

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet

Date: 15/05/2023

Subject: Community Equipment and Assistive Technology Contract

Report of: Councillor Ben Coleman – Deputy Leader

Report author: Adie Smith - Programme Lead, Adults' Social Care

Responsible Director: Lisa Redfern - Strategic Director of Social Care

SUMMARY

Currently H&F Council forms part of the London Consortium Agreement with twenty other Local Authorities. The consortium created a framework for London based Social Care and Health Services to buy community equipment. This is a demand led contract from which the latest data intelligence suggests that the average usage is split 40% H&F Social Care and 60% Health.

The framework has reached an end and the consortium has gone through a procurement for a new provider (NRS) to supply community equipment. The recommended decision is to stay with the consortium for another 5+2 years.

RECOMMENDATIONS

1. To approve the decision to remain with London Consortium Community Equipment Framework, managed by RBKC and WCC who have awarded the NRS contract for 5+2 years.
2. To enter into a 'Call-off' agreement from the 1 April 2023 to 31 March 2028 with a potential extension for 2 years from the above-mentioned framework to appoint NRS as the Council's supplier of Community Equipment, Assistive Technology and Minor Adaptations.
3. To approve the £13,723,200 as the total value for seven years

Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	This contract will continue to support the Council in enabling its residents to access community equipment and independent lives.
Creating a compassionate council	Understanding the needs of the operational teams and how they meet the wants of our residents, we aim to provide a smooth continuity of service.
Doing things with local residents, not to them	A number of our residents work for the recommended supplier. This will ensure those residents remain in consistent employment.
Being ruthlessly financially efficient	This contract supports the Council in its objective to achieve Best Value
Taking pride in H&F	Those residents who work for the recommended supplier can continue to advocate for the needs of the H&F residents and provide them with a service to be proud of.
Rising to the challenge of the climate and ecological emergency	By utilising a local depot (Greenford) and a contractor who are committed to creating a fleet of electric vehicles, we are supporting the reduction CO2 emissions across London and the ULEZ.

Financial Impact

This contract is demand led.

The estimated annual contractual value with NRS:

The NRS total spend	£2,328,271
Less savings compared to previous contractor	-£150,000
Less estimated credits for recycled equipment at 10%	-£217,821
Total revised annual contract value in 2023-24	£1,960,450

The budget for this contract is part of a pooled budget between Health - Integrated Care Board (ICB) and Adult Social Care, who are the main funders of the contract. Economy, Children's Services, and Imperial Healthcare Trust also contribute to the budget.

The table below details the annual cost and partner contributions to the contract. It shows the total cost and partner contributions for the 5 years of the initial contract award, and the total cost and partner contributions should the contract be extended to 7 years.

	Years		
	1	5	7
Estimated Costs	£1,960,450	£9,802,250	£13,723,150
Funding Source			
NWL Integrated Care Board	£1,148,100	£5,740,500	£8,036,700
Adult Social Care	652,600	£3,263,000	£4,568,200
Economy	50,700	253,500	354,900
Children's Services	25,000	125,000	175,000
Imperial Health Care Trust	33,200	166,000	232,400
Discharge grant(LA & IBC)	51,000	255,000	357,000
Total Funding Sources	£1,960,600	£9,803,000	£13,724,200
Underspend	(£150)	(£750)	(£1,050)

The partner contributions from the Integrated Care Board and Imperial Healthcare are still to be confirmed. The figures in the table are the 2022/23 contributions.

The Adult Social Care contribution will allow the Department to deliver savings of £150,000 that were approved as part of the overall Council Budget for 2023/24 and the MTFS.

The pooled budget agreement shares the risks and rewards for this contract 60% to the Integrated Care Board and 40% to Adult Social Care.

Any under- or overspend on this demand led contract would be split 60/40%.

The discharge grant funding has only been confirmed for 2023/24 and 2024/25. For planning purposes, we are assuming the grant will be ongoing for the 7 years of the contract award. If the grant ends during this period, the shortfall will be met from increased partner contributions.

Inflationary uplifts for this contract as summarised as follow:

- Activity fees – discretion of the contracting authority and in line with the average annual consumer price index
- Equipment purchase price – not exceeding the average annual rate of CPI (January – December)
- No uplift for any recycled equipment.

This will need to be managed through the annual uplifts process.

Financial Implications completed by: Prakash Daryanani Head of Finance (ASC & PH) 16th March 2023

Verified by Sukvinder Kalsi, Director of Finance, 5th April 2023

Legal Implications

The Council has the power to procure this equipment and technology to enable it to fulfil its duties under the Care Act 2014.

This is a public supply contract under the Public Contracts Regulations 2015. The contract has been procured by way of a competitive tendering exercise carried out jointly with other authorities as part of the London Consortium. The framework agreement which has been put in place as a result of the procurement allows for authorities to call-off contracts under it to meet their needs. The requirements of the PCR have been fulfilled by the procurement process which has been followed.

The proposed award is a high value contract for the purposes of the Council's Contract Standing Orders. This requires a contract of this value to be procured by way of competitive tendering. These requirements have been met by the competition which has taken place.

The award of this contract is a key decision under the Council's constitution. It needs to be placed on the key decision list on the Council's website.

