

26 July 2021

Agenda Item: 8

REPORT OF THE SERVICE DIRECTOR, INTEGRATED STRATEGIC COMMISSIONING AND SERVICE IMPROVEMENT

INTEGRATED COMMUNITY EQUIPMENT LOANS SERVICE TENDER 2021

Purpose of the Report

1. To seek approval from the Adult Social Care and Public Health Committee to proceed with the tender for a new provider for the county-wide Integrated Community Equipment Loans Service through a framework agreement for a single provider. This will allow for different contracts (Call-Off Contracts) to be awarded under the framework which will give extra flexibility for future developments within the service.
2. The report also seeks approval to award the contract to the successful bidder for a maximum term of 10 years (initial contract term of five years, with an option to extend for up to five additional years) and to provide an update report to Committee on the outcome of the tender and award of contract.

Information

Background

3. The Integrated Community Equipment Loans Service (ICELS) 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. The service has been in place since 2004.
4. There are two elements to the ICELS, one is the ICELS Partnership Support Team and the other is the equipment service delivery component which is currently operated by the British Red Cross.
5. ICELS is jointly commissioned by the ICELS Partnership which is:
 - Nottinghamshire County Council
 - Nottingham City Council
 - Nottingham & Nottinghamshire Clinical Commissioning Group
 - Bassetlaw Clinical Commissioning Group

6. Nottinghamshire County Council is the lead commissioner of the ICELS and hosts the ICELS Partnership Support Team. This team manages the contract and supports the ICELS Partnership. The Partnership procures the service from the British Red Cross with whom the current contract is in place for a full countywide service until 31st March 2023.
7. ICELS has a Partnership Agreement with a supporting Partnership Board and governance structure. A pooled budget is in place, which is contributed to by all partners. Each Partner pays a percentage of funds into the pool based on actual partner usage of the service according to the rolling average over the last two years. The pooled annual budget is currently £7.7 million.

The Role of ICELS

8. The overall role of ICELS is to provide community equipment into people's homes to:
 - support discharges from hospital
 - prevent unnecessary admissions to hospital
 - support on-going frailty
 - prevent further deterioration, e.g. falls prevention, intermediate care
 - support people's choice to remain in their own homes
 - aid rehabilitation and re-ablement
 - assist with children's development
 - provide more specialist equipment when required.
9. Equipment is ordered by occupational therapists, physiotherapists and community based nurses who are referred to as 'prescribers'. They use their professional skills and understanding of people's health and wellbeing to identify which pieces of equipment will best meet people's needs. Most prescribers are employed by a health organisation, either working in hospitals or community health services, and some occupational therapists are employed by the local authorities.
10. The British Red Cross service is commissioned by the Partnership to supply, deliver, install, service, maintain, collect and refurbish community equipment for people across Nottinghamshire including Nottingham City. It operates from two main warehouse sites in Nottingham City and Ollerton, in addition it has over 50 satellite stores for smaller items of equipment which are based in community sites such as health centres.
11. On average the service handles over £26 million worth of equipment per year with deliveries of over £14 million and collections of £12 million. It visits over 550 homes per day, seven days a week.
12. The service loans equipment to individuals and not to organisations; it is therefore essential that equipment is returned when no longer required by that individual so that it can be re-issued to another individual and is an efficient use of resources. Over 90% of collected items are refurbished and recycled back into use for someone else.

The ICELS Partnership Support Team

13. The ICELS Partnership Support Team is employed by the Partnership to oversee the service, work alongside the British Red Cross and the prescribers, of which there are over

2,600. Reporting to the Partnership Board, the team has specific functions to manage and report on the service and budgets.

14. There are three elements to the Partnership Support Team:
 - Core Team whose role it is to oversee the contract and business management
 - Clinical Team which provides clinical advice and training to prescribers, manages requests for complex equipment and minor adaptations to people's homes
 - Equipment Review Team which reviews equipment on longer term loans in people's own homes and in care homes.
15. The work undertaken by the teams generates annual cost savings of approximately £1.7 million, which when the costs of the staff are taken off gives a 260% saving based on an 'invest to save' principle. The work of the team has enabled the service to grow in line with demographic increases, absorbed cost pressures and covered the cost of its own personnel with no net impact on the overall budget over a number of years, and in some years has returned an in-credit balance at the end of the financial year.

Proposed changes and additions to the 2021-23 ICELS tender

16. There were a number of changes and improvements that were initiated from the last tender in 2015-16 which will continue in this next contract, these include:
 - 7 day delivery and collections
 - extended opening hours
 - introduction of delivery time slots so that people are able to choose when their equipment will be delivered
 - a text messaging service to advise of delivery times.
17. The proposal for the 2021-23 tender is to build upon Nottinghamshire's ICELS model so that the service:
 - supports the transformation of the NHS and Social Care through the implementation of the Integrated Care System (ICS)
 - rises to the challenges of increasing numbers of people being discharged from hospital and the 'Discharge to Assess' approach
 - reflects the changes in the needs of the professionals and teams accessing the service
 - meets the needs of the growing and ageing population (both the estimated demographic increase and greater levels of dependency)
 - has greater flexibility and responsiveness, including improvements to the collection element of the service
 - builds upon aspects of the existing structure to generate savings through targeted reviewing and maximum recycling of resources, mainly equipment
 - has greater alignment to other minor adaptation and equipment services such as the County Council's Handy Persons Adaptation Service and Assistive Technology
 - constantly reviews and increases the range of equipment it offers, this may include the introduction of some medical devices on behalf of the health partners
 - further develops the children's equipment service for Early Years, mainstream schools and considers the introduction of equipment provision to Special Schools.

