

LBN Adults Market Position Template	
Commissioning Activity Area:	Mental Health Care & Accommodation
Lead Commissioning Officer	Carys Esseen
Date	April 2017
Commissioning summary and key actions	
<p>Summary</p> <p>The central purpose of all mental health care and accommodation services is to help residents with a mental health need to maximise their self-care skills and personal resilience in order to ensure they become, and remain, as independent as possible.</p> <p>The main mental health care and accommodation service types are:</p> <ul style="list-style-type: none"> ▪ Mental Health Residential / Nursing Care – currently spot purchased ▪ Mental Health Supported Living – currently spot purchased ▪ Mental Health Housing Related Support – currently commissioned via a framework agreement (APL¹) ▪ Independent Living Support Services – currently commissioned via a framework agreement ▪ Shared Lives – currently provided by Bettertogether Ltd ▪ Mental Health Day Care – currently spot purchased <p>Key actions:</p> <ul style="list-style-type: none"> ➤ Oct 2016: We will convene a Mental Health Care & Accommodation Providers’ Forum (bi-monthly) in order to facilitate market development activities ➤ Mar – Jul 2017: We will engage with the market, service users and stakeholders to review and critically evaluate existing mental health floating support / outreach services, and to specify services that will meet current and future demand ➤ Apr 2017 – Mar 2018: We will work with Providers and our NHS colleagues to develop cost regularisation guidelines for the purchase of mental health supported living placements. This will also involve reviewing the process around which mental health supported living providers qualify to receive new business. 	
What is the identified need/demand in this area?	
<p>1. Target population for mental health care and accommodation services</p> <p>As of 12th January 2016, there were:</p> <ul style="list-style-type: none"> ▪ 19,950 adults (aged 18 and above) recorded as having a common mental illness (CMI) by their GP in Newham ▪ 4,107 adults (aged 18 and above) recorded as having a severe mental illness (SMI) by their GP in Newham² 	

¹ Approved Provider List

² Source: CEG, January 2016

Although the figures for 2015/16 are estimated, we can also understand the prevalence of people with severe and enduring mental health needs by looking at the number of people who access secondary mental health services in Newham. The table below shows the use of secondary mental health and learning disability services by people in Newham over the past three years.

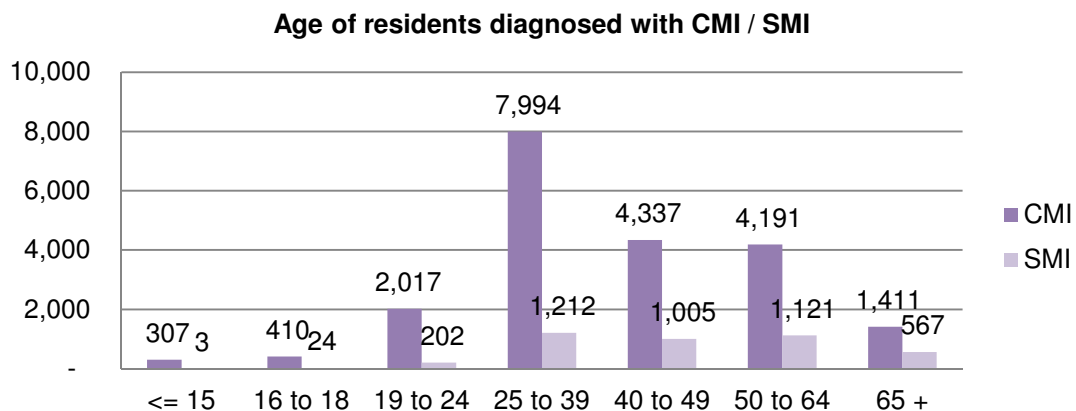
Number of people using NHS funded adult secondary mental health and learning disability services in Newham by CCG			
Year	No. in contact with secondary MH & LD services	No. on Care Programme Approach (CPA)	% on CPA
2015/16 (estimated)	12,865	1,725	13%
2014/15	14,100	1,825	12.9%
2013/14	12,105	1,960	16.2%

Source: Mental Health Bulletin: 2015-16 Annual report, NHS Digital

Though it is not possible to disaggregate the number of people with mental health needs from those with a learning disability from these figures, it is expected that the majority of individuals who are care coordinated under the Care Programme Approach will have a primary diagnosis of a mental illness, and may have social care needs associated with their condition.

