

**Decision Maker:** EXECUTIVE WITH PRE-DECISION SCRUTINY FROM ADULT CARE AND HEALTH SERVICES POLICY DEVELOPMENT AND SCRUTINY COMMITTEE (29 JUNE 2021)

**Date:** 30 June 2021

**Decision Type:** Non-Urgent Executive Key

**Title:** INTEGRATED COMMUNITY EQUIPMENT SERVICE - PROCUREMENT STRATEGY & EXTENSION

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**Ward:** Boroughwide

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## 1. REASON FOR REPORT

- 1.1 This report outlines the current arrangements for the provision of Bromley's Integrated Community Equipment Service, currently commissioned through the London Community Equipment Consortium (London Consortium), and sets out the options for future procurement.
- 1.2 Executive previously approved (ECHS19049) re-procuring the service through continued membership of the London Consortium. However, due to the delay in activating the tender, officers are resubmitting this request.
- 1.3 The current contract ends on 31 March 2022. A further one year extension option is available and approval for the extension is sought to support the proposed procurement timetable and to allow for a further review that takes into account the impact of Covid 19 to ensure that the future service meets the needs of Bromley residents.

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## 2. RECOMMENDATION(S)

- 2.1 The Adult Care and Health Services PDS Committee are asked to note and comment on the contents of this report.
- 2.2 The Executive are requested to agree to the following:
  - i. The Council participates in a joint re-tendering exercise for the Integrated Community Equipment Service through the London Consortium, with the estimated £37k procurement costs funded from the Improved Better Care Fund.

- ii. An extension to the Integrated Community Equipment Service contract with Medequip, utilising the remaining one year formal extension option, commencing 1 April 2022 at an estimated value of £2.6m.

## Impact on Vulnerable Adults and Children

1. Summary of Impact: Continued membership of London Consortium and contract extension to deliver the necessary equipment to enable people to live safely in their own home.

## Corporate Policy

1. Policy Status: Existing policy
  2. BBB Priority: Supporting independence
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## Financial

1. Cost of proposal: Estimated contract extension cost of £2.6m plus estimated additional procurement costs for Apr 2021-Apr 2023 of £37k
  2. Ongoing costs: Estimated contract cost of £2.6m plus Consortium membership of £20k + £55k TUPE costs per annum
  3. Budget head/performance centre: Assessment & Care Management
  4. Total current budget for this head: £1.8m
  5. Source of funding: Adult Social Care revenue budget, CCG contribution, Better Care Fund and Improved Better Care Fund
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: Statutory requirement. Care Act 2014. (Children's equipment is covered by the Children Act 1989 and the Chronically Sick and disabled Persons Act 1970), NHS Act 2006
  2. Call-in: Call-in is not applicable.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): An estimate of 46,346 activities and services delivered per annum, including equipment deliveries, collections, joint visits, servicing and repairs etc.
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A. Boroughwide
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

