

**INTEGRATED COMMUNITY EQUIPMENT SERVICE CONTRACT AWARD**

**Councillor Wayne Fitzgerald**

**APRIL 2014**

**Deadline date:** N/A.

Cabinet portfolio holder: Responsible Director:	Cllr Wayne Fitzgerald, Cabinet Member for Adult Social Care Jana Burton, Interim Executive Director for Adult Social Care
Is this a Key Decision?	YES If yes has it been included on the Forward Plan : YES Unique Key decision Reference from Forward Plan : KEY\24JAN\02
Is this decision eligible for call-in?	YES
Does this Public report have any annex that contains exempt information?	YES Annex 1. This is considered exempt as it relates to the financial or business affairs (past or present) of a particular person (including the Council).

**RECOMMENDATIONS**

The Cabinet Member for Adult Social Care is recommended to:

1. Approve the award of a 5 year contract with the option to extend for 2 years for an Integrated Community Equipment Service contract to Nottingham Rehab Supplies Healthcare at a total possible cost of £7,000,000 (£5,000,000 for the initial contract, £2,000,000 for the extension).

**1. SUMMARY OF MAIN ISSUES**

- 1.1 This report seeks the Cabinet Member for Adult Social Care's approval pursuant to Council Contract Regulations to exercise his authority to allow a 5 year contract to be awarded to Nottingham Rehab Supplies Healthcare (NRS) in accordance with contract procedure rules commencing April 2014.
- 1.2 Integrated Community Equipment Services were set up across the country in 2003 following Department of Health Guidance on their benefits. Health and adult social care contribute funding into a pooled budget to pay for the service.
- 1.3 The contract value is £1,000,000 per annum.

**2. PURPOSE OF THIS REPORT**

- 2.1 This report is for the Cabinet Member for Adult Social Care to consider exercising delegated authority under paragraph 3.3.3 of Part 3 of the constitution in accordance with the terms of their portfolio at paragraph 3.10 (b).

### 3. **TIMESCALE**

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>
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### 4. **CONSULTATION**

- 4.1 Consultation has been undertaken with health and social care professionals to ensure that the new ICES service provides the most effective range of equipment that will support the outcomes of individuals and the strategic outcomes of the Council's adult social care department.

### 5. **ANTICIPATED OUTCOMES**

- 5.1 The outcomes for the ICES service include:

- Supporting people to maintain their independence and live at home
- Enabling people to live as independently as possible and to live at home
- Enabling people to exercise choice and control over the support which they receive
- Slowing down deterioration in health and wellbeing
- Preventing accidents
- Supporting and protecting the health and wellbeing of carers

- 5.2 The ICES contract will also contribute to achieving the wider council priorities including;

*Education skills and universities*

- Enabling people with disabilities and their carers to access educational opportunities

*Culture and recreation*

- Supporting people with disabilities and their carers to access leisure and cultural opportunities

*Safeguarding Children and Adults*

- Ensuring the rights of Adults at risk are upheld
- Ensuring people with disabilities are supported in a way that does not inappropriately restrict their freedom

*Safe and Cohesive communities*

- Enabling people to live independently
- Enabling people with disabilities to be active within their communities

### 6. **REASONS FOR RECOMMENDATIONS & ANY RELEVANT BACKGROUND INFORMATION**

#### 6.1 **Procurement Approach**

- 6.2 The present contract to provide the Integrated Community Equipment Service (ICES) was commissioned by Cambridgeshire County Council (CCC) and Greater Peterborough Primary Care Trust (this organisation then went on to become NHS Peterborough) to be provided by NRS. The service contract has operated since 1 April 2007 and was due to end on 31 March 2012 with an option to extend for up to two years. The option to extend the contract was exercised and the contract will now end on 31 March 2014 unless an early start date for the new contract is agreed and approved. The contract was novated to Peterborough City Council (PCC) as part of the transfer of Adult Social Care from NHS Peterborough in March 2012.