2. Demography of the target population

The ages of residents diagnosed with a CMI / SMI as recorded by their GP on 12 January 2016 were as follows:



Source: Clinical Effectiveness Group, January 2016

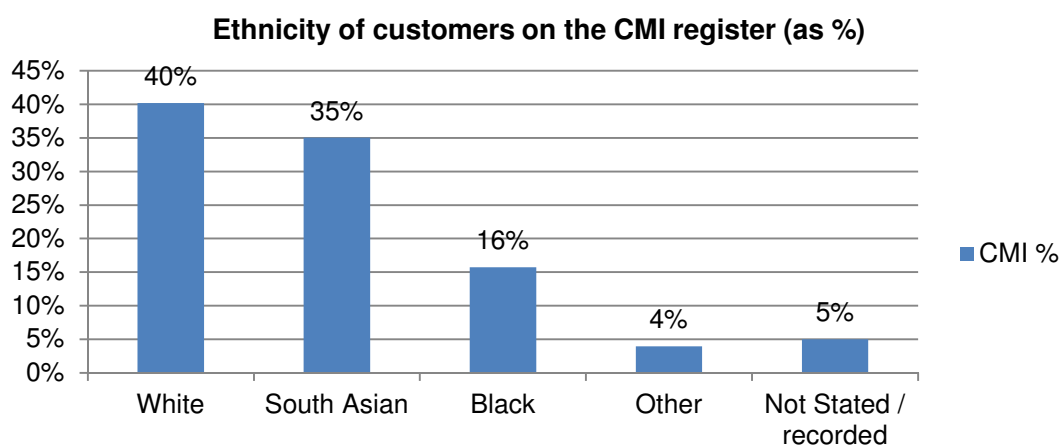
This data shows that from early adulthood, there are relatively consistent numbers of residents with a SMI living in the borough in each age group; reflecting the long-term nature of many SMI diagnoses. The significant proportion of adults aged 25-39 with a CMI could reflect the fact that the average age of Newham residents is estimated to be 31.7³.

Newham is a vibrant and diverse borough. Recent estimates suggest that less than 30% of the population is from a white ethnic group, and that the proportion of white residents is likely to decrease over the next 5 years⁴. Nevertheless, the white population is over-

³ GLA Borough Profiles, 2015

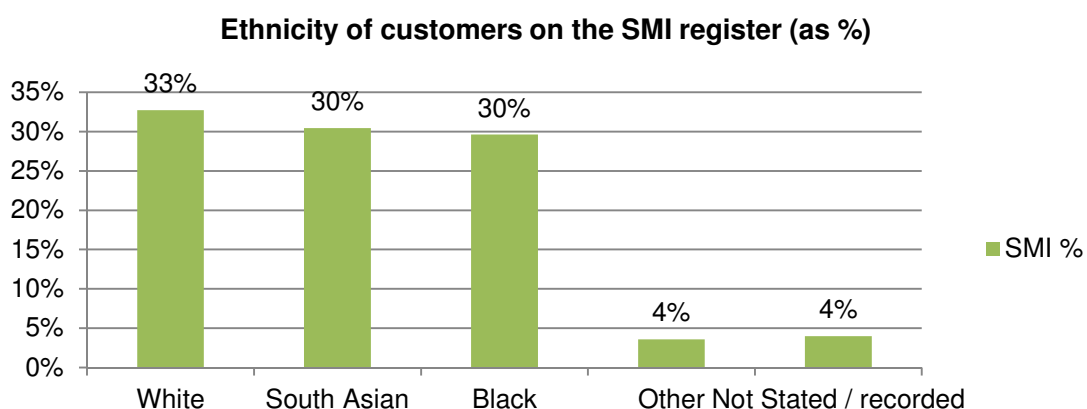
⁴ GLA 2014 Round Demographic Projections, 2015

represented amongst those diagnosed with a CMI; while the Black African and Caribbean population is under-represented in comparison to the population as a whole.



