

	<p align="center"><b>ACTION TAKEN UNDER DELEGATED POWERS BY OFFICER 16th December 2016</b></p>
<p align="center"><b>Title</b></p>	<p align="center"><b>Authorisation for Award of Contract for the provision of Integrated Community Equipment Service (ICES) Single Supplier Framework</b></p>
<p align="center"><b>Report of</b></p>	<p>Dawn Wakeling, 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Public with exempt counterpart, not for publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 as amended.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>None.</p>
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## Summary

This report seeks authorisation for the award of contract to Millbrook Healthcare Ltd for provision of Integrated Community Equipment Service (ICES) commencing 1<sup>st</sup> April 2017 to 31<sup>st</sup> of March 2020 (three years +1). The joint contract value is c£2,750,000 per annum for Barnet Council and CCG.

London Borough of Barnet has taken the lead local authority role to procure a single supplier Community Equipment Framework for the provision of an Integrated Community Equipment Service (ICES). This procurement has been procured as a Framework to allow other Local Authorities/organisations to access the service and provides an alternative market option in London for ICES.

The authority to do this procurement is cited in the forward plan approved on the 16th December 2015 – appendix 1 - item 117.

Two London Local Authorities are seeking delegated approval to access this Framework through an Access Agreement with Barnet Council and anticipate joint mobilisation with Barnet from Jan-March 2017 for contract to commence by 1<sup>st</sup> April 2017.

Previous to this contract, London Borough of Barnet joined a consortium of 20 London Boroughs in 2013 for delivery of community equipment; this call off contract expires in March 2017. Key improvements in the consortia needed to be made to the service specification and performance management arrangements to best meet the needs of a future community equipment model for Barnet; to meet increasing demand while maintaining a good quality, response service that also provides value for money.

The joint four year value over the life of this contract for Barnet council and CCG is c£11m. The overall limit on this framework has been set at £160m in the event of other Boroughs joining at a later stage.

Three competitive tenders were received and evaluated based on a combination of quality and price, the ratio was 55% Quality and 45% Price and the evaluations for each undertaken separately. Quality was broken down by sub criteria and measured through responses to method statement questions.

Price & Quality	Provider A	Provider B	Provider C	Maximum Score
Quality	37.20	<b>46.86</b>	36.85	55.00
Price	41.75	<b>35.61</b>	41.72	45.00

<b>Total</b>	78.95	<b>82.47</b>	78.57	100.00
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Ranking	Order
<b>Provider B</b>	1st
<b>Provider A</b>	2nd
<b>Provider C</b>	3rd

Following completion of the thorough evaluation process we wish to seek authority to award the contract to Millbrook.

Millbrook scored significantly higher in regard to service quality. The Council will have greater control with the provider through the new service specification and contract management model, which will ensure the service is innovative and future proof, resulting in better value for money over its life time.

## Decisions

1. To authorise the award of contract for a Single Provider Framework for the provision Integrated Community Equipment Service (ICES) to Millbrook Healthcare Ltd. The agreement is for a period of three years (+ 1), from 1st

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

- 1.1 Overall spend in community equipment is increasing as more people have complex needs and more specials and emergency equipment items are ordered to facilitate hospital discharge or meet a client's needs. This report is to award a contract to delivery an Integrated Community Equipment Service (ICES) that delivers 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.
- 1.2 The framework agreement will be in place from 1<sup>st</sup> April 2017 to 31<sup>st</sup> March 2020, and the new service will commence from 1 April 2017.
- 1.3 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);
  - NHS 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
  - Provider delivery, installation, collection, repair, maintenance and refurbish equipment
  - Have an efficient and cost effective loan system, with collection and re-use of equipment
  - An 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 due to significant delays in procurement timescales
  - Risk that Consortium procurement process would only allow one bidder to realistically be successful.
  - 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.

### 3.4 Option three: Explore existing framework agreements

- Explored option to join Redbridge Framework (provided by Millbrook) 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 Following approval to award this contract to the new provider and after the 10 day standstill period and contract sealing, the existing project board will oversee the Mobilisation Plan with the new provider until commencement date on the 1<sup>st</sup> of April 2017.

4.2 An assigned project lead will be appointed to support mobilisation from January 2017 to 1 April 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 will be in place leading to a seamless change of providers, ensuring open communication between the parties involved for contract commencement in April 2017.

## **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%).

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 Occupation Therapist, Adults and Communities.

Mitigated financial risks and value for money:

- 5.2.6 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.
- 5.2.7 The providers 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.
- 5.2.8 The providers 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.

### 5.3 Legal and Constitutional References

- 5.3.1 The estimated value of the proposed contract exceeds the current EU Threshold of £164, 176 for services; therefore the procurement of the services is governed by the Public Procurement Regulations 2015 (the “Regulations”).
- 5.3.2 The Regulations are observed if the Council appoints a Supplier from a Framework established under the Regulations.
- 5.3.3 The Council’s Contract Procedure Rules state that Full Officer DPRs can be used to document the acceptance of contracts over the value of £164,176, if within budget.
- 5.3.4 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
- 5.3.5 The procurement was approved on 16<sup>th</sup> December 2015 at the Policy and Resource Committee, item 9, <https://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MId=8349&Ver=4>
- 5.3.6 The Care Act will ensure by law 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).
- 5.3.7 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	Probability,	Mitigations
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		Problem	Impact and Overall risk score	
1	<b>Poor transition to new contract:</b>	Interruptions to the service and / or a period of poor performance and/or other issues may result from a poor transfer.	P=1 I=2 R=4	A project manager will be hired for 3months to support mobilisation.  Ensure that implementation plan is detailed and time specific to ensure smooth transition.
2	<b>Project Slippage</b>		P=1 I=3 R=4	Ensure project is properly resourced for transition. Monitor progress and deal with any slippage promptly.  Built in contingency for slippage is in place.
3	<b>Risk that Harrow and/or Brent Local Authority will not Join framework</b>	The Provider will only be mobilising in one/two Borough and not the anticipated three.	P=1 I=3 R=4	The Provider will be asked to re issue their standalone management fee costs for only the participating authorities on the framework.

## 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.

**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&MIId=8349&Ver=4>

**7. 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**

- 8.1

**Signed**                    Commissioning Director, Adults and Health

**Date**                     16/12/2016

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