Timescales for procurement

18. The procurement process that will be used is Competitive Dialogue. This is a two-stage process incorporating a period of dialogue with interested providers to allow for the development of a more detailed specification for complex or high-risk services or products.
19. The Competitive Dialogue process requires a longer period of time to undertake the procurement activities as it is a more collaborative approach, hence this request to commence the process at this time ready for the contract start date of 1st April 2023.
20. Stage1: Expressions of Interest whereby potential bidders register their interest in the procurement opportunity and then engage in a period of dialogue with the commissioners on all or various aspects of the required service, but focussing on elements that require further development or new solutions.
21. Stage 2: The post dialogue stage when the final specification is published, and formal tender submissions are invited.
22. The advantage of this approach is that it allows collaboration and engagement with the bidders on the service design from the outset and encourages more creative solutions to new or existing service requirements.

Stage 1	Description	Date
Pre-tender preparation	Initial specification drafted and passed to Procurement	September 2021
Call for competition	Opportunity advertised through the procurement electronic portal	October 2021
Selection process	Prequalification questionnaire (PQQ) and selection of participants to participate and submit initial solutions	November 2021
Dialogue process	Opportunity to discuss and refine ideas and solutions	December 2021 - February 2022
Evaluation	Evaluation of all the proposals	February 2022
Finalise all tender documents	Final version of specification as a result of the competitive dialogue with potential bidders	March - April 2022
Stage 2	Description	Date
Final Invitation to Tender issued	Final tender document issued - invitation to submit tender with pricing	May 2022
Invitation to Tender response	Deadline for final tender responses	July 2022
Tender evaluation	Evaluation of submissions in accordance with published award criteria	August 2022
Selection of preferred bidder and standstill.	The date by which the Council will proceed to announcing the preferred bidder, including a 10 day standstill period	September 2022
Preferred bidder stage	The period when the preferred bidder and partnership will work together to finalise the contract ready for signature	September 2022

Contract signature	The signature of the contract between the Council and the contractor(s)	30 September 2022
Transition period	Period when the new operating model and service is implemented, including any transfer of staff.	October 2022 - March 2023
Commencement date of new service		1 April 2023

Other Options Considered

23. Other options have been considered of proceeding with an Open Tender rather than the Competitive Dialogue approach. The advantage of this would be a shorter procurement timescale but would require a detailed specification at the point of advertising the tender, which would mean very limited opportunity for collaboration with the providers and less creative and innovative solutions to the subsequent service design and delivery.

Reason/s for Recommendation/s

24. As indicated the Council, on behalf of the ICELS Partnership, is required to follow procurement and legal process to retender the ICELS service ready for commencement by April 2023. Without a similar service being put in place the Council, on behalf of the Partnership, would not be compliant with its statutory duty.
25. The length of the contract being recommended is for a maximum of 10 years with an initial term of five years and an option to extend for a further five. This is to provide stability and security both to the provider and the Partnership and to allow for the development and fostering of a collaborative relationship.

Statutory and Policy Implications

26. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Data Protection and Information Governance

27. A full Data Protection Impact Assessment (DPIA) is underway in preparation for the tender commencement and will be concluded on award of contract.

Financial Implications

28. The cost of this service will be within the budget allocation of £7.7 million per annum. The Partners' percentage contributions are based on their actual usage of the service, currently these are:

- Nottinghamshire County Council £1.8 million

- Nottingham City Council £0.8 million
- Nottingham & Nottinghamshire Clinical Commissioning Group £4.5 million
- Bassetlaw Clinical Commissioning Group £0.6 million

29. Whilst the provider, in conjunction with our internal ICELS team, will continue to identify and deliver savings and efficiencies, this will need to be considered in the context of a number of upward financial pressures. Further work is taking place to understand the financial implications of: increased demographic demands, increased equipment costs, the impact of reablement/enablement ways of working, the NHS backlog in relation to planned electives and the requirements of same day discharge for people leaving hospital.
30. If there are additional service or equipment requirements these will be considered by the Partners and any additional funding will need to be secured before the final specification is agreed.

Public Sector Equality Duty implications

31. The nature of the services being commissioned mean they will affect older adults and people with disabilities, including children and young people, and those who have multiple and complex health and social care needs.
32. A full Equality Impact Assessment (EQIA) is being undertaken in preparation for the tender commencement.

Implications for Sustainability and the Environment

33. The service has a strong ethos of sustainability as evidenced by the proactive reviewing, collection, refurbishment, and reissue of equipment. More than 90% of items collected are recycled back into use, which is one of the highest returns in community equipment services across the country.
34. This also has monetary benefit with over £8 million worth of equipment having been retrieved and reused since the Partnership Support Team extended its role into reviewing of longer-term loans and equipment in care homes.

RECOMMENDATION/S

That Committee:

- 1) approves the commencement of the tender for a new provider for the county-wide Integrated Community Equipment Loans Service through a framework agreement for a single provider.
- 2) approves the award of the contract to the successful bidder for a maximum term of 10 years (initial contract term of five years, with an option to extend for up to five additional years).
- 3) agrees to receive an update report on the outcome of the tender and award of contract.

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Constitutional Comments (LW 06/07/21)

35. Adult Social Care and Public Health Committee is the appropriate body to consider the content of the report.

Financial Comments (DG 06/07/21)

36. The ICELS partnership budget is £7.7m and is split between the partners as per **paragraph 28** within the report. Any overspends to this budget are met by the partners incurring the additional costs each year and any underspends are transferred to reserves for each partner.

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.

None.

Electoral Division(s) and Member(s) Affected

All.

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