- 6.3 Both Councils have separate contract arrangements with NRS and separate pooled budgets with Cambridgeshire and Peterborough Clinical Commissioning Group (CCG) but work jointly with NRS to deliver a single service covering Cambridgeshire and Peterborough.
- 6.4 With the contract due to end on 31 March 2014 both commissioning Councils and the CCG agreed to work jointly on tendering for a Cambridgeshire and Peterborough Integrated Community Equipment Service. Cambridgeshire County Council engaged LGSS (a shared service venture) to provide technical procurement support and to manage the tender process, this support was made available to all partners involved in the tender.
- 6.5 An open tender procedure was carried out to select a potential provider, this process was advertised through the OJEU and was compliant with national and European Union legislation and complies with the Council's Contract Regulations. Advice and support was sought from the Serco Adult Social Care Contracts and Procurement Team to ensure that the process complied with the Council's requirements and was deemed effective in terms of delivering the Council's required outcomes.
- 6.6 The service specification and tender documentation for the procurement exercise was developed jointly by Cambridgeshire County Council, Peterborough City Council and the CCG to ensure the service meets the requirements of all partners.
- 6.7 Evaluation of all submissions was carried out using advertised criteria with a 50:50 weighting for quality and price, details can be found in the Exempt Annex to this report. A panel evaluated and moderated all tender submissions. Evaluation panel membership was as follows:

<b>Name</b>	<b>Position</b>
Jeandre Hunter	LGSS Procurement (Moderator)
Cathy Mitchell	Chief Officer, CCG. (Health Lead for ICES)
Diana Mackay	Commissioning Manager, Adult Social Care, CCC
John Giffney	Interim Commissioning Manager, Adult Social Care, PCC
Ken Fairbairn	Head of Procurement, Adult Social Care, CCC
Jane Scott	OT Team Manager, PCC
Chris Young	Health & Safety, CCC
Lynn Rodriguez	Infection Control, CCG
Richard Hall	IT Applications Manager, CCC
Amanda Holloway	Information Governance, CCG
Bridget Gaynord	Clinical Advisor to ICES for Cambs
Diane Clements	Clinical Advisor to ICES for Peterborough
Claire Sharp	Therapy Lead for Children's Services, CCS

Additional support was provided from finance colleagues from CCC, PCC and CCG in relation to financial analysis of the bids.

- 6.8 Five high quality proposals were received in response to the Invitation to Tender, a summary of the evaluation results can be found in the Exempt Annex to this report.
- 6.9 It is important that the ICES contract is strategically aligned with the personalisation agenda. At the same time it is important to retain links to other strategies particularly in relation to reablement and supporting people to remain in their own homes, as well as to consider the continuing potential for investment in equipment including assistive technology to reduce the cost of traditional care services provision.
- 6.10 The new contract, whilst similar in many ways to the current arrangement, will have some additional features based on the new Service Specification. These include:

- The service operating over six days (Monday to Saturday) and extended hours (8am to 6pm)
  - A streamlining of the delivery and collection time frames so that there are just two – next-day delivery or 5 day delivery
  - An Occupational Therapist being embedded in the service itself, employed by the provider and able to offer advice and undertake reviews of equipment on loan in order to promote recycling of equipment
  - The requirement for the provider to work with commissioners to actively promote self-help and self-funding opportunities
  - The option to include Telecare equipment within the contract stock
  - Ensuring that self-help and self-funding initiatives are embedded in the services provided.
- 6.11 The provider evaluated through the agreed criteria and process as providing the best value was Nottingham Rehab Supplies Healthcare. Following negotiation, NRS have agreed to move to the new contract arrangements from the date of contract award, this will offer in-year efficiencies when compared to the current contract arrangements. As such it is proposed that the effective start date of the new contract is from the date of contract award if earlier than the 1 April 2014.
- 6.12 A comprehensive Implementation Plan, which can be found in the Exempt Annex to this report, has been drawn up that will be monitored on a weekly basis to ensure that all key features of the new contract are in place on day one. Those staff who prescribe equipment from the service will be kept informed of progress through regular updates on NRS's on-line ordering webpage.
- 6.13 Subject to Cabinet Member approval, NRS will enter separate contracts with Cambridgeshire County Council and Peterborough City Council. Commissioners will continue to work closely with NRS to maintain the excellent relationship that has been built with them during the current contract, to maintain the high quality service delivery and work closely with them to ensure that all elements of the new Service Specification are put in place.
- 6.14 As part of the Governance structure there will continue to be bi-monthly Commissioning Meetings with NRS to manage and monitor their performance to ensure that satisfactory outcomes are achieved throughout the lifetime of the Contract. On a local level operational meetings will also be held with NRS at least on a bi monthly basis to support the contract, with issues being escalated to the ICEs Commissioning Board as necessary.