Source: Clinical Effectiveness Group, January 2016

In contrast, the chart below reveals that Black residents are over-represented among residents with a SMI by more than 10% in comparison with the population as whole.



Source: Clinical Effectiveness Group, January 2016

While it may not be within the gift of mental health providers to address any imbalances in ethnic representation of customers being referred to them; it is essential that providers are sensitive to the cultural needs of all their service users, and are able to adapt their approach to ensure that customers from all backgrounds are engaged and included.

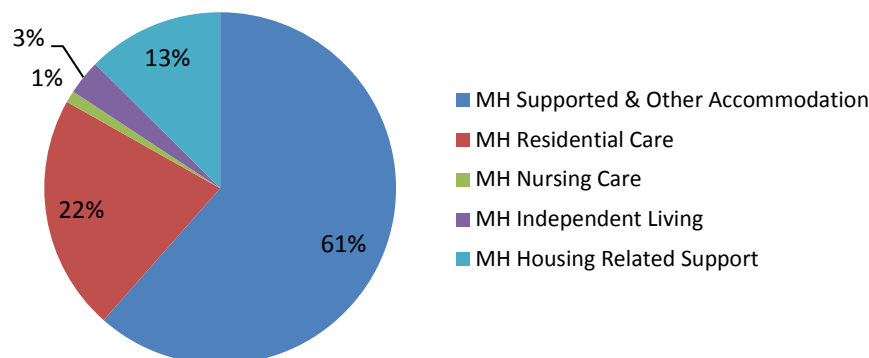
3. Spending in 2015/16 – working age adults (18-64)

The gross spend by the London Borough of Newham on the different types of mental health care and accommodation services for working age adults in 2015/16 can be broken down as follows:

Gross spend on MH Care and Accommodation Services in 2015/16 (working age adults)	
MH Supported & Other Accommodation ⁵	£4,471,701.62
MH Residential Care	£1,573,870.44
MH Nursing Care	£80,906.68
MH Independent Living	£232,314.98
MH Housing Related Support	£911,839.14
Gross spend 2015/16:	£7,270,632.86

Source: Adult Social Care Finance

Gross spend 2015/16: MH Care & Accommodation (as %)



Source: Adult Social Care Finance

Further analysis shows that of the spending on MH Housing Related Support, approximately 75 per cent were accommodation-based packages of care, and only 25 per cent were floating support packages. This means that in 2015/16, approximately 93 per cent of the total gross spending went towards accommodation-based packages of care and support, and only 7 per cent of spending was targeted towards those who required care or support to live independently within their own homes.

4. Spending in 2015/16 – older adults (65+)

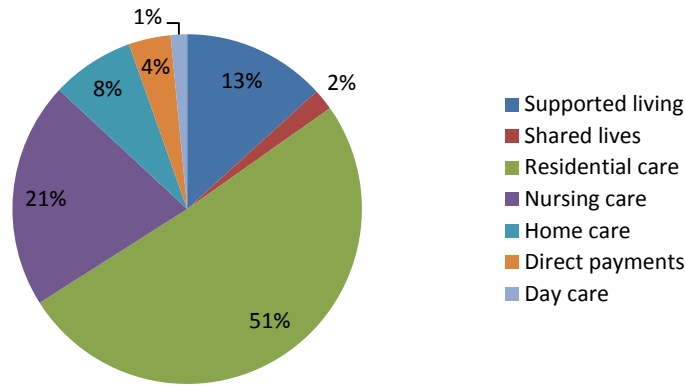
The gross spend by the London Borough of Newham on mental health care and accommodation services for older adults in 2015/16 can be broken down as follows:

Gross spend on MH Care and Accommodation Services in 2015/16 (older adults)	
Supported living	£325,109
Shared lives	£47,763
Residential care	£1,245,595
Nursing care	£513,665
Home care	£188,023
Direct payments	£95,442
Day opportunities	£37,161
Total	£2,452,758

