

	<p align="center"><b>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 9<sup>th</sup> February 2017</b></p>
<p align="center"><b>Title</b></p>	<p><b>Integrated Community Equipment Service (ICES)- Agreement for short extension of existing service for safe transition to new single provider contract framework</b></p>
<p align="center"><b>Report of</b></p>	<p>Adults and Health Commissioning Director</p>
<p align="center"><b>Wards</b></p>	<p>All</p>
<p align="center"><b>Status</b></p>	<p>Public, with exempt counterpart, which is not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended.</p>
<p align="center"><b>Enclosures</b></p>	<p>Appendix A - DPR dated 16th December 2016: Authorisation for Award of Contract for the provision of Integrated Community Equipment Service (ICES) Single Supplier Framework</p>
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## Summary

1. This report seeks approval by Adults and Health Commissioning Director for extension to the Integrated Community Equipment Service call-off agreement with Medequip Assistive Technology Limited for three months from 1st April 2017 to 30th June 2017, at an estimated value of c£751,724 (combined CCG/LA value) through emergency waiver of Contract Procedure Rule (CPRs), under the Council's Constitution (Contract Procedure Rules, Section 15) stating that Directors, Assistant Directors, Commissioning Directors and Heads of Service may take decisions on emergency matters in consultation with the Chairman of Policy and Resources Committee, providing they report to the next available Policy and Resources Committee. This report will set out the reasons for the emergency waiver.

2. The continuity of current provision for three months from 1<sup>st</sup> April 2017 is critical to enable the safe transfer from the existing provider, Medequip, to the newly procured Barnet Integrated Community Equipment Framework to Millbrook Healthcare Ltd, due to unforeseen delays in awarding the new contract by the 1<sup>st</sup> of April.

3. On the 16th December 2016, a contract award DPR authorised the approval to award the new Single Supplier Integrated Community Equipment Framework, following end of standstill period, to Millbrook Healthcare Ltd from the 1st April 2017. This report also seeks authorisation to amend the commencement and end date for the contract as stated in the award DPR from the 1st April 2017 – 30th March 2020 to the 1st July 2017 - 30th June 2020. The period of the agreement is the same namely for a period of three years, with the option to extend for an additional year (+1) to 30th June 2021.

4. There is a statutory duty on Local Authorities to meet eligible social care needs and community equipment is an important way of meeting those needs and maintaining the person's independence. It should be noted that community equipment is increasingly important in terms of facilitating a range of local authority and health objectives and strategies, as well as in making whole systems savings. For example, community equipment is important to keep service users independent and safe in the community, thus reducing demand for hospital-based services (through avoiding admissions or more timely discharge), helping avoid expensive residential care and avoiding or reducing the cost of residential care packages.

## Decisions

**1. This report seeks approval by Adults and Health Commissioning Director for extension to the Integrated Community Equipment Service call-off agreement with Medequip Assistive Technology Limited for three months from 1st April 2017 to 30th June 2017, at an estimated value of c£751,724 (combined CCG/LA value) through emergency waiver of Contract Procedure Rule (CPRs), under the Council's Constitution.**

**2. To amend the commencement and end date for the contract with Millbrook Healthcare Limited as stated in the original contract award DPR from the 1<sup>st</sup> April 2017 – 30<sup>th</sup> March 2020 to the 1<sup>st</sup> July 2017 - 30<sup>th</sup> June 2020. The period of the agreement is the same namely for a period of three years, with the option to extend for an additional year (+1) to 30<sup>th</sup> June 2021.**

### **1. WHY THIS REPORT IS NEEDED**

1.1 This extension will enable the safe transfer between the existing provider and new provider to mobilise in time to go live from 1st July 2017.

1.2 Overall spend in community equipment is increasing as more people have complex needs and more special items and emergency equipment items are ordered to facilitate hospital discharge or meet a client's needs. The new

single supplier framework aims to deliver an Integrated Community Equipment Service (ICES) to a service model that fits into the national picture, adapts to new changes and ensures it is future proofed to meet the demands of the growing population whilst maintaining the best achievable value.