- 3.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including disability aids and community equipment, to meet the assessed eligible needs of those individuals who are ordinarily resident in their area. It is an important element in supporting independence, one of the key objectives of both Bromley Council and South East London CCG (Bromley).
- 3.2 As with most other local authorities, the Council and the then Bromley Primary Care Trust (now part of South East London CCG) set up a combined Integrated Community Equipment Services (ICES). The agreement, made under Section 256 of the NHS Act 2006, highlighted that “an important objective for both health and social care is to support the independence of vulnerable people in the community and to be able to manage whole system costs. The community equipment contract is an important element in delivering on that objective allowing both health and social care professionals to quickly order items for loan such as hoists, beds, commodes etc. which can support early discharge from hospital or prevent the need for a hospital admission in the first instance. This equipment is specially designed to assist older people and those with longer term conditions to be able to continue to perform core tasks such as washing, getting out of bed, getting up stairs etc. which otherwise might mean that they had to leave their home or rely further on increased care packages.”
- 3.3 Most community equipment services across the country are outsourced to a private provider, with the contract held by the Council. It is typical for a local authority to hold the contract, even though most of the expenditure is health-led and funded by the health authority, because it enables savings that can be gained through reclaiming VAT, which is not permissible for NHS organisations. It is therefore vital that a community equipment service continues to be led by local authorities for economic and strategic reasons, as well as to discharge statutory obligations.
- 3.4 In October 2011, the Executive agreed that the Council should join the London Community Equipment Consortium (the Consortium), hosted by the London Borough of Hammersmith and Fulham. The Consortium operates a Framework contract with Medequip Assistive Technology Ltd, held by Hammersmith and Fulham Council, with whom Bromley and each member local authority has a call-off contract. The four-year contract (1+1 extension) with the current provider, Medequip, was due to end on 31 March 2021, however Executive approved a one year extension up until 31 March 2022.
- 3.5 Since 2018, Westminster City Council has taken over the hosting of the Consortium and it is planning to re-tender the framework to have a new contract in place by 1st April 2023. The community equipment market is a complex environment nationally. The additional challenges and disruptions experienced due to COVID-Pandemic, as well as the transition post-Brexit may lead to short term price rises, due to continued pressure on the supply chain. Therefore, by extending the contract, this would allow prices to stabilise before the re-procurement exercise and reduce the risk of higher than expected price increases to be submitted as part of the tender process. An extension of the contract for up to one year, would also allow the Consortium the time to maximise the opportunities available to it to carry out a comprehensive commissioning review, and to ensure that the future Community Equipment service meets the needs of Bromley residents, both children and adults.
- 3.6 Engagement with other local authorities has highlighted that many underestimated the time required to define important aspects for this contract, such as the equipment catalogue, close technical equivalents and the time allowed for evaluating the equipment offers. A number of authorities have also had to withdraw their community equipment tenders, as the market had identified compliance issues. The one-year extension, therefore, will allow the Consortium to mitigate for such issues and ensure a compliant process will be in place. This will also enable the procurement process and mobilisation to be completed in time for the new contract award.

The Consortium is currently made up of twenty one London Boroughs including Bromley, and is the largest community equipment consortium in the UK and Europe. Each borough contributes an annual fee (Bromley pays £9,450pa) towards the Consortium's running costs.

3.7 Bromley must therefore decide whether:

- a) To remain as a member of the Consortium and therefore participate in the procurement process; **or**,
- b) Leave the Consortium at the end of the current contract extension period, and re-tender the service as an individual local authority.

A decision from Council Members from the respective Consortium boroughs is required by the end of Summer 2021. Consent to proceed via the consortium was previously granted by Executive in July 2019, however due to the delay in commencing the tender, the request is re-presented for a decision by Executive.

This report sets out the options available to Bromley and an appraisal of each Consortium membership.

## **4. SUMMARY OF THE BUSINESS CASE**

4.1 Bromley has a statutory duty under the Care Act 2014 to meet the assessed eligible needs of individuals who are resident in the borough, such as through the provision of items of community equipment and disability aids. Equipment can also be provided for preventative reasons, following an assessment by an occupational therapist. The timely provision of equipment can assist in meeting strategic objectives and achieving efficiency and cost-effectiveness across the wider health and social care continuum, through:

- Reducing unplanned hospital admissions and A&E attendances;
- Shortening the length of hospital stays and reducing delayed discharges;
- Reducing expenditure on long-term care by delaying the need for care home admission or domiciliary care packages;
- Playing a key role in the delivery of early intervention strategies and avoiding crisis admissions to high cost services;
- Promoting independence, safety, social inclusion, quality of life and improving end of life care;
- Enabling individuals to retain control over their lives;
- Improving early years development;
- Assisting with the delivery of quality outcomes;
- Supporting carers and parents.

