

Integrated Community Equipment Service Procurement

To: Adults Committee

Meeting Date: 18 March 2021

From: Executive Director: People and Communities

Electoral division(s): All

Key decision: Yes

Forward Plan ref: 2021/014

Outcome: Adults Committee are asked for approval to proceed to tender the Integrated Community Equipment Service.

This will deliver outcomes:

- Efficient and cost-effective equipment service for the people of Cambridgeshire
- A service which is an essential part of keeping people safe and independent within the home of their choice for longer
- A contract which prioritises the recycling of equipment and results in efficiencies for the County Council

Recommendation: Adults Committee is recommended to:

- a) Approve to proceed with the tender of the Integrated Community Equipment Service. Proposed contract term of 5+3+2. Total contract value is £47m.
- b) Delegate the award of the new contract to the Executive Director of People and Communities.

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1. Background

- 1.1 The Integrated Community Equipment Service (ICES) contract has been in place since 2014, operated by *NRS Healthcare*. It was extended under the contract terms in 2019 for a further two years, and again in 2020 for a further year due to Covid19. This was approved by Adults Committee on 8/10/20. The current contract will therefore terminate on 31/3/2022. The service is jointly commissioned by Cambridgeshire County Council, Peterborough City Council and the Cambridgeshire & Peterborough Clinical Commissioning Group (CCG) with the local authorities acting as lead commissioner. The County Council has a Section 75 (pooled budget) with the CCG which funds the service provision.
- 1.2 The contracted service is responsible for the purchasing, delivery, installation, collection, recycling, repair and maintenance of a large range of health and social care equipment which helps people to remain as independent as possible in the community and in the home of their choice. The service also provides minor housing adaptations (small ramps, rails etc). The provision of equipment to people with assessed need is part of our statutory duty under The Care Act 2014 and is a critical service in terms of keeping people as independent as possible, avoiding admissions to hospital or care homes, reducing the amount of formal home care packages, supporting discharges from hospital and end of life care. The service is well respected within the local health and social care system. The provision of appropriate equipment to people at home can prevent, avoid and delay their need for more costly forms of health and social care support. The service provides equipment to all service user groups including children.
- 1.3 Appendix 1 provides some specific data in terms of the performance for Cambridgeshire and outcomes of the current contract. In summary:
- The service processes an average of 4,500 orders per month with around 3,700 people receiving community equipment each month
 - The main key performance indicator (KPI) for the contract measures the speed at which deliveries are completed within 5 working days. The target for this is 98% and current performance is at 94%
 - The recycling performance is positive with current recycling rate being at 90% and due to deliver of £2.6m worth of credit to the pooled budget by the end of this financial year
 - Recent feedback on a small sample shows that 81% of people report that the equipment they receive helps them to remain as independent as possible at home with 71% saying the equipment helps them to reduce the amount of help they need from others
- 1.4 Appendix 2 offers two case studies to demonstrate how this service delivers qualitative outcomes for people whilst delivering efficiencies in terms of reduced packages of long term care and support, and avoided costs / demand management savings.

2. Main Issues

- 2.1 We are working towards a new contract start date of 1/4/22 with a competitive tender process that will hopefully attract bids from across the market. The process is being supported by SERCO Procurement and will involve full engagement with the CCG.

2.2 *Service user engagement*

Commissioners attended all the Joint Partnership Boards during 2019-20 and gathered feedback on service users' priorities for this service. Specific focus groups have not been possible this year due to the restriction on people's movement and face to face contact. However, feedback from service users is gathered all the time through the provider's regular service user feedback survey, and the voice of the user will be included as part of the specification development and evaluation.

2.3 *Procurement Support*

SERCO will be supporting the procurement of this contract on behalf of both local authorities and the CCG. The project will follow the UK Procurement process and the tender will be compliant with applicable law.

An ICES Procurement Project Group has been set up to oversee the procurement with representation from all key stakeholders. PCC will be leading on the legal elements of the procurement and in liaison with LGSS for the preparation of the contract.

2.4 *Contract Value*

The contract is financed by a Section 75 pooled budget with the CCG. The current pool is detailed below.