- 1.3 The framework puts LB Barnet in a unique position to act as lead Local Authority to a Single Supplier Integrated Community Equipment Service Framework which has the potential expansion of several other boroughs being able to access choice in the market.
- 1.4 The framework agreement will be in place from 1st July 2017 to 30<sup>th</sup> June 2020 (three years), with possibility of extension for 1 year (+1).
- 1.5 The Service will contribute to the implementation of the following National policy, legislation and guidance including:
  - Care and Support Statutory Guidance (issued under the Care Act 2014);
  - Prevention and control of healthcare-associated infections in primary and community care, National Institute for Health and Care (NICE), 2012;
  - TSA Code of Practice
  - Care Act 2014
  - DH Caring for our future: Reforming Care and Support 2012
  - NHS Five Year Forward View
  - Integrating Community Equipment Services, DH (2001);
  - Transforming Community Equipment Services (TCES), 2006;
  - Health and Safety Executive (HSE) legislations;
  - Putting People First: a shared vision and commitment to the transformation adult social care (2007);
  - Aiming High for Disabled Children (2007);
  - A Vision for Adult Social Care: Capable Communities and Active Citizens (2010);
  - Healthy Lives, Healthy People: our strategy for public health in England (2010);
  - Better Care Fund

## **2. REASONS FOR DECISIONS**

- 2.1 Barnet Council has a statutory duty to meet the care needs of vulnerable adults and children within the borough who have special health and social care needs in relation to equipment supply. This provision is based on assessment of need. Adults and Communities delivery unit are required, in partnership with the CCG where required, to provide this equipment.
- 2.2 The main purpose of the Service is to obtain, deliver and install the appropriate community equipment on loan to people living in the community

enabling them to do tasks they would otherwise be unable to do or to provide support to a Carer to enable ongoing care in their home environment.

2.3 The service model builds on the existing service, ensuring it is innovative, responsive and up to date with changing technology related to support equipment. The new provider will:

- Competitively purchase community equipment
- Provide delivery, installation, collection, repair, maintenance and refurbish equipment
- Have an efficient and cost effective loan system, with collection and re-use of equipment
- Efficient recycling of special equipment
- Have excellent customer service
- Be an innovative and flexible service which responds to service user needs
- Have clear and easy to use web-based ordering and authorisation system

2.4 The community equipment service will contribute to preventing or delaying the needs for care and support; and provide a vital gateway to independence, dignity and well-being for many people living in the community.

2.5 Community equipment is a key function of council and NHS services, this service enables:

- Reduction in length of stay at hospital
- Enablement of the individual to allow them to live independently
- Avoidance of inappropriate admissions to hospital or care home
- The development of the disabled individual, both adult and children.
- Support for safe and timely discharge from hospital

### **3. ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

3.1 Alternative options considered:

3.2 Option one: Continue with the consortium.

- Considered to not be viable due to a number of reasons;
  - Risk of inability to mobilise a service for 20 London Boroughs by 1 April 2017
  - Poor management of the consortium leading to a lack of control over contract management and risks of lower quality of service and increased annual costs.

3.3 Option two: Join another framework

- The initial search of existing frameworks, NEPRO (north east procurement organisation) and ESPO (Eastern Shires Purchasing Organisation) showed that these frameworks were not suitable to the

needs of Barnet residents without further thorough mini competitions which may not result in meeting all local needs.

3.4 Option three: Explore existing framework agreements

- Explored option to join Redbridge Framework, but legal advice that the framework did not provide scope for Barnet, or any other London Borough to join.

3.5 Option four: Do nothing.

- This was not viable as a provision of service is a statutory regulation.

#### **4. POST DECISION IMPLEMENTATION**

4.1 The existing project board will oversee the Mobilisation Plan with the new provider until the new commencement date on the 1<sup>st</sup> July 2017.

4.2 An assigned project lead has been appointed to support mobilisation from January 2017 to June 2017 to work with the new provider and leads from all participating Local Authorities on the Framework to co-ordinate the service mobilisation.

4.3 This role would oversee contract set up including;

- i. Depot set up
- ii. Data transfer
- iii. Equipment transfer
- iv. TUPE and HR issues
- v. Monitoring and gateway checks to ensure confidence in mobilisation

b. This resource will work across mobilisation of the contract to support the Provider ensure;

- i. Set up / adaptations to internal processes
- ii. IT set up (Inc. training)
- iii. Data transfer to systems

4.4 A detailed transition and implementation plan is in place leading to a seamless change of providers, ensuring open communication between the parties involved for contract commencement.

#### **5. IMPLICATIONS OF DECISION**

##### **5.1 Corporate Priorities and Performance**

###### **5.1.1**

Awarding this contract supports the council's 2015 – 2020 Corporate Plan in relation to:

- Its vision of health and social care being personalised and integrated

- Its aim that by 2020 public services will be commissioned jointly for the borough by the council working with partners;
- Its strategic objective of ensuring that Barnet is a place where services are delivered efficiently to get value for money for the taxpayer.
- supports the Joint Health and Wellbeing Strategy 2015 - 2020 in its theme of 'care when needed' and its objective of providing care and support to facilitate good outcomes and improve user experience.