4.2 Contract management is provided by the Consortium Team (previously LB Hammersmith and Fulham but now Westminster CC) which consists of three full-time equivalent members of staff - a Clinical Lead Officer, Catalogue Development Officer and Consortium Team Manager (including a full-time Business Support Officer). Regular monitoring of the contract locally in Bromley has been carried out by the Occupational Therapy Service lead, Procurement Officer and Senior Commissioning Officer, and the CCG Deputy Head of Contracts. They are also active members of the Consortium Board, working with the contract managers to drive service improvements.

4.3 The Management Committee has agreed in principle the need for additional resource to the Consortium Team to support the procurement and mobilisation processes with borough's contributing towards these costs. The rationale for the additional resource recognises that this is a complex, high value tender which will be managed through a centralised function by the Consortium Team, which will also manage the mobilisation to the new contract and possible new provider of over 5,000 prescribers across 21 London boroughs and health authorities, minimising the impact on prescribers and service users as little as possible. The business case

has now been drafted and costed and has been shared with Consortium members for approval before November 2021. Building on and learning from the current contract, the Consortium will be using the collective knowledge and experience to maximise opportunities to develop a more forward-thinking approach to the service specification and outcomes delivery, and to future-proof the service for the next contract period, such as through incorporating emerging technologies and digital developments.

- 4.4 As a result of the Covid pandemic, the commissioning review and development of the new service specification has been impacted, as the Consortium Team have been the main point of contact between boroughs and Medequip, issuing regular communication updates and resolving issues; maintaining business continuity with Medequip to minimise service disruption to boroughs and also supported sourcing PPE during the first lockdown when government supply chains were prioritising the NHS.
- 4.5 With regards to the post-Brexit environment, the Consortium Team have developed their own Brexit risk log and are working with Medequip in developing an Equipment Business Continuity Plan (BCP) that will sit alongside the operational BCP. The Equipment BCP includes a review of Medequip's supply chain resilience and its mitigations, which will then be overlaid with the clinical risk assessment of key items of equipment and close technical equivalents and the clinical mitigations that will be used.
- 4.6 Negotiating the extension option with Medequip was undertaken by representatives from the Consortium Management Committee and the extension proposal that was offered under the existing terms of the contract includes:
  - An inflationary uplift on Activity Fees, which have been fixed for the last four years of the contract. It has been recognised that an increase in costs such as the ULEZ (Ultra Low Emission Zone) and increase in the London Congestion Charge that are set by the Mayor of London's Office are beyond the Consortium's control, as well as any increases in local parking charges.
  - A gainshare project to improve the boroughs collection rates for recycled equipment, which is expected to address the inflationary uplift. The Consortium operates a 90% collection credit model, where each borough receives 90% of the equipment purchase cost back as a credit when the equipment is recycled. The KPI for this is 70% and by working together with the Consortium and Medequip, any increase in collections from current levels of 67.94% as of February 2021, will contribute to the financial performance of the service and be able to contribute to offsetting the inflationary increase and any other increase in costs.
- 4.7 Additional temporary resource is required to support the Consortium Team with the procurement preparations, evaluation, contract award and mobilisation. Procurement resource will be supplied through Westminster Corporate Procurement and will be recharged across all Consortium Members. If any borough decides not to stay with the Consortium for the next contract period, any project costs incurred up until this point will be charged to existing boroughs.
- 4.8 The procurement costs have been broken down into staffing and non-staff costs and includes 10% tolerance level, which will only be used upon agreement of the justification. It is proposed that the actual costs would be reported on a quarterly basis to boroughs with supporting evidence of the costs incurred. These costs will be in addition to the annual Consortium membership fees of £9,450 which funds the running of the Consortium Team and will be sourced through the Improved Better Care Fund.
- 4.9 Previous tender project costs have been charged separately to provide boroughs with a transparent audit trail of the costs to the projects. The table below illustrates the estimated costs for year 1 (the procurement exercise) and year 2 (the mobilisation period):
  - **Phase 1** – £15,213 (Procurement preparation, evaluation and contract award for both the Community Equipment service and TECS frameworks) for year 1 and anticipated timeline of Apr 2021 to Apr 2022

