of a space, and not an offer that supports the service user's specific needs. One effect of the uniformity of provision is that when a placement breaks down, the service user is likely to be offered a place in a relatively similar service, leading to a small group of service users shuttling around the system suffering repeated placement breakdowns. Better definition of support needs will enable commissioners to establish the appropriate levels of support required to improve management of demand into accommodation.
17. The recommendations are to:
- (a) Develop consistent service specifications/standards across similar services.
 - (b) Establish a clearer, consistent definition of levels of support need and map services against this.
 - (c) Drive step down from accommodation-based services into the community. Providers should deliver a model of support which delivers better outcomes and enables service users to become more independent. This should be done through clearer service specifications and the deployment of appropriate outcome monitoring tools. An increased proportion of placements should be directed at providers delivering the best outcomes for service users.
 - (d) Establish the recovery model as a thread across all commissioned services. Going forward, this should be articulated consistently in mental health service specifications and the application and outcomes monitored.
 - (e) Review service specifications and consider bespoke provision to increase proportion of services that have a clearly defined intended user group (e.g., specific age groups, ethnic/cultural backgrounds, LGBTQ+).
 - (f) Commission provision for people requiring long-term accommodation-based support, primarily in older age range (55+), possibly using extra care model.
 - (g) Explore the potential for Housing First or Small Supports models.
 - (h) Deploy floating support more effectively to facilitate step downs.
 - (i) Embed co-production in design, procurement, and review activity.
 - (j) Develop a communications and engagement plan to engage the market, the Voluntary and Community Sector (VCS), and other key stakeholders.
 - (k) Develop approaches to support service users who are difficult to engage (e.g., with a history of conflict with other residents in shared housing, anti-social behaviour).
 - (l) Improve identification and management of low to medium level support needs in an environment of early intervention services that identify issues pre-escalation and provide services that enable people to be diverted to more appropriate support, delaying the onset of accommodation need.

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- (m) Ensure the development of preventative services across a medium of engagement vehicles that allow individuals to identify and manage their situation at an earlier stage.
 - (n) Improve communications to and with user and carer groups to enable self-identification and manage conditions, reducing high level support needs and delaying need for accommodation-based support services.
18. *Service Acquisition and Procurement.* There has been a gradual accretion of services over time, with some evolution but no strategic planning. Procurement exercises have largely been around contract renewal, rather than service redesign. There is a high use of spot placements and a transactional relationship with providers. This results in above average costs, as the acceptance of Wandsworth service users who have more complex needs is seen by providers as a purely commercial decision rather than a shared problem-solving endeavour.
19. Recommendations to address this are to:
- (a) Review, reshape and retender block provision to better match need and to reflect changes to the service model.
 - (b) Move from transactional to a more strategic relationships with suppliers, including use of longer-term contracts.
 - (c) Secure improved supply and options by establishing flexible frameworks for accommodation-based services adapted to a range of needs.
 - (d) Transition spot arrangements on to frameworks by incentivising providers.
 - (e) Introduce a new pricing framework including a “cap and collar” approach for better management of cost.
 - (f) Address disparities in NHS contributions to jointly funded placements.
 - (g) Improve purchasing by channelling all mental health purchasing through the Service Acquisition Team, and better resource this team to respond to mental health demands.
 - (h) Look at opportunities to transition out of borough placements to local services.
 - (i) Explore and take forward opportunities for joint commissioning arrangements with the SLP.
 - (j) Be more strategic about managing transitions, especially where there is a predictable flow into adult mental health services. This will require more proactive working between adult social care commissioners and the transitions team and providers to identify and secure access to suitable provision for those transitioning to adulthood.
 - (k) Incorporate demand management across the wider mental health environment where this may affect the demand for accommodation-based support through utilisation of needs assessment, co-production and the commissioning cycle to dynamically identify and deliver necessary change.
20. *Contract Management, Quality Assurance & Safeguarding.* There has been limited Council oversight of the services it commissions. In part, this reflects the reliance on spot purchasing, but there is also an issue that much of the provision used is non-regulated and the degree of oversight doesn't match the level of risk in such services. There is also a lack of sharing of both quality and contractual information with other commissioners of the same provision, including the NHS and other local authorities. Processes for overseeing usage of block contracted services are cumbersome and mean that the Council struggles to make the most efficient use of this provision. There is no defined offer for service users who find