	LA contribution	CCG contribution	Total annual pooled budget
Cambs Pool	£2,421,213 (51.4%)	£2,286,844 (48.6%)	£4,708,057

The Section 75 Agreement will be renegotiated in line with the tender process and will come back to committee at a future date prior to award of contract.

2.5 The service has been delivered within budget over the last three years. However, it should be acknowledged that the service is entirely demand led and has to respond to spikes in need across both health and social care.

2.6 In terms of length of contract term, benchmarking with other ICES contracts shows that contracts of ten years plus are becoming the norm. This is deemed to deliver opportunities for greater cost effectiveness in terms of product prices and help to drive down prices if manufacturers and suppliers can be guaranteed orders over longer timeframes. It also facilitates the ability to work closely with the provider to develop other opportunities, for example retail / self funding opportunities. It is recommended that the new contract term should be 5+3+2 with appropriate break clauses. This aligns with a number of neighbouring local authorities. This ten year contract term would therefore mean a maximum contract value for Cambridgeshire of £47m.

2.7 *Financial model & evaluation of bids*

The current contract operates on an 80% credit (buy back) model. This has served us well in the current contract and is becoming the industry standard across most community equipment services as it promotes recycling, benefits both provider and commissioner and avoids the need for a separate management fee. This was endorsed in the market

engagement event. The finance schedule for the new contract will therefore be based on a similar model.

Evaluation of bids will be based on assessment against a quality threshold and for those providers reaching the quality threshold a contract will be awarded based on the price submission.

It should be acknowledged that there is no benefit in choosing contract equipment products that are cheap and of poor quality as they will not recycle. This presents environmental considerations, as well as failing to deliver the financial incentive of the credit model. The current contract has delivered significant credit into the pooled budget over the last two financial years which has helped to off-set budget pressures. Detail on this is contained in Appendix 1.

The pricing submission for the contract stock equipment and evaluation will include a 'basket of goods' approach against which suppliers will be required to provide prices, including whole life costs. This basket of goods will be carefully described and defined so as to ensure the bids are exactly comparable and will include commonly used items of equipment as well as high value items.

2.8 Summary Timetable

Task	Timetable / deadline
Adults Committee Approval to Tender and request to delegated authority	18/3/21
Draft Spec, KPI's, Stock List and Pricing Schedule	29/3/21
Finalise ITT & quality questions	11/5/21
JCB – approval to proceed with tender, to include Spec etc	May 2021
Tender Go-live	June 2021
Evaluation	July / Aug 2021
Moderation	August 2021
PCC CMDN	August 2021
JCB Contract award recommendation	Sept 2021
Award notice issued	October 2021
TUPE / Mobilisation period	Nov 2021 – Feb 2022
Handover to Contract Manager	March 2022
Contract Go-live	1/4/22

2.9 There are some key risks to be aware of at this stage:

Risk	Mitigation actions
Small market. Number of bids likely to include the three market leaders.	Engagement with the wider market to encourage as many bids as possible

CCG lack of engagement in the preparation to tender due to their focus on response to the pandemic	Ensure they are kept informed of progress and encouraged to send rep to Project Group meetings (they have asked for the tender process to be delayed but have been advised that is not possible)
Cambridgeshire pooled budget risk share – CCG may not be willing to renegotiate risk share	To share financial analysis and meet with them to discuss

3. Alignment with corporate priorities

3.1 A good quality of life for everyone

The report above sets out the implications for this priority in paragraph 1.2

3.2 Thriving places for people to live

There are no significant implications for this priority

3.3 The best start for Cambridgeshire's children

The report above sets out the implications for this priority in paragraph 1.2

3.4 Net zero carbon emissions for Cambridgeshire by 2050

The following bullet points set out details of implications identified by officers:

- The contractor will be expected to use emissions data from route planning and vehicle tracking systems to offset carbon emissions and work towards a carbon neutral fleet

4. Significant Implications

4.1 Resource Implications

The report above sets out details of significant implications in paragraphs 2.4 to 2.7

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report above sets out details of significant implications in paragraph 2.3 and 2.8

4.3 Statutory, Legal and Risk Implications

The report above sets out details of significant implications in paragraph 1.2 (with regard to Statutory Duty) and paragraph 2.9 with regard to Risk implications