Source: Adult Social Care Finance

⁵ Category includes MH Supported Living, Shared Lives, and funding for temporary accommodation such as B&Bs

Gross spend 2015/16 older adults: MH Care & Accommodation (as %)



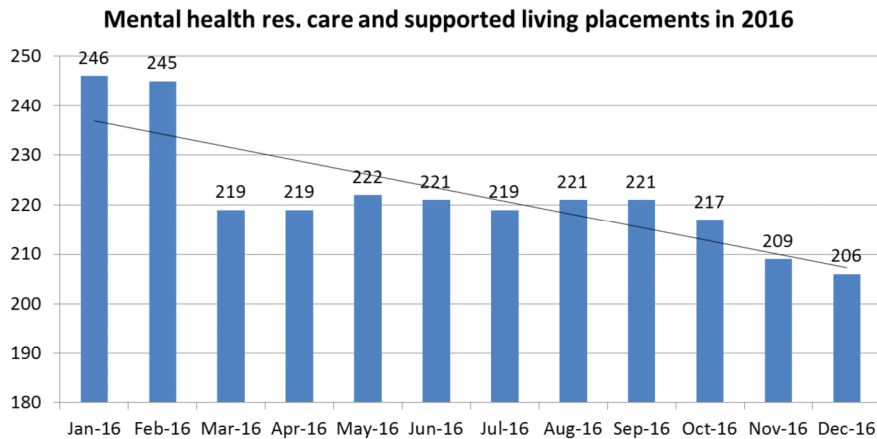
Source: Adult Social Care Finance

As the chart above illustrates, last year's spending on accommodation-based packages of care for older adults with mental health needs as a proportion of total spend was 87 per cent; slightly less than for working age adults. The higher spending on residential care and nursing care for older adults can be explained by the higher prevalence of physical health needs and age-related frailty among this customer group.

5. Current and future demand for MH care and accommodation services

5.1. Accommodation-based services

In 2016 there was a net reduction in the number of working age adults with mental health needs in supported living or residential care placements, funded by Newham. This means that while there were 33 new customer placements made in that period, a total of 75 packages were closed, leading to a net reduction of 42 packages (mainly supported living placements.) This is illustrated in the graph below:



Source: CareFirst, Review & Move On Team end of year report

The declining trend in the number of placements is most likely attributable to a project that has been working to move customers on from mental health placements who have reached sufficient levels of independence to be able to step down into lower-level support services, or move into their own accommodation. In some cases, customers have moved to social or private rented housing; in others, customers have stepped down to HRS services, where lower levels of support are provided.

It is therefore difficult to estimate what the true demand for accommodation-based services is in quantitative terms.

5.2. Floating / outreach support services

There are two areas of commissioned service provision that offer care and support to people without providing accommodation for them as part of the package. The first is termed Mental Health Independent Living or Home Care, which comprises domiciliary care services that focus on supporting people with their personal care needs; and outreach / floating services that focus on supporting people to manage their mental health needs and maintain their independence in the community. The main users of MH Independent Living and Home Care Services in 2015/16 were adults in need of help with their personal care i.e. assistance with washing, dressing, eating and using the toilet.

The second type of service is mainly delivered through the Housing Related Support contract. The overall number of floating support HRS packages decreased in 2015/16, with very few new floating support packages being commissioned. It is possible that this signals a lack of demand, but it could also be the case that the new Mental Health Enablement Service (which is part of the council's social care offer) is working with customers who would otherwise have accessed housing related support services.

With only 7% - 13% of LBN spending on floating support / outreach packages for working age adults and older adults with mental health needs respectively, these services appear to be less in demand than accommodation-based services. However, it is possible that floating / outreach services historically have not been strategically employed early in some peoples' care and support journeys in order to prevent them from requiring an accommodation-based packages of care later on. This means that floating / outreach services could potentially be utilised in a different way to keep people living in their own homes, for longer.

5.3. Future demand

The population of Newham is predicted to grow by 72,000 people between 2015 and 2030⁶. The impact of the growth on the levels of mental illness in Newham is hard to determine, as it depends upon the characteristics of the newcomers to the borough. If they are demographically similar to the current population, we could assume an increase in residents experiencing a mental illness of 22 per cent by 2030.

