

Strategic Commissioning and Investment
222 Upper Street

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N1 1XR

Report of: Director of Adult Social Care

Date: 20 March 2023

Ward(s): All

Subject: Award Report for Integrated Community Equipment Service (ICES)

1. Synopsis

- 1.1. This report summarises the outcome of the procurement process for the Integrated Community Equipment Service (ICES) in accordance with Rule 2.7 of the Council's Procurement Rules.
- 1.2. The Integrated Community Equipment Service (ICES) facilitates the provision of equipment to enable someone to live safely and independently in their own home. This could be a simple aid such as a walking stick or raised toilet seat or more complex equipment like beds and hoists.

2. Recommendation

- 2.1. To approve the award of the contract for Integrated Community Equipment Service (ICES), through the London Equipment Consortium, to NRS Healthcare for a period of five years with an optional extension of two years.

3. Date the decision is to be taken

- 3.1. 30 March 2023

4. Background

4.1. Nature of the service

4.1.0. ICES is a key health and social care service which plays an important preventative role and reduces pressure on other parts of the system. It supports the broader vision across health and social care (and Borough Partnership) of early intervention, building resilience, and improving independence. Simple aids can provide a one-time intervention to support residents with low level needs that prevent them from requiring any further support. More complex equipment allows residents with higher needs to stay in their own home, gain independence and reduce the need for larger care packages.

4.1.1. The provision of community equipment enables the Council and NHS to meet the needs of residents under a range of legislation including the Care Act 2014, the Children Act 1989 and the NHS Act 2003. The outcomes delivered by the service include:

- supporting people to remain living at home for as long as possible;
- reducing unscheduled hospital admissions;
- facilitating timely hospital discharges and reducing the length of stay in hospitals;
- reducing care costs by avoiding or delaying admissions to residential care and the need for paid carers;
- promoting independence, safety, social inclusion, quality of life and improved end of life care.

4.1.2. The contract is procured through the London Community Equipment Consortium (also referred to as the Consortium), a Pan-London Consortium, led by the Royal Borough of Kensington and Chelsea, consisting of 21 London Boroughs. As well as leading on the procurement exercise, the Consortium take on contract management functions on behalf of the member boroughs, which reduces the need for additional council staffing resource.

4.2. Estimated value

4.2.0. ICES is funded through a section 75 agreement between Islington Council, and the Integrated Care Board (ICB) (commissioner and provider Trust a pooled budget arrangement split 60% ICB and 40% Islington Council. Therefore, this procurement strategy benefits not only the Council but our community health partners as well.

4.2.1. The current annual pooled budget is £1,545,000 (£618,000 Islington spend). The new Consortium framework agreement will run for five years plus up to two years extension (subject to performance and discretion). Total value of the procurement would be £10,815,000 (£4,326,000 London Borough of Islington spend).

- 4.2.2. Spend on this service is demand led so the budget is determined by level and complexity of need, by activity and by prescriber behaviour. Islington's ordering system is organised to ensure oversight and control over spend. Practitioners only have access to equipment and delivery speeds appropriate to their role and there are management authorisations in place. In addition, equipment over £500 requires additional review of clinical reasoning and sign off.
- 4.2.3. The ICES board which includes operational and strategic representatives from Islington Council and the Integrated Care Board (commissioner and provider Trust) was set up in part to monitor spend and implement efficiencies where possible. This is a preventative service designed to maximise independence and residents' ability to live in their own home. Spend on equipment reduces demand on the health and social care system, including higher cost packages of support, such as residential care. The Consortium and Islington ICES Board will continue to identify efficiencies that do not compromise access to, and quality of, timely community equipment for residents.

4.3. **Timetable**

Task	Date
Mobilisation (8 months and 7 months)	Jan - March 2023
Start new contract	1 April 2023

4.4. **Options appraisal**

- 4.4.0. The Council undertook a detailed option appraisal prior to the procurement of this service (please see the procurement strategy, Appendix 1 for more detail). Three key options were considered, and the recommended route was to remain with the London Community Equipment Consortium and join the planned re-procurement.

4.5. **Key Considerations**

- 4.5.0. ICES allows health and social care colleagues to prescribe equipment to the benefit of Islington residents and the wider health and social care system. Discontinuing the service could impact the support provided to residents resulting in larger care packages, increased need for residential care and delay to hospital discharges. Additionally, as noted above ICES allows the Council and the Integrated Care Board to meet their statutory requirements.
- 4.5.1. Commissioning with the Consortium ensures value for money due to the economies of scale achieved through working with 20 other boroughs. The Consortium management committee take on contract management functions on behalf of the member boroughs, which reduces the need for additional council staffing resource.

4.5.2. Furthermore, the Consortium has identified several improvements for the new service, detailed below, which Islington will be able to benefit from.

