

# Cabinet

8 April 2021

## Integrated Community Equipment Service – Approval to Tender

### Recommendations

- 1) That Cabinet approves proceeding with an appropriate procurement process to jointly re-commission the Integrated Community Equipment (ICE) service with the Clinical Commissioning Group (CCG) or their successor in title.
- 2) That Cabinet approves and authorises the Strategic Director for People to enter into all relevant contracts for the provision of the Integrated Community Equipment service on terms and conditions acceptable to the Strategic Director for Resources.
- 3) That Cabinet approves and authorises the Strategic Director for People to enter into a new section 75 agreement with the CCGs or their successor in title to manage the joint commissioning on terms and conditions acceptable to the Strategic Director for Resources.
- 4) That Cabinet approves the ICE procurement activity to incorporate the following linked services: telecare service, assistive technology (AT) and the self-assessment / self-purchase solution (currently contracted with Disabled Living Foundation – Ask Sara).

### 1. Executive Summary

#### Background

- 1.1 The ICE service delivers equipment to residents in Warwickshire and out of county service users registered with a Warwickshire GP. The contract also offers an Assistive Technology offer incorporating a Telecare service and performs minor adaptations. The service is jointly commissioned under a section 75 agreement between the Council (as the lead authority) and the three CCGs, which are likely to become a single entity by the time any new agreement is entered into.
- 1.2 From the Council's perspective, the service meets care and support needs for both vulnerable adults and children encouraging and enabling residents to remain independent in their own homes. From the CCGs' perspective the service meets a range of health needs, including timely discharge from hospital.

- 1.3 Millbrook Healthcare Ltd was awarded a 5 + 2 year contract commencing 1st September 2014 to deliver the requirements specified within the ICE contract specification. The contract has been extended to 31st August 2022.
- 1.4 During 2019/20 financial year, just over 20,000 individuals were served with equipment. In total 104,181 pieces of equipment were delivered. 37% of all deliveries were made either on the same day or next day.

#### Key issues

- 1.5 Millbrook Healthcare Ltd is contracted to deliver the community equipment service until 31st August 2022. There is no option to extend the contract further.
- 1.6 The ICE service not only supports the Council's priorities; to help Warwickshire people to stay safe, and be healthy, independent and engaged with their communities; but also helps reduce pressures on Social Care and Health front line services. Equipment supplied helps prevent admission to and facilitates discharge from hospital. The service has grown in popularity year on year measured in terms of the equipment ordered and the number of beneficiaries.
- 1.7 Given that the contract expires at the end of August 2022 and with due consideration to its complex nature; value and importance, commissioning activity is to commence imminently pending Cabinet approval.
- 1.8 CCG colleagues will seek approval from their respective governance process to re-commission the service and to enter into a new section 75 agreement with the Council.
- 1.9 Under the current Section 75 agreement, Warwickshire County Council is the lead authority. Having been the lead commissioner for some 15 years, it is proposed that this will remain the case going forward, subject to approval for the section 75, as the Council has the expertise and infrastructure in place to continue in this role.
- 1.10 Warwickshire County Council are lead commissioner for number of integrated services to support the delivery of health and care outcomes for our population and to ensure effective market management. Current arrangements are underpinned by specific legal agreements and managed and delivered by experienced commissioning, procurement, finance, contracting and legal specialists. As we work towards implementation of the Department of Health and Social Care's legislative proposals for a Health and Social Care Bill, specifically the development of an Integrated Care System, we expect joint and lead commissioning arrangements to increase and strengthen. This means that the tender approach and section 75 agreement will be future proofed to support ICS development as we move through the contract period.

- 1.11 A section 75 approach is beneficial to this service as it offers improved economies of scale and efficiencies are achieved through joint commissioning and procurement. It is a service that naturally lends itself to integrated working between Health and Social Care and effective systems and processes have been established to enable this. This approach also helps manage the situation where there is a cross-over between Health and Social Care for equipment provision.
- 1.12 Coventry City Council was approached with a view to tendering this contract jointly but Coventry's preference is to continue with their existing inhouse provision.
- 1.13 A working group has been set up to steer the commissioning and tender activities in accordance with the tender project plan. The group consists of officers from People Strategy & Commissioning, Commissioning Support Unit, Social Care and Health. It will be supported by Insight Team, Finance and Legal Team as and when required. The group will meet monthly, and progress will be reported to ICE Board via the Commissioner and health boards through the CCG links.
- 1.14 As part of the re-commissioning activity, the existing specification will be reviewed to update and incorporate agreed changes to support improved provision. This will ensure the specification is effective and fit for purpose, subject to final contract model, going forward.
- 1.15 As part of the review, there will be an analysis of the activity levels, which will provide detailed analysis of existing demand levels by service speed and a forecast of future service demands.
- 1.16 Qualitative data will be gathered through customer engagement sessions to better understand what's working well and where there is opportunity for improvement. There will also be an analysis of customer comments, compliments and complaints, the learning from which will help inform future specification.
- 1.17 A survey will also be sent to professionals that are either directly or indirectly involved with the service for their feedback.
- 1.18 As part of the review a benchmarking activity will be carried out with other Local Authorities that have been out to tender during the last 12 months with a view to sharing best practice and identifying different models and approaches.
- 1.19 Market engagement is being carried out to open up dialogue with existing providers as well as potential new entrants into the marketplace. There are 4 key providers in the market. The market engagement aims to identify new providers and new ways of working through innovation.
- 1.20 The contract model will be based on achieving the most effective tender process resulting in increased competitiveness, enabling new market entrants to bid, promoting innovation and achieving value for money. The model will

