

1 December 2014

Agenda Item: 12

REPORT OF THE DEPUTY DIRECTOR FOR ADULT SOCIAL CARE, HEALTH & PUBLIC PROTECTION

INTEGRATED COMMUNITY EQUIPMENT LOANS SERVICE TENDER 2016

Purpose of the Report

1. To seek approval from the Adult Social Care and Health Committee to proceed with the tender for a new provider for the county-wide Integrated Community Equipment Loans Service (ICELS).
2. To highlight changes and improvements to the current ICELS service.
3. To confirm the budget for the new service and contract.

Information and Advice

Background

4. The Integrated Community Equipment Loans Service is the mechanism by which, equipment that is prescribed to keep vulnerable people in their own homes is ordered, delivered and maintained across Nottinghamshire County.
5. The current ICELS provider is the British Red Cross and is jointly commissioned by:
 - Nottinghamshire County Council
 - Nottingham City Council
 - Nottingham City CCG
 - Bassetlaw CCG
 - Mansfield & Ashfield CCG
 - Newark & Sherwood CCG
 - Nottingham North & East CCG
 - Nottingham West CCG
 - Rushcliffe CCG
6. A pooled budget of £7.2 million is in place, which is contributed to by all partners and managed via a partnership arrangement by Nottinghamshire County Council.
7. Equipment can currently be ordered in different ways dependent upon need:
 - Same day orders (orders placed before 3pm)

- Next day orders
 - 3 day orders
 - 5 day orders
 - Premium orders (orders placed after 3pm but are needed for the same day)
 - Specials (orders that are not standard catalogue stock items)
8. The proposal for the 2016 tender is to build upon Nottinghamshire's ICELS model so that the service:
- supports the transformation of NHS and Social Care e.g. 'Transfer to Assess' and 'Choose to Admit'
 - reflects the changes in the needs of the professionals/teams accessing the service
 - meets the needs of the growing population (both the estimated demographic increase and greater levels of dependency)
 - has greater flexibility
 - builds upon aspects of the existing structure to generate savings
 - utilises the Providers IT package to its full capacity.
9. The budget for the new tender will remain at £7.2 million. Through the proposals outlined below savings will be made to offset the increase in the demand for equipment over the lifespan of the new contract, which is proposed as being a 5 year contract + one, + one.

Proposed changes/additions to the 2016 ICELS tender

Extend operating hours

- 10 The hours/ number of days teams work have increased since 2011 with many planning to increase these further over the course of the next five years. Orders for equipment placed after 3 pm requesting equipment for same day delivery are classified as Premium orders and incur a cost of £100 per order in addition to the cost of the equipment /delivery charges.
- 11 Between March 2014 and May 2014 a total of 193 Premium orders were placed at a cost of £19,300¹ this equates to an average of £6,433 spent on premium orders per month with an estimated cost of £77,196 per year. By introducing a change in the hours/ days of the week that ICELS currently operate this would eradicate premium orders and offer greater service flexibility, lower costs and aid timely discharges.

Extend the ICELS catalogue

12. By extending the catalogue to incorporate more items currently classified as specials this would make a saving to partners as they would not only benefit from the recycling rate but it would also eradicate the responsibility for the equipment from those purchasing it.

Hybrid retail model

13. The new contract would make provision for the contractor to expand beyond the current service plan by allowing them the flexibility to set up an Amazon type service, whereby

¹ Price excludes the cost of equipment and additional delivery charges

members of the public could self-purchase the equipment they require from a trusted provider and have it delivered directly to them on a stated time/date. As it would be the contractor trading and not the Local Authority/Health then both bodies would be able to receive any profit income via gain share.²

14. The 2009 report Transforming Community Equipment Services (TCES) by the Centre for Economics and Business research Ltd stated that between 50-60% of people that wish to self-purchase equipment do not currently do so as they do not know where to buy products from. By making provision within the new contract for the contractor to create a hybrid retail model and creating a strong brand it is hoped that the contractor will be able to tap into this market by providing a one stop shop for members of the public wishing to purchase equipment.