We do not know whether the demand from future customers is likely to be focussed around accommodation-based services, rather than floating or outreach services – or both. However, we do know that homelessness has been increasing in Newham, with approximately 400 households approaching LBN for help each month⁷.

Last year, 174 households made homelessness applications to the council, citing mental illness or mental disability as the reason for their vulnerability. This suggests that there may be future demand for services that help to prevent people with mental health needs from becoming homeless (such as floating support / outreach services) as well as services that can offer customers a place to live while they access the care and support that they need (such as supported living services.)

⁶ Newham Mental Health Needs Assessment 2016-2018

⁷ Housing Needs Service; February 2015

6. Gaps in intelligence

Though we cannot quantify the unmet need for preventative support, we know from the large numbers of customers using accommodation-based services that there could be a benefit to funding services that intervene early to prevent tenancy and family breakdowns from occurring in the first place. Given the forecasts of mental illness in Newham, floating care and support services will need to be able to work with customers along the entire spectrum of need; from a wide range of backgrounds; providing rapid and intensive support to some customers and short-term, stabilising interventions to others.

A recent report from the National Audit Office (NAO) highlights the slow progress that's been made across the country with introducing direct payments for customers with mental health needs⁸. This trend is reflected in Newham, where only 7.7% of MH customers were receiving their social care package in the form of a direct payment as of 31/03/16⁹. There are lots of reasons why this percentage isn't higher, but one possible reason is that the mental health care and accommodation market in Newham is not currently set up to facilitate the direct purchasing of services by customers. This means there may also be difficulties for individuals who would be required to purchase care and support services themselves to access the market (self-funders.)

Is there a LBN or jointly commissioned service currently in place?

7. Mental health care and accommodation packages for Newham residents can be funded in any of the following ways:

- 100% funded by LBN
- 100% funded by the NHS (East London Foundation Trust, or Newham CCG)
- 50% funded by LBN and 50% funded by the NHS

However, even where packages are jointly funded, there are not currently any arrangements between the local authority and NHS bodies for jointly monitoring providers' contractual compliance; managing the performance of services; or monitoring outcomes for services users. It is the ambition of both the local authority and Newham Clinical Commissioning Group to address this.

Current contractual status and performance

8. Contracts

The table below outlines the contractual details of each mental health care and accommodation service type. Even where a contract is in place, such as with supported living, HRS and independent living services, there is no guarantee of business to any providers. This ensures that customers are able, wherever possible, to choose the provider of their care and support from a range of providers.

⁸ <https://www.nao.org.uk/wp-content/uploads/2016/03/Personalised-commissioning-in-adult-social-care-update.pdf>

⁹ Source: LBN Strategic Commissioning and Intelligence Service
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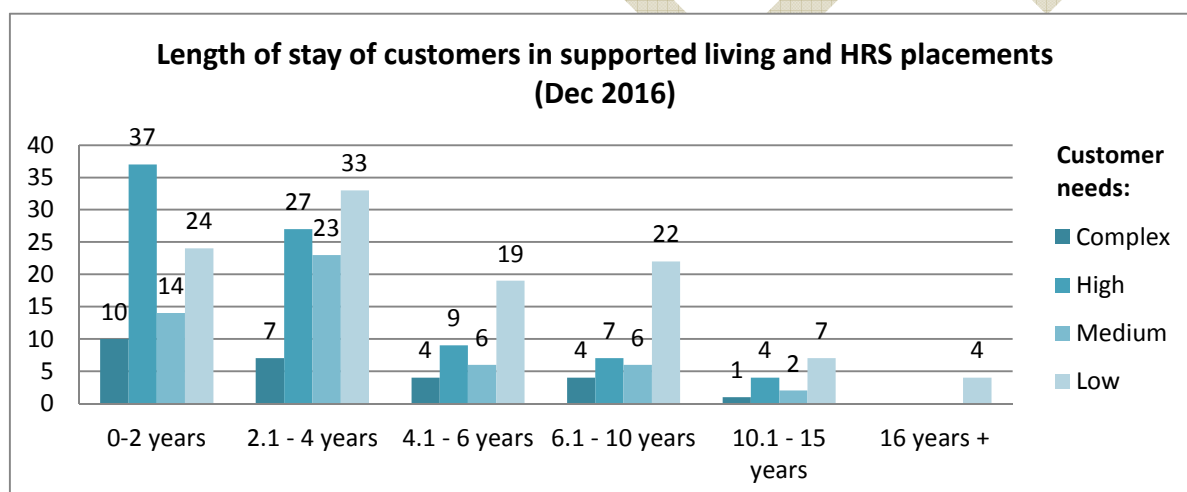
MH Care and Accommodation Services – all adults				
Service type	LBN Spend 2015/16 (gross)	Contract details	Contract end	Possible extension?
MH Supported Living	£4,796,810.62	Supported Living Contract	Aug 2018	No
MH Residential Care	£2,819,465.44	Pre-placement spot contract	n/a	n/a
MH Nursing Care	£594,571.68	Pre-placements spot contract	n/a	n/a
MH Independent Living / Home Care	£420,337.98	ILSS Framework Contract	Jul 2019	1 year
Day Opportunities	£37,161.00	Spot purchase	n/a	n/a
MH HRS	£911,839.14	Approved Provider List	Aug 2018	No