it difficult to fit in with the expectations of a service in shared accommodation. This may pose a safeguarding risk to other service users and present problems for the service's relationship with its neighbours. A very high proportion of placement breakdowns are related to substance misuse, but there is no systematic approach to ensuring providers are competent in managing co-occurring mental health and substance use disorders. The mix of users within some services - for example between younger and much older users - may also pose some safeguarding risks.

21. Recommendations are to:
- (a) Develop a capacity tracker to support better management of capacity within block contracted services.
 - (b) Work with local NHS funders and neighbouring local authorities to develop more efficient and consistent arrangements to monitor service activity, quality, and outcomes.
 - (c) Set up processes to gather better intelligence and identify trends, proactively tackling the risks and issues that drive safeguarding alerts and applying lessons learnt in a more systemic way.
 - (d) Compile and monitor a 'heat map' to identify areas where there is a concentration of placements and take steps to ensure that cumulative impact is better managed by co-operation between services.
 - (e) Commission bespoke provision to manage and support problematic individuals who struggle to adhere to provider expectations / rules and may engage in Anti-social behaviour.
 - (f) Ensure that all major providers have sufficient capacity and expertise to effectively support service users who have co-occurring mental health and substance use disorders.

IMPLEMENTATION

22. Action has already been undertaken to implement two of the recommendations outlined above:
- (a) Work has started on an audit of premises within the contracted mental health accommodation pathway to ascertain their current standard and appropriateness for future use.
 - (b) A capacity tracker to better manage use of contracted services has been developed and is now in use.
23. A detailed and time-specific action plan is now being developed. The first stage of this is an engagement plan involving people with lived experience, carers, voluntary and community sector organisations, NHS bodies, service providers and other key stakeholders. Initial feedback has been very supportive, but the process will involve further testing of the recommendations and exploration of the ways in which they can be addressed.
24. A number of recommendations have been identified as early priorities. These include:
- (a) Refining the analysis of need to establish the volume of accommodation that is required both at present and in the future.
 - (b) Exploring ways in which the shortfall of accommodation can be met through engagement with registered providers of social housing and soft market testing with providers of supported housing services.

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- (c) Establishing a clearer, consistent definition of levels of support need and mapping services against this.
 - (d) Centralising purchasing and strengthening the service acquisition team to accommodate this.
 - (e) Creating a 'heat map' of placements to understand where concentration of services in a locality represents a risk.
 - (f) Ensuring that all major providers have sufficient capacity and expertise to effectively support service users who have co-occurring mental health and substance use disorders.
25. One of the clear messages from the review is that many of the issues identified reflect a lack of mental health commissioning capacity within the Council. To ensure sufficient project leadership and delivery of the review recommendations additional and permanent interim resources are required. The proposed team composition is as follows:
- (a) Overall project leadership to be provided through the appointment of a project lead and project co-ordinator on a fixed term or interim basis, for an initial twelve-month period, but with a possible extension to two years.
 - (b) Commissioning capacity to be enhanced to provide leadership through the appointment of a Senior Commissioning Manager for mental health, and creation of a small, dedicated commissioning team also encompassing two members of staff who currently have mental health commissioning responsibilities.
 - (c) The Service Acquisition Team to be strengthened through the appointment of 0.5 fte additional team member, for an initial twelve-month period but with a possible extension to two years.
 - (d) The capacity of the Quality Assurance Team to monitor mental health services to be enhanced through the appointment of 1.5 fte additional team members.
26. As noted at paragraph 18 above, a key finding from the specialist review of mental health placements is that Wandsworth is paying more than other authorities for the services it commissions. It is therefore anticipated that implementing the recommendations of the review will help to reduce costs by at least the cost of the proposed delivery team.