Care homes

15. The contract will make provision for the Contractor to closely monitor the equipment purchased by care homes through ICELS to ensure homes are meeting their responsibilities to purchase equipment for the use of their residents. It will also build upon the work already undertaken to recover equipment by setting clear targets so that greater levels of equipment can be recycled/refurbished.

Children's equipment

16. Greater detail on Children's equipment will be included within the contract so that the contractor/partners are clear on their responsibilities and what service they are to provide.

Increase satellite stores

17. Satellite stores currently exist across the County. The stores provide access to equipment for professionals. By creating more satellite stores across the county this would cut down on delivery costs as equipment could be issued there and then.

Timescales

18.

Stage	Description	Date
Tender Information Event	Event to provide information on the Procurement and process for potential Tenderers	March 2015
Finalise all tender documents		April 2015
ITT issued	Final tender documents issued - invitation to submit Tender with pricing	May 2015
ITT response	Deadline for final tender responses	July 2015
Tender evaluation	Evaluation of submissions in accordance with published award criteria	August 2015

² The County Council's legal team have advised that there is no limit to any profit income via gain share

Selection of Preferred Tenderers and Standstill Period	The date by which Nottinghamshire County Council will aim to select Tenderers to proceed to Preferred Tenderer stage.	September 2015
Preferred Tenderer stage	The period when the Preferred Tenderer(s) and Partnership will work together to finalise the Contract for signature.	September 2015
Contract signature	The signature of the Contract between The Nottinghamshire County Council and the Contractor(s).	31 st September 2015
Transition period	Period when new operating model is prepared. Include contract management model.	October 2015 - March 2016
New contract operational	Go-Live	2 nd April 2016

Other Options Considered

Keep the existing service specification

19. The current service specification does not make provision for the predicted increase in demand for equipment in future years to come, nor does it have the flexibility built in to make any changes that maybe required to meet the demands of the teams

Reason/s for Recommendation/s

20. The proposals encompasses the recommendations of Nottinghamshire County Council's LEAN+ review of ICELS, which identified savings and efficiencies which could be made within the service

21. By making the proposed changes ICELS will:

- support the transformation of NHS and Social Care e.g. 'Transfer to Assess' and 'Choose to Admit'
- reflect the changes in the needs of the professionals/teams accessing the service
- meet the needs of the growing population (both the estimated demographic increase and greater levels of dependency)
- have greater flexibility
- build upon aspects of the existing structure to generate savings.

Statutory and Policy Implications

22. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

23. All proposals for change will to be undertaken within the current budget parameters of £7.2 million per annum as ICELS Partners are unable to increase funds for the service. Through the proposals outlined, savings will be made to offset the increase in the demand for equipment over the lifespan of the contract
24. Nottinghamshire County Council's contribution to the pooled budget will be £2,080,904 per annum, with partner contributions being as follows:
- Nottingham City Council £1,200,877
 - City Health £1,189,061
 - County Health £2,370,122
 - Bassetlaw Health £376,685.

RECOMMENDATION/S

1) It is recommended that:

- approval is given to proceeding with the tender process in order to secure a new provider for the ICELS service by April 2016
- the proposed changes and improvements to the ICELS service are agreed.

Jon Wilson

Deputy Director for Adult Social Care, Health and Public Protection

For any enquiries about this report please contact:

Sue Batty

Email: Sue.Batty@nottscc.gov.uk

Constitutional Comments (LM 21/11/14)

25. The Adult Social Care and Health Committee has delegated authority within the Constitution to approve the recommendations in the report.

Financial Comments (KAS 24/11/14)

26. The financial implications are contained within paragraphs 23 to 24 of the report.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- Nottinghamshire County Council LEAN+ review, recommendations report, October 2013.

Electoral Division(s) and Member(s) Affected

- 'All'.

ASCH273