4.4 Equality and Diversity Implications

There are no significant implications within this category

4.5 Engagement and Communications Implications

The report above sets out details of significant implications in paragraph 2.2

4.6 Localism and Local Member Involvement

There are no significant implications within this category

4.7 Public Health Implications

There are no significant implications within this category

4.8 Environment and Climate Change Implications on Priority Areas

4.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive/neutral/negative Status: n/a

Explanation:

4.8.2 Implication 2: Low carbon transport.

Positive/neutral/negative Status: n/a

Explanation:

4.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Positive/neutral/negative Status: n/a

Explanation:

4.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Positive/neutral/negative Status: Positive

Explanation: The contract will operate on a buy-back credit model which promotes recycling of equipment for re-use

4.8.5 Implication 5: Water use, availability and management:

Positive/neutral/negative Status: n/a

Explanation:

4.8.6 Implication 6: Air Pollution.

Positive/neutral/negative Status: Positive

Explanation: The provider will be required to operate a carbon neutral fleet of vehicles through efficient use of route planning software

4.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.

Positive/neutral/negative Status: n/a

Explanation:

Have the resource implications been cleared by Finance? Yes

Name of Financial Officer: Stephen Howarth

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement? Yes

Name of Officer: Gus De Silva

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or LGSS Law? Yes

Name of Legal Officer: Fiona McMillan

Have the equality and diversity implications been cleared by your Service Contact?

Yes

Name of Officer: Will Patten

Have any engagement and communication implications been cleared by Communications?

Yes or No

Name of Officer: No response received

Have any localism and Local Member involvement issues been cleared by your Service Contact? Yes

Name of Officer: Will Patten

Have any Public Health implications been cleared by Public Health?

Yes or No

Name of Officer: No response received

If a Key decision, have any Environment and Climate Change implications been cleared by the Climate Change Officer?

Yes

Name of Officer: Emily Bolton

5. Source documents guidance

5.1 None

Fig. 1 Monthly demand on the contract for Cambridgeshire showing number of orders received by the service each month (deliveries and collections)