## 5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

### Staffing:

5.2.1 The Barnet project board will continue to meet to oversee the mobilisation of this contract, which currently meets every two weeks and includes the following membership:

- Adults and Communities Delivery Unit Care Quality Service Manager
- Joint Health Commissioner, Joint Commissioning Unit
- Joint Commissioning Manager, Joint Commissioning Unit
- Joint Commissioning Manager, CCG (Chair of Board)
- Representatives from Capita Procurement

5.2.2 This will monitor the progress made by the new provider and ensure any risks and issues are mitigated until mobilisation is complete.

### Finance:

5.2.3 The costs of entering the agreement are set out below. The equipment costs are based on the forecast from year one costs.

5.2.4 The table below was used to compare costs across main areas of spend - Equipment, activity and management. These costs do not include purchase of special equipment (which is outside set pricing) or collection credits (which is standardised at 90%). Hence, the costs do not match actual service costs as outlined in summary of report.

Financial Year	2017/18	2018/19	2020/21	2021/22
	<b>costs</b>	<b>costs</b>	<b>costs</b>	<b>costs</b>
<b>Value</b>	<b>££2,750,000</b>	<b>£2,750,000</b>	<b>£2,750,000</b>	<b>£2,750,000</b>
<b>Breakdown:</b>				
<b>LBB</b>	£1,050,000	£1,050,000	£1,050,000	£1,050,000
<b>BCCG</b>	£1,700,000	£1,700,000	£1,700,000	£1,700,000

5.2.5 These costs will be met through the budget for Adults and Children's Social Care and Barnet Clinical Commissioning Group. Orders for community equipment will be monitored by the contract manager and Occupational Therapist, Adults and Communities.

5.2.6 The current yearly expenditure on community equipment for is LBB is between £2.7- £3.1m with additional purchasing by Barnet Clinical Commissioning Group covering a larger portion of spend.

Mitigated financial risks and value for money:

5.2.7 The Adults and Communities Delivery Unit will aim to manage the community equipment provision and contract within the existing budgetary limits through tighter controls over validation of orders.

5.2.8 The award provider's submitted costs will be fixed, however the Provider may adjust the Equipment Cost for an item of Equipment at the end of each year if Adults and Communities Delivery Unit have been satisfied that the Provider has provided evidence that the manufacturing or supply costs of the equipment has risen by more than the percentage increase or decrease in the Consumer Price Index or other relevant indices in the preceding 12 months. Contractually the provider agrees that any increase shall not exceed more than 5% of the original fixed price.

5.2.9 Adults and Communities Delivery Unit may adjust the Equipment Cost at any time where after undertaking a benchmarking exercise it shows that the cost of any Equipment has fallen, the Authority may rely on the changes in the Consumer Price Index.

### **5.3 Legal and Constitutional References**

#### **5.3.1 The existing Contract extension**

5.3.1.1 The extension of the existing service for three months appears to be a variation, under the Public Contracts Regulation 2015 ('PCR'). Variations are permitted under section 72 of the PCR under certain grounds; the extension is likely to come within 72. (c) Namely "Where the need has been brought about by circumstances which a diligent authority could not have foreseen and the variation does not alter the overall nature of the contract and the value of the variation does not exceed 50% of the value of the original contract."

5.3.1.2 The Council's Constitution (Contract Procedure Rules, Section 15 Appendix 1) sets out the authorisation and acceptance procedures and how the Council may vary contracts of this value.

5.3.1.3 Section 16 permits waiver of these regulations, where the Directors, Assistant Directors, Commissioning Directors and Heads of Service may take decisions on emergency matters (i.e. an unexpected occurrence requiring immediate action) in consultation with the Chairman of Policy and Resources Committee providing they report to the next available Policy and Resources Committee, setting out the reasons for the emergency waiver. The Chairman of the Policy and

Resources Committee has been consulted, and as required a report will be brought to the next meeting of the committee. In accordance with Section 16 of the Contract Procedure Rules, copy of the relevant Policy and Resources Committee report will be provided to CSG Procurement and stored on the Council's contract repository.

#### 5.3.2 The Award to Millbrook

5.3.2.1 The decision to make the award to Millbrook Health Limited was made on the 16<sup>th</sup> December 2016 following completion of standstill period; Legal has been advised that the decision DPR will be published at the same time or before this report is published.

5.3.2.2 Under the Openness of Government Act 2014 the decision can be published at the time of the decision or after, there is no time limit in the Act, but the expectation is that it will be within a reasonable time from the date of the decision.