Source: Commissioning & Contracts Team, Dec 2016; ASC Finance

9. Performance

9.1. Length of stay

Unfortunately, there is some evidence to suggest that many care and accommodation services are failing to deliver recovery-focussed interventions. For instance, the chart below shows the length of stay of all customers residing within mental health supported living and HRS placements as of December 2016.



[Source: Supported living and HRS providers; CareFirst]

Though the long lengths of stay in these services could partially reflect the difficult housing market conditions in the borough; it is possible that some customers may continue to remain in services beyond the point at which they are ready to move on to more independent settings. The current contracting arrangements mean that providers will lose money as soon as someone moves on to the next stage in the pathway, through the loss of rental and care package income, unless a new customer is immediately lined up to take their place. Commissioners will therefore look at this as an area for development, and try to find new ways of incentivising providers to promote recovery and timely move on from services.

9.2. Quality information

The quality of providers in the accommodation-based support market is variable. As of 24th March 2016 there were six providers of mental health supported living / HRS that were subject either to sanctions or safeguarding investigations by the council as a result of concerns regarding the quality and safety of the services being delivered. One of the aspects in common among these providers was their use of small street

properties in their supported housing provision. Properties that were not purpose-built for accommodation-based care and support services have been shown (through recent safeguarding concerns) to be more vulnerable to damage, security issues, and disrepair than buildings which are bigger, but were designed with this purpose in mind.

As the majority of MH accommodation-based services are not required to be registered with the Care Quality Commission (CQC) the method employed to measure and assess the quality of services is the Quality Assessment Framework (QAF¹⁰.) The QAF has not always been mandatory for providers to complete, and as many as 17% of the providers contacted failed to provide the necessary documentation in 2015/16. Of those providers that completed the QAF last year, the findings were varied; with 14% rated as 'poor', 52% rated as 'fair', and 34% rated as 'good'. Contract monitoring visits and reports also reveal that there is variable quality across the sector; though the usual frequency of visits is annual, due to the large and dispersed nature of the market.

10. Value for money

Last year, Commissioners analysed the mental health accommodation-based packages of care that were in payment for working age adults (as of 8 July 2016). The table below illustrates the range and average costs of packages within distinct service categories, and the cost differential between them:

	Highest placement cost	Lowest placement cost	Differential (highest - lowest)	Average package cost
Residential care	£865.00	£419.35	£445.65	£651.73
Supported living (24-hr)	£850.00	£351.00	£499.00	£513.47

Source: CareFirst (A64 spend only)

Some customers will have higher levels of need and complexity than others which might necessitate a provider charging a higher package cost. However, the difference in cost between the highest costing placement and the lowest - even in supported living services that are 24-hour staffed - is stark. This shows that there is little consistency in terms of pricing across the supported living market, and this makes it difficult for commissioners to understand the value for money that services are delivering.