COST OF A DELIVERY TEAM

27. As set out in paragraph 23 above, the Commissioning Review identified the need for additional interim and permanent resource to implement the recommendations to help improve service provision going forward. The following table sets out the proposed structure and cost of the additional resource necessary to deliver the recommendations across both Richmond and Wandsworth Councils.

Role	Number (FTE)	Estimated Annual cost	Wandsworth Estimated Annual Cost
Project Lead (fixed term / interim)	0.6	£75,900	£36,432
Project Co-ordinator (fixed term / interim)	0.6	£62,100	£29,808

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Service Acquisition Team (PO2-4)	0.5	£28,720	£17,232
Total Interim Cost		£166,720	£83,472
Senior Commissioning Manager (MG1)	1.0	£78,313	£37,590
Quality Assurance Team (PO2-4)	1.5	£86,159	£41,356
Total Permanent Cost		£164,472	£78,946

28. The table below sets out the indicative profile of costs with the interim posts likely to be recruited in Autumn 2023/24 and permanent staff likely to be recruited in the last quarter of 2023/24.

Wandsworth	2023/24	2024/25
Interim Staff Costs	£41,736	£41,736
Permanent Staff Costs	£19,736	£78,946
Total Costs	£61,472	£120,682

29. It is proposed that the staff costs in 2023/24 and 2024/25 be met from the Market Sustainability and Improvement Fund grant. A budget requirement of £78,946 will be needed to support with the ongoing permanent staff costs from 2025/26 onwards.

SAVINGS POTENTIAL

30. As part of the review, a specialist commissioner was engaged to undertake a detailed analysis of the SSA's commissioning of mental health services. The review concluded that there is potential to deliver savings against the current cost base for accommodation services which is summarised below. However, due to current pressures on the mental health budgets, without additional growth to address these pressures this work will reduce costs rather than deliver cashable savings.
31. *Care Homes.* At present it is estimated that placement costs in care homes are approximately 10% above for Wandsworth. Whilst there are potential reasons why these costs differ benchmarked, the advice is that there is a reasonable expectation of delivering savings over a two-year period of 5% for Wandsworth which equates to potential savings of £335,000 per annum on gross spend in Wandsworth. These are conservative estimates, taking into account the possibility that some of the difference from benchmark costs may reflect higher needs of service users, and that reducing the cost of extant placements will inevitably be slower and more challenging than bringing new placement costs down to the benchmark figures. The savings would be achieved through implementation of the proposed approach commissioning described in paragraph **Error! Reference source not found.**, including centralising the purchasing of placements, reviewing prices paid against clear criteria, and developing stronger relationships with providers.
32. *Supported Living.* The position in relation to supported living is not so clear-cut, and the advice is that savings are likely to be achieved through effective strategic commissioning rather than direct reduction of placement costs. It is anticipated

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that this would deliver savings of 5%-7%. This would indicate a potential saving on gross spend of £345,000 to £480,000 in Wandsworth.

CONSULTATION & ENGAGEMENT

33. Some engagement and consultation activity has already taken place through the Project Board and through targeted conversations with key stakeholders and attendance at various meetings and forums. Representatives of the SLP have been actively engaged throughout the review process and have provided comprehensive and supportive feedback on the review's findings and recommendations. An Engagement Plan has been developed as a framework for further work in this area and is attached as Appendix 1. The key stakeholders being targeted within the plan are service users, unpaid carers, key staff (both internal/external), service providers, accommodation, the Voluntary and Community Sector as well as accommodation providers.

SUPPORTING THE WANDSWORTH ENVIRONMENT AND SUSTAINABILITY STRATEGY (WESS)

34. People with mental health needs are more likely to be vulnerably housed or homeless and are thus at greater risk of the adverse impacts of climate change than the population as a whole.
35. At present the Council does not have collated knowledge of the Energy Performance Certificate ratings of the premises used for supported housing for people with mental health needs. The audit of premises used within block contracted services will collate this information for these premises. A move from spot purchase towards increased use of commissioned services and a closer relationship with key providers will open up the possibility for increased engagement on environmental issues.