John Sharland, Senior solicitor (Contracts and procurement)
22nd March 2023

Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

Background

1. The current contract is due to end 31 March 2023 and the consortium led by Bi-Borough have procured a new supplier (NRS) for the next 5 + 2 years
2. The reason for this tight deadline is that the incumbent provider (Medequip) challenged in court the Consortium's procurement process. The challenge eventually was not upheld in court, but it did mean that the mobilisation period was significantly reduced.
3. Concurrently, Hammersmith and Fulham explored other options to ensure that the new potential contract is value for money and therefore whether it is in the Council's interest to remain with the consortium.
4. See below for the four options explored:

Options Appraisal

Option 1 - To remain within the consortium and add 'Minor Adaptations and Assistive Tech/Telecare' to the 'Call off' agreement. (Recommended)

5. The advantage of remaining with the consortium is that the monitoring and quality assurance as well as price of equipment it taken on by the consortium on behalf of 20+ Local Authorities
6. The main risk identified were the short mobilisation period and the exclusion of "telecare and minor adaptations" to the service specification.
7. As the consortium excluded these areas it was important to ensure that (1) locally the services were not reduced and (2) further potential savings could be materialised.
8. The new specification has benefits compared to the current one, including (but not exhaustive)
 - a. An extended working hours offer (Mon – Sat from 08.00 – 20.00) This provides potentially further support for an earlier hospital discharge.
 - b. No license fee to pay for the IT system (a saving of around £10k)
9. In discussing the telecare and minor adaptations aspects, the Council has negotiated at least the same service provision and a matching or 5% discount on equipment compared to the current provision.
10. Due to the short mobilisation period, the council expressed concerns over service continuity to our residents. In conversation with NRS the risks have been mitigated due to a commitment by NRS in supplying 50 additional staff to cover current demand and respond to service issues when they arise. A mobilisation plan – overseen by the consortium – is in place.
11. Therefore the Council was assured of (1) service continuity and (2) and savings compared to the current contract.
12. In terms of value for money, the most frequently prescribed 27 Community Equipment products and the most frequently ordered 5 items of Telecare equate to 60% of the total use.
13. In addition, NRS have offered up a 0.25% discount for invoices paid within 14 days.

Option 2 - To exit the London Consortium and direct award Medequip to deliver 'Continuity of Service' under the Kent Commercial Services (KCS) Integrated Community Care Equipment Framework. (Not recommended)

14. The advantage is that this could be a quick procurement process. The framework - owned by Kent County Council's Procurement Services - enables any user to Direct Award under the PCR – 15 compliant route to market

'Continuity of existing goods/services from an awarded supplier'. The supplier therefore would be Medequip.

15. This framework agreement lasts until Oct 2024. However, there is a clause within the framework agreement that allows a Council to award for any duration of time beyond this date, as long as it is signed off and commences before Oct 24.
16. The plan here was to award a 'Call-Off' Contract for 24 months, with a break clause after 12. Starting April 1 2023.
17. This would provide further time to enable the Adults' Commissioning Team to analyse and improve the level of service and ensure we are meeting the need of our residents without compromising service continuity.
18. The most frequently prescribed 27 Community Equipment products and the most frequently ordered 5 items of telecare equate to 60% of the total use. This breakdown of items identifies a like for service with a saving of £188,682 per year, based on the current contract pricing.
19. In addition to this saving Medequip agreed to work with practitioners to increase the levels of recyclable returns.
20. The disadvantage of this option is that (1) the contract monitoring would transfer to the commissioning team; (2) further fees around access to the IT system and (3) due to TUPE arrangements from Medequip to NRS, local knowledge and expertise would not remain with Medequip.
21. In addition, there would be added pressure to discharge teams, as they would have to prescribe potentially different products from different suppliers depending upon their patients post code.
22. Lastly, to exit the London Consortium and to direct award Medequip would require leaving the consortium which would need a 6 month notice to be given.

Option 3 - Remain in the consortium for the use of Community Equipment and procure our own Assistive Technology partner. (Not recommended)

23. The key issue here is there would be no Assistive Technology on offer after March 2023 for some time as The Council will need to tender for this provision.
24. This is both a significant and highly likely risk to continuity of service to our residents.

Option 4 – Do nothing (Not recommended)

25. This is not an option as the service will end on the 31 March and this would mean no service to our residents.

Reasons for Decision

26. This decision is required in order to ensure continuity of service with the least amount of disruption and value for money for the residents of Hammersmith and Fulham.
27. The recommended option provides the less risk towards this continuation of service, and the least disruption to our operational teams.
28. It is clear that substantial saving can be made by either Option 1 or Option 2. On balance, sufficient assurance was given by NRS that services will continue for residents and any risk to that was mitigated by NRS to Hammersmith and Fulham to remain in the consortium with the additional benefits that are described in Option 1.

Equality Implications

29. There are no anticipated negative implications for groups with protected characteristics, under the Equalities Act 2010, by the approval of this proposal.
30. Whilst the decision impacts some whom may be deemed as vulnerable, no service is to be de-commissioned and mitigation is in place to limit and service interruption.
31. As part of the commissioning relationship with the provider, improved quality of service delivery will a key driver and monitored regularly.

Risk Management Implications

32. The report recommends remaining with the London Community Equipment Consortium who have awarded a contract to NRS following a competitive tender process. This is in line with the objective of being ruthlessly financially efficient. The new contract provides an enhanced service over 6 days, with prescribers also able to place order items until later in the day for same day delivery when compared with the current contract. This is important in helping the Council manage hospital discharges, ensuring the safety and wellbeing of vulnerable residents, in line with the objective of being a compassionate council. The new contract will also provide for a 100% green fleet from day one as well as increased recycling of stock, contributing towards the Council's commitment to tackling the climate emergency.

David Hughes, Director of Audit, Fraud, Risk and Insurance, 20 March 2023

Climate and Ecological Emergency Implications

33. This contract will have a positive impact on the council's climate objectives. The Climate and Ecological implications were part of the procurement process evaluation through the consortium. The main implications to respond to the climate emergency are through:

- a. Increased level of equipment reuse (intention to increase this from current 66% to around 90%).
- b. NRS to have an electric only fleet of vans to deliver the equipment.

Jim Cunningham, Climate Policy & Strategy Lead, 22nd March 2023

LIST OF APPENDICES

None