5.3.2.3 The decision in this report is to authorise the change of period of the contract from the 1<sup>st</sup> April 2017 for 3 years plus an option for a further year, to 1<sup>st</sup> July 2017 for the same period.

5.3.3 The Scheme of Delegation (as published on the council's website): <https://barnet.moderngov.co.uk/documents/s30636/Adults%20and%20Health.pdf>, gives authority to the Commissioning Director, Adults and Health, to accept contracts over the value of £164,176.

5.3.4 The procurement was approved on 16<sup>th</sup> December 2016 at the Policy and Resource Committee, item 9, <https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8349&Ver=4>

5.3.5 The Care Act 2014 requires that a local authority must provide services or take steps that will contribute towards preventing or delaying the development of a need for care and support for adults or their carer(s).

5.3.6 Local Authorities are under a duty to promote the wellbeing of adults with care and support needs including so far as relating to control by the individual over day-to-day life (including over care and support, or support, provided to the individual and the way in which it is provided). Local Authorities also have 'aftercare' responsibilities under the Mental Health Act 1983 towards certain people who have needs on discharge from detention from hospital.

#### 5.4 **Risk Management**

5.5 Risks within the project would be on going throughout the life of the contract and largely relate to continued scrutiny of orders and on-going purchasing costs of items.

5.6 The London Borough of Barnet Project Board will also monitor for internal and external risks and offer mitigations where required.

#### 4.11 Risks



Ref.	Risk	Possible Problem	Probability, Impact and Overall risk score	Mitigations
1	<b>Poor transition to new contract if 3 month extension of current contract not agreed:</b>	<p>If extension not granted, Interruptions to the service and / or a period of poor performance and/or other issues may result from a poor transfer.</p> <p>Emergency specials equipment may not be delivered, not meeting statutory duties.</p>	<p>P=3 I=5 R=3</p>	<p>Delegated authority for seeking extension.</p> <p>A project manager has been hired for 6months to support mobilisation.</p> <p>Ensure that implementation plan is detailed and time specific to ensure smooth transition.</p>
2	<b>Project Slippage for 1<sup>st</sup> July 2017 live date</b>		<p>P=1 I=3 R=3</p>	<p>Ensure project is properly resourced for transition. Monitor progress and deal with any slippage promptly.</p> <p>Built in contingency for slippage is in place.</p>

## 5.7 Equalities and Diversity

5.7.1 The 2010 Equality Act outlines the provisions of the Public Sector Equalities Duty which requires Public Bodies to have due regard to the need to:

- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- advance equality of opportunity between people from different groups
- Foster good relations between people from different groups.
- The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, religion and belief, sex and sexual orientation.

5.7.2 The service will assist the council in meeting its duties under the Equality Act 2010, particularly with regard to age and disability.

- 5.7.3 The service complies with the requirements of the 2010 Equalities Act.
- 5.7.4 The service includes explicit requirements fully covering the council's duties under equalities legislation.

Advice on completing Equality Impact Assessments (EIAs) can be found at:  
[http://barnetwork/index.php?option=com\\_content&view=category&layout=blog&id=321&Itemid=547](http://barnetwork/index.php?option=com_content&view=category&layout=blog&id=321&Itemid=547)

## 5.8 Consultation and Engagement

- 5.9 Procurement of the framework contributes to the implementation of the Adults and Safeguarding Commissioning Plan 2015 – 20, which was subject to public consultation
- 5.9.1 Extensive Consultation was undertaken with a range of stakeholders in relation to the procurement, including Brent and Harrow colleagues.
- 5.9.2 Clinicians were widely consulted and also involved in the procurement evaluation process of the tender.

## 6. BACKGROUND PAPERS

- 6.1 The procurement was approved at the Policy and Resource Committee on the 16<sup>th</sup> of December 2015, item 9,  
<https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8349&Ver=4>
- 6.2 Appendix A- Contract Procedure Rule 16.2, found here:  
<https://barnet.moderngov.co.uk/documents/s33860/22ContractProcedureRules.doc.pdf>
- 6.3 Original DPR dated 16<sup>th</sup> December 2016 awarding contract

## 6.4 DECISION TAKER'S STATEMENT

- 7.1 *I have the required powers to make the decision documented in this report. I am responsible for the report's content and am satisfied that all relevant advice has been sought in the preparation of this report and that it is compliant with the decision making framework of the organisation which includes Constitution, Scheme of Delegation, Budget and Policy Framework and Legal issues including Equalities obligations.*

## 8. OFFICER'S DECISION

I authorise the following action

Signed Dawn Wakeling, Commissioning Director Adults & Health

Date 09/02/2017