## **7. IMPLICATIONS**

### **7.1 Financial**

- 7.1.1 The annual contract value is dependent on the amount of equipment prescribed by health and social care professionals over the year. However, an annual budget for the service is set and is monitored on a pro-active basis. Spend for 2012/2013 was £809,788.34 (net) against a budget of £1,029,382 (net). Predicted spend for the current financial year (2013/2014) is £840,260 (net) against a budget of £1,038,800 (net).
- 7.1.2 Anticipated first year savings from moving to the new contract arrangements are: £151,026 per year. Savings will be realised through the use of more modern and cost effective equipment and through using a credit model for purchasing community equipment through the contract as opposed to the current rental model.
- 7.1.3 A review of key equipment during the first few months of the contract and periodically through the life of the contract are anticipated to yield further savings, providing equipment identified at a lower cost effectively meets user need.

- 7.1.4 Activity prices submitted will be fixed for the first year from the commencement of the contract and renegotiated each year based on 90% of January's RPI and 10% of the annual change in the "Annual average retail price of motor spirit and diesel" published in the Department of Energy and Climate Change's (ONS Publication) Quarterly Energy Prices. The specific fuel price applicable will be for diesel fuel.
- 7.1.5 Stock equipment prices will be negotiated annually based on evidence received from the provider regarding price changes – either decreases or increases.
- 7.1.6 Stock equipment will be owned by the Provider whilst in the Provider's possession and will effectively be sold to commissioners each time it is issued to service users upon which the title of the equipment will pass to the Commissioners, whilst the Provider will remain responsible for all necessary planned preventative maintenance and repair as required. When stock equipment has been authorised for collection the Provider will, subject to the item being 'returned to shelf', credit the commissioners whereupon the title will pass back to the Provider. Commissioners will be credited 80% of the unit price of each item returned to stock.
- 7.1.7 Non-stock Special equipment will be owned by the Commissioners immediately on payment and ownership will remain with the Commissioners, whilst the Provider will have responsibility to deliver / collect, clean refurbish (including laundry), maintain, store and re-catalogue the item. The Provider will be responsible for placing the orders with suppliers for the procurement of non-stock items which will be charged to Commissioners at cost price plus any discounts available.
- 7.1.8 As noted in section 6.3 above, a pooled budget managed by the Council has been set up to cover the costs of both and health and adult social care equipment associated with the contract. The proportion contributed by the Council and the CCG to the pooled fund has been based on a review of historic equipment usage. It has been agreed that the CCG will contribute 65% of the required funding and the Council will contribute 35%. This proportional funding split is subject to annual review based on ongoing monitoring of equipment usage and will be managed through a Section 75 agreement between the Council and the CCG.

## **7.2 Legal**

The contract will comply with relevant legislation and will support the Council in its duties under Department of Health guidance to provide an Integrated Community Equipment Service.

## **7.3 Human resources**

As NRS are the incumbent provider TUPE does not apply.

## **7.4 Procurement**

A fully compliant OJEU procurement process was followed for the ICES tender. A contract award notice will be issued in the OJEU within 40 days of the Contract Award being approved in accordance with EU Procurement Regulations.

## **7.5 Risk assessment and management**

Please see attached risk log in Appendix 1.



## **8. DECLARATIONS / CONFLICTS OF INTEREST & DISPENSATIONS GRANTED**

*Declarations by any cabinet member consulted by the decision maker and any dispensation granted by the Audit Committee or Head of Paid Service (Chief Executive). Note, the Audit Committee grants dispensations where the member concerned has a pecuniary interest, whereas the Chief executive may grant a dispensation for these purposes to any cabinet member consulted on these proposals whether by an officer or another individual cabinet*

*member where there is a common law conflict of interest that may not amount to a pecuniary interest under the Regulations.*

None.

## 9. BACKGROUND DOCUMENTS

<b>Appendix</b>	<b>Document Title</b>	<b>Embedded Document</b>
1	<i>ICES Service Specification</i>	  Appendix_1-CPICES Appendix_2-_CP_IT-I _Service_SpecificatioCES_Specification.pd