It is normally expected that residential care services will cost more than supported housing services. For example, a residential care home package covers the costs of customers' meals, their housing costs, and personal care services, whereas supported housing packages should not include these. Yet, the costs for supported living and residential care (as shown above) reveal a very small margin of difference. This further supports the view that some supported living providers are not delivering good value for money, or are over-charging for their services.

How well does the current provision meet the identified need

11. As shown above, the majority of spend for adults with mental health needs is geared towards accommodation-based packages of care. These services are required for individuals who can no longer manage living independently and / or those who have lost their accommodation due to their mental health needs. Greater provision of preventative

¹⁰ The QAF used by LBN is a slightly adapted version of the national 'refreshed' QAF, published in 2009
Market Position Statement – Template v1.8 - April 2017

services that can intervene early in order to ensure that someone is able to successfully live in their own home is therefore required in order to ensure that there is less demand for supported housing services in the future.

The long lengths of stay in accommodation-based services for many customers – particularly those in 24-hour staffed schemes – hints that a proportion of residents are at risk of becoming dependent on services, rather than achieving greater levels of independence. Furthermore, the current pricing strategies of accommodation-based care providers make it difficult for commissioners to appreciate those providers that are delivering the best value for money.

It is also the case that residents currently using mental health supported housing or other accommodation-based forms of care are not receiving their social care funding in the form of a direct payment. Since 97 per cent of the money spent on mental health packages for working age adults last year went towards accommodation-based packages of care, this would suggest that the majority of our current purchasing arrangements do not allow customers to exercise full choice and control in their care and support arrangements. This is something that our future commissioning intentions will try to address.

Market Status and Development

Current provider market

12. There is currently more supply of mental health supported housing services than there is demand. With new providers entering the market each year, and a reducing number of customers requiring supported housing placements, there is an oversupply of services. However, as the section above reveals, some of the current provision may represent poor quality and / or poor value for money, and the quality of services varies considerably between providers. This means that there may yet need to be new entrants to the market with skill and expertise in delivering services that help customers to achieve their outcomes, and represent best value for users and funders.

With mental health residential care services, it is possible that a lack of provision may become an emerging issue over the next 24 months. This is because a number of residential care home providers specialising in mental health have recently closed their services, or signalled their desire to exit the market over the next year. It is not yet clear how profoundly this might impact on the council's ability to meet the needs of individuals, since one of the drivers for providers closing appears to be a lack of demand and persistent voids. This is therefore an area that will require careful monitoring by Commissioners going forward.

There are twelve providers approved to deliver mental health housing related support services in Newham. However, there are only five providers regularly in receipt of business (with varying market shares.) While this suggests that there is a healthy market for floating support / outreach services, there is possibly an under-utilisation of existing services.

Gaps in current provision/desired market

13. Forensic mental health supported housing services

Recent analysis of the forensic mental health pathway reveals an over-reliance on residential care home services for individuals leaving secure hospital settings, even for those who are able to attend to their activities of daily living with minimal assistance. This practice appears to have evolved in response to the lack of specialist provision for this group in the supported living market. While some of the existing mental health supported housing services may be set up to effectively manage the risks associated with supporting residents with forensic histories, it is not currently a distinct category that is commissioned or monitored; and therefore there is insufficient assurance for clinicians that the supported living market can safely accommodate and support these individuals.

14. Individual service funds within supported housing settings

As observed in section 10, most adults with mental health needs in Newham access their care and support in the form of an accommodation-based service. However, these services do not currently provide a facility for customers to choose how their allocation of funding is spent. Though most services are centred around the development of a support plan to help someone achieve their individual recovery goals, the services cannot be accurately described as 'personalised' when it comes to the funding mechanisms and arrangement of peoples' care and support.