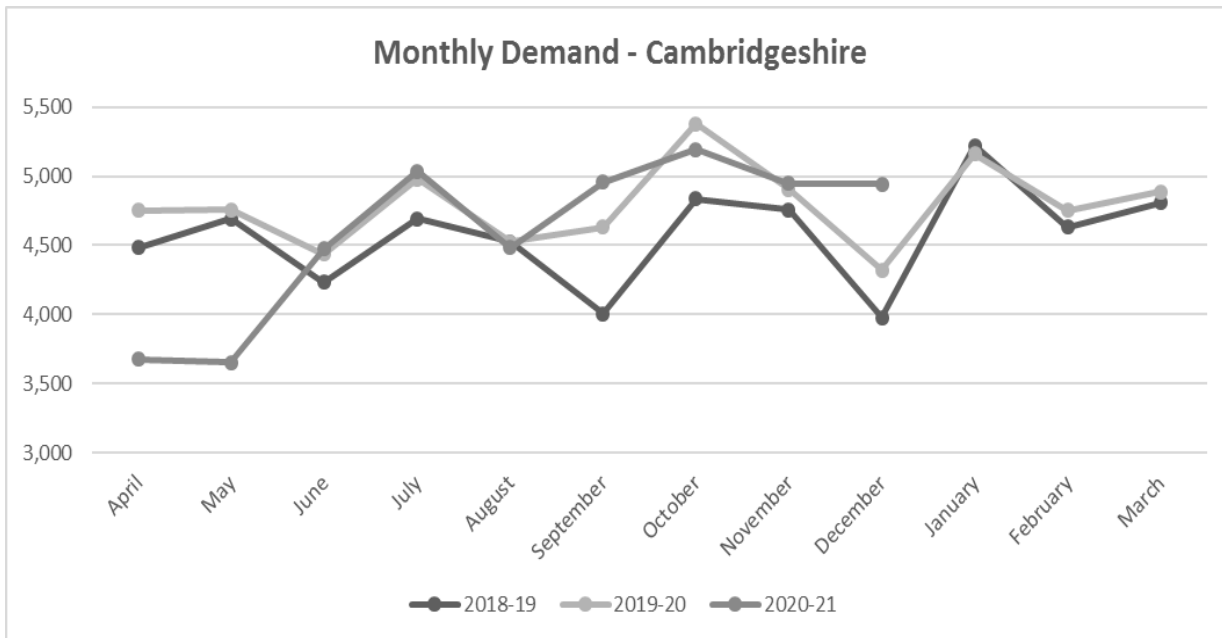


Fig 2. Number of people in the community receiving a service per month

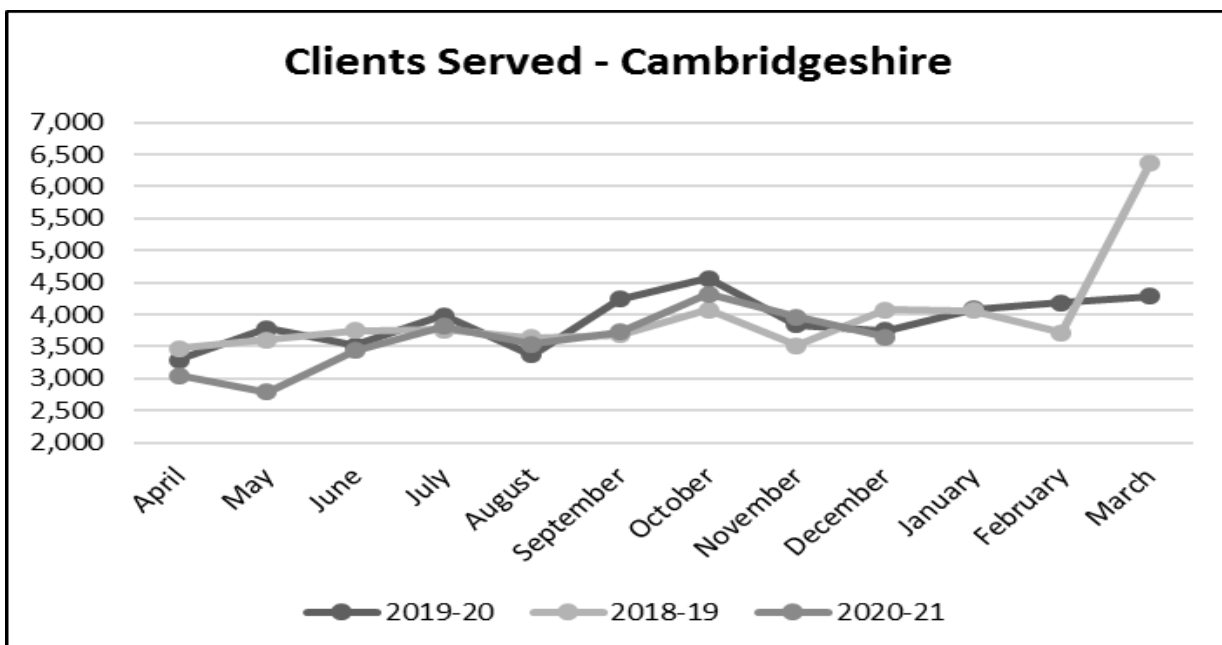


Fig 3. In-time performance showing performance of the contract against KPIs:

- 98% of deliveries completed within 5 working days of receipt of requisition
- 99% of collections completed within 5 working days of receipt of requisition

Financial Year	Cambridgeshire	
	Delivery	Collection
2018-19	96.3%	99.6%
2019-20	95.1%	99.3%
2020-21	94.0%	94.7%

Fig 4. Credit received into the pooled budgets via the 80% credit model

Financial Year	Cambridgeshire
2018-19	£2,954,686
2019-20	£3,189,683
2020-21	£2,615,171