LEGAL IMPLICATIONS

36. The implementation of the recommendations in the report has significant legal implications for the local authority. South London Legal Partnership will work closely with officers at various stages and provide legal advice as and when required.
37. The associated costs of accommodation based services for people with mental health needs, following discharge from detention in hospital, would continue to depend on the number of placements that are made pursuant to duties under section 117 of the Mental Health Act 1984 and funding agreements between the local authority and ICB.

COMMENTS OF THE DIRECTOR OF FINANCE

38. This report outlines the key findings from the Mental Health Commissioning Review undertaken in 2022. The findings of the review in relation to the commissioning of accommodation-based services for people with mental health needs fell into four thematic areas: -
- Securing and managing the quality of the accommodation offer
 - Designing a service model for better outcomes

- Service acquisition and procurement
- Contract management, quality assurance and safeguarding

39. Many of the issues identified reflect a lack of mental health commissioning capacity within the Council. To ensure sufficient project leadership and delivery of the review recommendations, this report proposes additional resources both on an interim and permanent basis will be required at a cost of £83,472 and £78,946 per annum respectively. Adult social care and Public Health Directorate have identified staff costs for 2023/24 and 2024/25 can be funded from the Market Sustainability and Improvement Fund grant. Permanent staff costs of £78,946 per annum from 2025/26 will be met from the Public Health grant.
40. It is proposed that the successful implementation of the recommendations in this report could yield savings in both the Care homes and Supported living budgets in excess of the ongoing investment for the dedicated team.

EQUALITY IMPACT ASSESSMENT

41. The Equality Act 2010 requires that the Council when exercising its functions to have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
42. An Equality Impact and Needs Analysis (EINA) was conducted and is attached as Appendix 2.
43. People of Black and Black British ethnicity are over-represented in services. This broadly reflects the over-representation of these groups amongst people diagnosed with severe and enduring mental health problems. It is outside the remit of the accommodation-based services considered by this review to directly affect this over-representation, but the associated work around prevention services, linked to the Ethnic Mental Health Improvement Project (EMHIP) and the Community Mental Health Transformation Programme will seek to enhance the offer of accessible and appropriate interventions at an earlier stage, thereby reducing the need for long-term support. A key area to be addressed in accommodation-based services is to ensure that there are culturally appropriate services for black and minority ethnic communities, and that outcomes for different ethnic groups are systematically monitored and that action is taken to address any inequalities identified.
44. The EINA also shows that there has been an increase in the number of older people with mental health problems receiving social care support, and there is a need for increased provision tailored for this group. There is also a lack of provision for people with physical disabilities.
45. The implementation of a strategic approach to the commissioning of social care services for people with mental health needs has the potential to benefit people with several different protected characteristics. The introduction of new schemes and reconfiguration of existing ones will allow for living environments to be tailored to the different needs of individuals with regards to gender, ethnicity and culture, religious and faith beliefs, and relationship choices. A renewed attention to the

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buildings in which support is provided also provides the opportunity to improve access to services for people who have both a mental health need and a physical disability.

46. However, if these benefits are to accrue, there will need to be a conscious focus on the needs of people with different protected characteristics, and effective monitoring to understand the outcome of changes. At present, the ability to monitor is limited by patchy recording of some characteristics, and limited collation and analysis of outcome data. There will therefore need to be a concerted attempt to address these data deficits.

CONCLUSION

47. The Mental Health Commissioning Review was initiated in response to the unprecedented pressures on mental health services which have been accentuated by the pandemic but have built up over a longer period. The findings of the review demonstrate both that there is potential for the Council both to secure better value for money and to improve the quality and range of the provision it procures for people with mental health needs. A more strategic approach to commissioning is required to achieve this improvement, and the creation of a delivery team is recommended to implement this.

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12th September 2023

Background papers

There are no background papers to this report.

All reports to Committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/the-council/council-decision-making/) unless the report was published before May 2001, in which case the Democratic Services Officer can supply it if required