4.5.2.1. A seven-day delivery model to better support hospital discharge.

There is continued pressure on hospital discharges especially from A&E departments as acute hospitals try to discharge patients within a four-hour window. During the Covid-19 pandemic, there was little demand for seven-day working but a desire to move to six day working instead with the ability to flex the service to seven day working if required to meet emergency requirements. The new service will therefore move to a six-day standard service (8am to 8pm), with the potential for seven-day working as required without a significant increase in activity charges.

4.5.2.2. Simplified delivery speeds to improve planning and efficiency

At present there are over 30 different delivery speeds each with a different tariff, of which Islington use 15. A simpler tariff will be introduced with far fewer speeds and the right speeds to reduce the requirement for prescribers to use more costly emergency speeds. This logic has been explored through a next day pilot which has been successfully undertaken in Greenwich and Waltham Forest and started in Islington in July 2022.

4.5.2.3. Improved IT systems

This will ensure a better customer experience for both service users and prescribers across health and social care

4.5.2.4. Improved social value

Several social value outcomes have been identified across the Consortium members that will be built into the new contract to ensure wider benefits to residents. Firstly, there will be a requirement to support improved air quality by switching to an electric fleet over the life of the contract. Secondly, bidders would be incentivised to support a reduction in loneliness and improved resident well-being through initiatives such as Making Every Contact Count. Finally, as identified by residents, improvements will be made to the recycling and re-use of equipment, and by improving how the provider procures equipment to increase sustainability and reduce environmental impact. Targets will be developed in these areas.

4.5.2.5. Greater service user engagement

The new contract will require greater levels of engagement with service users and their families to ensure timely feedback of any concerns as well as regular service developments to improve overall quality.

4.5.2.6. Service delivery developments

The new service includes a variety of efficiencies that will improve day to day delivery, service user experience and hopefully lead to cost

reductions. These include improved triaged repairs system that will reduce need for expensive emergency call outs, and all repairs will come with a 3-month warranty as a minimum and improved maintenance solutions, which includes an innovative approach to repair, re-use, and re-cycling

4.5.3. London Living Wage will apply to this contract.

4.5.4. TUPE will apply to this contract. Leading local authority Kensington and Chelsea is seeking expert advice to support the process.

4.6. Evaluation

This tender was conducted in two stages, known as the Restricted Procedure as the tender is 'restricted' to a limited number of organisations. The first stage was Selection Criteria through a Selection Questionnaire (SQ) which established whether the organisation met the financial requirements, is competent and capable and has the necessary resources to carry out the contract. The SQ is backwards looking and explores how the organisation has performed to date, its financial standing, information about their history and experience.

21 suppliers accessed the tender documents with 4 declining to respond and the remaining not submitting a bid. Two organisations bid and met the SQ requirements as specified in the advertisement, and were therefore invited to tender (ITT).

The second stage (the ITT) was forwards-looking using Award Criteria. Tenders were evaluated based on the tenderers' price and ability to deliver the contract works or services as set out in the award criteria in order to determine the most economically advantageous offer.

The tender evaluation award criteria used was as follows

Tender award criteria	Weighting (%)
Price	40%
Quality	60%
• Service delivery	30%
• IT System	20%
• Social Value	10%

The winning bid scored the following

	Weighting (%)	NRS Healthcare
Quality Score	60	43.40%
Cost Score	40	39.95%
TOTAL SCORES	100%	83.35%

4.7. Business risks

- 4.7.0. The business risks were thorough assessed in the Procurement Strategy (please see Appendix 1 for more information).
- 4.8. The Employment Relations Act 1999 (Blacklist) Regulations 2010 explicitly prohibit the compilation, use, sale or supply of blacklists containing details of trade union members and their activities. Following a motion to full Council on 26 March 2013, all tenderers will be required to complete an anti-blacklisting declaration. Where an organisation is unable to declare that they have never blacklisted, they will be required to evidence that they have 'self-cleansed'. The Council will not award a contract to organisations found guilty of blacklisting unless they have demonstrated 'self-cleansing' and taken adequate measures to remedy past actions and prevent re-occurrences.
- 4.9. The following relevant information is required to be specifically approved in accordance with rule 2.8 of the Procurement Rules:

Relevant information	Information/section in report
1. Nature of the service	<p>The Integrated Community Equipment Service (ICES) facilitates the provision of equipment to enable someone to live safely and independently in their own home. This could be a simple aid such as a walking stick or raised toilet seat or more complex equipment like beds and hoists.</p> <p>See paragraph 1.2</p>
2. Estimated value	<p>The estimated value per year is £1,545,000 (£618,000 LBI spend)</p> <p>The agreement is proposed to run for a period of five years with an optional extension of two years.</p> <p>See paragraph 4.2.2</p>
3. Timetable	See paragraph 4.3
4. Options appraisal for tender procedure including consideration of collaboration opportunities	See paragraph 4.4
5. Consideration of:	Details as described within the report.