Fig 5. Recycling performance

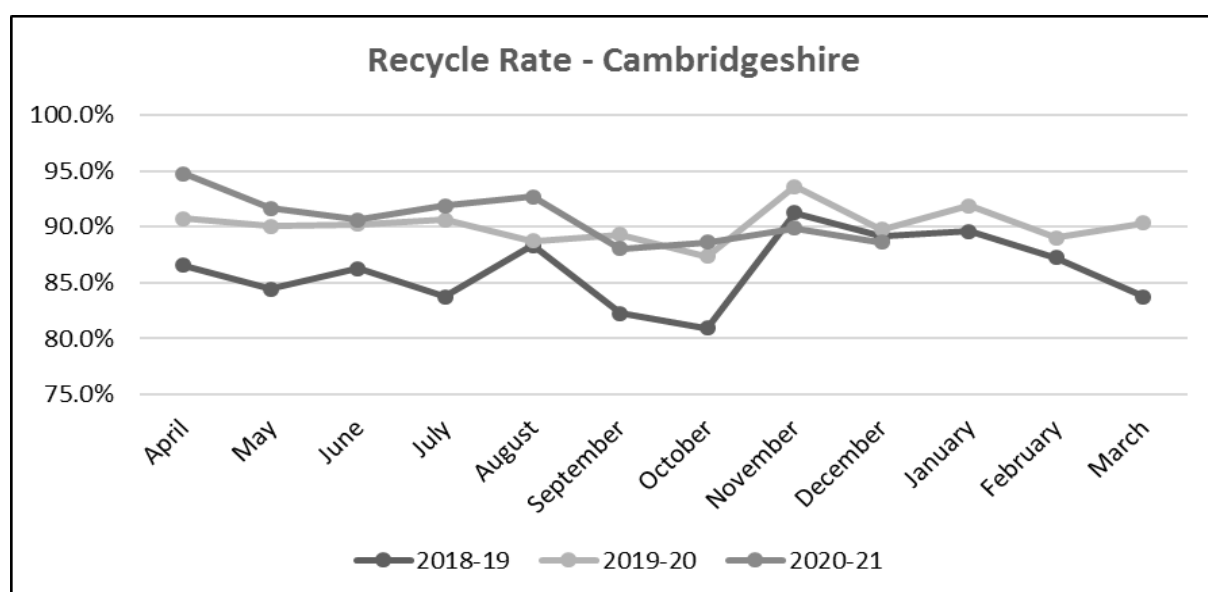


Fig 6. Service User feedback December 2020. Self reported outcomes for people in receipt of community equipment N=60

	COMPLETELY	A GREAT DEAL	A MODERATE AMOUNT	A LITTLE	NOT AT ALL	N/A
Being able to remain as independent as possible in your home	14%	37%	23%	7%	4%	15%
Making day to day living easier	23%	35%	27%	4%	4%	7%
Reducing the amount of help you need from others	16%	31%	16%	8%	15%	14%

CASE STUDIES***Helen***

Case study demonstrating how the provision of equipment can avoid the need for double-up care, deliver demand management savings and maintain the well-being of the service user...

- *80 year old lady with multiple long term conditions*
- *Lived alone in own bungalow & keen to remain so*
- *Supportive family but felt she might need more care, or care home*
- *Care package = 3 times per day to assist with personal care and transfers*
- *Care agency reporting difficulty managing to transfer Helen with only one carer and requested approval to increase care and support to two carers per visit*
- *OT assessment recommended some changes to the home environment and provision of better moving & handling equipment*
- *Equipment delivered and installed by ICES*
- *Daughter said: “now I can help mum in a safe way without feeling that I am doing something wrong...”*
- *Care package maintained at 3 calls per day with one carer*
- *Equipment costs: £1880*
- *Estimated annual demand management savings : £12,000*

Peter

Case study showing how the provision of the right equipment can reduce a package of care, deliver cashable savings and improve the quality of life and well-being of the service user

- *72yr old gentleman with Multiple Sclerosis. Full time wheelchair user*
- *Often spent the day in bed as couldn't face the "hassle" of being transferred into his wheelchair. Consequently became very depressed*
- *Lives with his wife in fully adapted and accessible bungalow*
- *Double-up care package in place comprising three calls per day to assist with personal care and transfers*
- *Assessed by OT who recommended alternative transfer aid and gantry hoist (more comfortable than a mobile hoist)*
- *Equipment delivered and installed by ICES and successfully used by the carers*
- *Care package reduced to single-handed care, saving 14 care hours per week and delivering £12,800 cashable savings*
- *Total cost of the equipment provided to Peter was £2,000*
- *Peter and his wife said he had been "given his life back". Peter said "the carer talks to me now, rather than the two of them talking to each other"*
- *Two subsequent annual reviews confirmed that the equipment and single handed care were still working well, so saving had been maintained*



Molift raiser, profiling bed and gantry hoist

Examples of ICES equipment that can help facilitate single handed care