Opportunities/Limitations in supporting future market development

15. Opportunities

- The development of the Mental Health Care & Accommodation Providers' Forum has created an opportunity for commissioners and providers to work together to shape and develop the market according to emerging commissioning intentions
- As revealed in section 7, there is a considerable amount of flexibility when it comes to existing contracts and purchasing arrangements, meaning that commissioners and providers are not tied into existing frameworks / contracts for more than two years
- There is agreement between the Local Authority and the Clinical Commissioning Group that – wherever possible – services should be commissioned together to ensure that the health and social care needs of individuals are given adequate and equal attention in the specification and monitoring of future services
- The LBN Contracts Team is developing a quality dashboard that will pull together intelligence on provider quality and performance from a range of sources in order to inform commissioning activity and the process of market development

16. Limitations

- The government is planning changes to the funding of supported housing services that will take effect in 2019/20. These changes could have a destabilising effect on providers and customers, and could result in some providers choosing to exit the accommodation-based care and support market. Details of the changes are accessible here: <https://www.gov.uk/government/consultations/funding-for-supported-housing>
- There is increasing pressure on public services and the budgets available for care and support services
- There are well-documented shortages of affordable housing across London, and this could impact both on the council's ability to commission supported housing services, and on customers being able to move successfully from accommodation-based services to their own home when they are ready to do so

17. Commissioning intentions

Promoting recovery in care and accommodation services

- Intention one: re-commission supported living services in 2019/20 with 'core and flexi' contracts to enable greater personalisation of services and customer choice
- Intention two: increase the focus of mental health care and accommodation services on tackling barriers to employment
- Intention three: enable greater take-up and usage of assistive technologies in mental health services
- Intention four: ensure the continuing investment in a Private Renting Move On Scheme to ensure that customers can move to independent housing once their needs for supported housing have reduced

Delivering preventative services

- Intention five: realign spending to ensure mental health care and support services are delivered against all tiers of prevention under the Care Act 2014
- Intention six: ensure that residents who are struggling to manage at home are always offered the least restrictive and most enabling support in their own home, before accommodation-based options are explored

Transforming the MH care and accommodation marketplace

- Intention seven: decommission accommodation-based Housing Related Support services so that the purpose-built and higher quality accommodation used for HRS can be brought into use for supported living
- Intention eight: explore opportunities for closer integrated commissioning with Newham CCG in order to ensure that service design, funding and monitoring arrangements reflect the presence of health and social care needs in the customer base
- Intention nine: reduce the size of the supported living market through market shaping and procurement exercises in order to raise quality standards and enable greater monitoring and support for providers

Future-proofing the care and accommodation sector

- Intention ten: develop opportunities for, and facilitate, better communication between commissioners, providers, residents and strategic partners to ensure a joined-up, planned response to local and national policy changes
- Intention eleven: upskill those working to support people with mental health needs around benefits and welfare reform
- Intention twelve: develop a mental health care and accommodation providers' forum to enable timely communication of commissioning intentions to the market
- Intention thirteen: ensure that accommodation-based support services for young adults up to the age of 35 prepares them for the realities of renting in London

Short, medium and long term action plan to move towards desired market status, and meet commissioning intentions

	Key actions to be taken
<p>Short Term (6 months) Jan 2017 – Jun 2017</p>	<ul style="list-style-type: none"> - Review existing mental health outreach / floating support services - Work with the NHS to develop cost regularisation guidelines for the spot purchase of mental health supported living placements - Work with the NHS to design a process for determining which accommodation-based care and support providers can qualify to receive new business
<p>Medium Term (1 year) Jan 2017 – Dec 2017</p>	<ul style="list-style-type: none"> - Explore new options for providing floating support / outreach services (Jul 2017) - Initiate engagement with providers, service users and other stakeholders to design service specifications for new supported housing services (Oct 2017)
<p>Long Term (1-3 years) Jan 2017 – Dec 2019</p>	<ul style="list-style-type: none"> - Oversee the end of the mental health housing related support service contract (by Aug 2018) - Manage the change in delivery of mental health outreach / floating support (by Sep 2018) - Publish 'prior intention notice' on procurement portals to notify the market of LBN and NHS intentions to procure new supported living services (Sep 2018) - Initiate procurement of new supported living services (Jan 2019) - Manage transition from old models of supported living services to newly commissioned services (Jul 2019 – Feb 2020)