set out contracting options for the community equipment service, telecare service, assistive technology and the self-assessment / self-purchase solution.

- 1.21 The traditional telecare service has been responsive to need upon activation of the alarm. Through recent technological advances, this service has developed further to offer a more proactive approach in managing people's safety and independence in their own homes. This procurement activity will seek to identify a future proof service.
- 1.22 Assistive technology is a term used to describe any standalone device or system that can help a person to increase the ease or safety of any aspect of daily living to make life easier e.g. remembering to take medication.
- 1.23 Assistive technology products and services offer value for money and outcome focused solutions for people with care and support needs. Effective and appropriate use of assistive technology helps to reduce cost pressures, and also increases independence and control for service users.
- 1.24 Innovation in assistive technology is moving at pace. Recent developments include digital technology to monitor user behaviour allowing proactive intervention; keeping people engaged; smart homes. This procurement activity will aim to identify appropriate assistive technology solutions for Warwickshire residents.
- 1.25 Warwickshire County Council currently offers Ask Sara, which is a self-assessment tool contracted through the Disabled Living Fund. This offers residents with a need to self-purchase equipment to support their independence within their own homes. This provision supports the Council's core objectives and the procurement activity will look to secure a self-assessment provision for the future.

#### Contract length

- 1.26 It is proposed that the contract is let for a period of 5 years with the option to extend for up to a further 5 years. This would allow a long-term relationship to be developed between the Council and the contracted provider to deliver an increasingly personalised service and to be innovative and creative in how services are provided.

## **2. Financial Implications**

- 3.1 The total spend on the service during the 2019/2020 financial year was £5,670,634
- 3.2 This consists of:
  - Warwickshire County Council: adults service - £1,749,099
  - Warwickshire County Council: children with disabilities - £286,269

- Warwickshire CCGs - £3,635,266
- 3.3 The current year spending on the ICE service to date (Forecast based on April 2020 to February 2021), totals £5,191,436.
- 3.4 This consists of:
- Warwickshire County Council: adults service - £1,421,606
  - Warwickshire County Council: children with disabilities - £260,805
  - Warwickshire CCGs - £3,408,266
- 3.5 This is a demand led service so the more equipment that is issued, the cost of the service will increase proportionately. Increased utilisation of this provision is deemed as positive as it helps release pressure on health and social care and reduces the need for people accessing a more expensive provision.
- 3.6 Given the benefits of increased equipment usage coupled with the Council's strategy to support people maintain independence within their own homes, the service and contract value with it is expected to grow throughout the duration of this contract. The additional cost of the contract to the County Council will be managed within existing budgets through more cost-effective service delivery.

## **4. Environmental Implications**

- 4.1 Through effective contract management, the environmental impact will be managed and the provider will be encouraged to minimise carbon footprint through intervention such as driver training, efficient delivery routing etc.
- 4.2 Equipment recycling is a key performance measure on this contract. In February 2021, 97% of returned equipment was recycled by volume and 99% by value.
- 4.3 In the current financial year so far (April 2020 to January 2021 inclusive) equipment recycling has generated £3,293,114 in credits back to the Council and CCGs.

## **5. Supporting Information**

- 5.1 The ICE service not only supports the Council's priorities; to help Warwickshire people to stay safe, and be healthy, independent and engaged with their communities; but also helps reduce pressures on Social Care and Health front line services. Equipment supplied helps prevent admission to and facilitates discharge from hospital. The service has grown in popularity year on year measured in terms of the equipment ordered and the number of customers served.

5.2 The current year spending on the ICE service to date (April 2020 to February 2021 inclusive), totals £5,191,436. This is a demand led service so the more equipment that is issued, the cost of the service will increase proportionately.

## 6. Timescales associated with the decision and next steps

6.1 Key activity and timescales within the Project Plan which should be noted are:

- Section 75 agreement – 13.05.22
- Agree overall ITT document – 24.09.21
- Issue tender documents/ OJEU and CF notices – 27.09.21
- Issue intention letters – 28.03.22
- Confirm award to successful bidder/ issue award notices – 08.04.22
- Agree and sign contract – 27.05.22
- Implementation period – 31.05.22 – 31.08.22
- Commencement of new contract – 01.09.22

## Appendices

None

## Background Papers

None

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The report was not circulated to members prior to publication.