<ul style="list-style-type: none"> • Social benefit clauses; • London Living Wage; • Best value; • TUPE, pensions and other staffing implications 	See paragraph 4.5
6. Award criteria	Details as described within the report. See paragraph 4.6
7. Any business risks associated with entering the contract	Details as described within the report. See paragraph 4.7
8. Any other relevant financial, legal or other considerations.	See paragraph 5.

5. Implications

5.1. Financial Implications

5.1.0. The Integrated Community Equipment Service (ICES) budget sits within the Adult Social Care Base Budget. The gross expenditure budget for this service for 2022/23 is £1,545,000. ICES is funded through a Section 75 agreement between London Borough of Islington (LBI), and the ICB (commissioner and provider Trust). The split of the pooled budget arrangement is outlined in the below table.

ICES Pool 2022-23	Budget	Contribution
ICB Commissioner	£463,500	30%
ICB Provider	£463,500	30%
LBI	£618,000	40%
Total Budget	£1,545,000	100%

The proposed cost of this new contract will be £1,545,000 per annum. This is a continuation of the current cost and therefore does not create a budgetary pressure on the Adult Social Care budget.

The length of the contract is five years with an optional extension of two years. The estimated total cost of the contract over the maximum seven-year period totals to £10,815,000 and the contribution from Islington Council will be £4,326,000.

Any overspend above the budget will be spilt in line with the S75 agreement and Adult Social Care will have to manage this within their departmental budget.

Payment of London Living Wage is a requirement of the contract and should not result in any additional costs.

Implications provided by: Zoe Henney (Deputy Finance Manager) 10/08/2022

5.2. Legal Implications

- a) This contract for provision of community equipment enables the council to meet the needs of residents pursuant to its statutory duties under a range of legislation including the Care Act 2014, the Children Act 1989 and the NHS Act 2003.
- b) The current annual pooled budget is £1,545,000 (£618,000 Islington spend). The new Consortium agreement will run for five years plus up to two years extension (subject to performance and discretion). Total value of the procurement will be £10,815,000 (£4,326,000 London Borough of Islington spend).
- c) The council has power to enter into the proposed contract, inter alia under section 1 of the Local Government (Contracts) Act 1997.
- d) The estimated value of the proposed contract exceeds the 2022-2023 financial threshold (£663,540 including VAT) for Light Touch Services for the full application of the Public Contracts Regulations 2015 ("the Regulations"). Contracts above this threshold must be procured with advertisement in the Find A Tender service and in full compliance with the Regulations.
- e) The council's Procurement Rules require contracts of this value to be subject to competitive tender.
- f) The contract was procured through the London Community Equipment Consortium, a Pan-London Consortium, led by the Royal Borough of Kensington and Chelsea, consisting of 21 London Boroughs.
- g) The procurement route used in this case, whereby the said Consortium advertised a call for competition and procured the service using the open tender process, was carried out in compliance with the principles underpinning the Regulations and the council's Procurement Rules.
- h) A formal legal court challenge by the incumbent contractor to the award of the new Framework Agreement to Nottingham Rehab Limited (trading as NRS Healthcare)[hereinafter "NRS"] resulted in the High Court lifting the automatic suspension of the new contract award; therefore this contract award to NRS may now lawfully proceed. The incumbent contractor is still at liberty to pursue a legal claim for damages against the Consortium (which of course includes Islington) and

NRS; this is a separate matter which the Consortium members will manage and defend in the months ahead.

- i) The contract may now be awarded to the highest scoring tenderer (NRS) subject to the Corporate Director being satisfied that the tender provides value for money for the council.
- j) On 24th March 2022 the Executive of the council delegated authority to award the contract to the Corporate Director of Adult Social Care following consultation with the Executive Member for Adult Social Care.

5.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

5.3.0. Report completed and signed off by energy services.

5.4. Equalities Impact Assessment (EQIA)

5.4.0. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

5.4.1. An EQIA screening tool has been completed and signed off (Appendix 2). As this is a procurement of an existing service a full EQIA will not be required.

6. Conclusion and reasons for the decision

6.1. This report recommends awarding the new contract for the Integrated Community Equipment Service to NRS Healthcare to start on 1st April 2023, when the current contract ends. This will allow the provision of community equipment to enable the Council and the Integrated Care Board to meet the needs of residents under a range of legislation including the Care Act 2014, the Children Act 1989 and the NHS Act 2003. This contract will allow the borough to benefit from several key service developments to further improve the quality of the service and increase social value contributions. Procuring the service as part of the London Equipment

Consortium ensures the best service for residents and the best value for money for the Islington funding partners.

7. Record of the decision

7.1. I have today decided to take the decision set out in section 2 of this report for the reasons set out above.

Signed by:

Director of Adult Social Care

Date: March 2023

Appendices:

- Appendix 1 – ICES Procurement Strategy
- Appendix 2 - Equalities Impact Assessment Screening Tool.
- Appendix 3 - EXEMPT

Background papers:

- N/A

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