- **Phase 2** – £21,708 (Mobilisation and implementation of new contract) for year 2 and anticipated timeline of Apr 2022 to Apr 2023
- **Total £36,921** per borough (this is worst case estimated scenario, accounting for interim roles and contract award to a new provider)

4.10 If there were any unspent funds by the time the procurement and mobilisation project was concluded, the Consortium Board would then, based upon the remaining balance, vote to either retain the balance within the Consortium Team budget or issue credit notes back to boroughs.

#### 4.11 SERVICE PROFILE/DATA ANALYSIS

4.11.1 Loan equipment is ordered online from the directory of items by named 'prescribers' via the Medequip IT system. The directory contains 'global' stock items i.e. those provided within the Consortium contract, plus 'local' stock items which the Bromley Equipment Operational Group has agreed. Bespoke or specialist items can also be purchased from Medequip.

4.11.2 Medequip will deliver the equipment and fit it in the person's home as required. When it is no longer needed, Medequip will collect, clean and store it, ready to be recycled if possible for further use, thereby ensuring that the cost of equipment is kept to a minimum. Medequip receives a credit payment for recycling equipment. The contractor also carries out repairs and a planned programme of maintenance. Speed of delivery will depend on equipment type and urgency of need and will be in accordance with an agreed matrix. Under the current Medequip contract, equipment for Bromley is sourced from its Woolwich depot. There are three other depots across London and a further 15 across the country. Within the borough there are 13 peripheral equipment stores, mainly at community health clinics and the Princess Royal University Hospital, holding smaller items of equipment which can be ordered and collected by designated health or social care prescribers.

4.11.3 South East London CCG and the Council have a joint arrangement via a Section 75 agreement to use the call-off contract with Medequip to meet its community equipment requirements. This enables named health professionals from Bromley Healthcare, King's NHS Trust (PRUH) and Oxleas, plus St Christopher's to order equipment directly from Medequip. Items above a certain value must be authorised by a designated manager.

#### 4.11.4 Expenditure

The system enables monitoring of prescribing by organisations, teams or by individual prescribers. Orders from OTs working within Social Care represent a small proportion of the contract spend, and are kept within budget. As is the case across the country, the bulk of equipment is ordered by healthcare professionals. The quantity of community equipment loans has been steadily rising, responding to a greater focus on supporting timely hospital discharges and demand from home-based care. The resulting increase in expenditure is shown in the table below.

<b>Medequip Contract Expenditure</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Equipment (from catalogue)	£2,478,279	£2,634,584	£2,761,743
Special equipment	£194,256	£248,032	£189,978
Less equipment collected	-£1,604,691	-£1,839,236	-£1,836,796
<b>Net equipment costs</b>	<b>£1,067,844</b>	<b>£1,043,380</b>	<b>£1,114,925</b>
Joint visits	£3,900	£2,860	£3,540
Servicing & repairs	£176,135	£194,441	<b>£182,709</b>
Storage charge for specials	£20,477	£25,755	<b>£23,457</b>
Recycling charges	£153,892	£171,812	<b>£175,021</b>
Delivery/collection charges	£459,280	£463,989	<b>£477,992</b>

Minor adaptations*, equipment sales/other adjust.	£60	£844	£0
<b>Total invoiced costs</b>	<b>£1,881,588</b>	<b>£1,903,081</b>	<b>£1,977,644</b>
<b>Budget</b>	£1,518,000	£1,545,360	<b>£1,545,360</b>
<b>Variance</b>	£363,588	£357,721	£432,284

4.11.5 When the contract was awarded in 2017 the community equipment budget was set at £1.2m to which Bromley Council contributed £600k pa, plus £400k from the Better Care Fund. The CCG contribution was also set at £600k pa, and any additional spend would require the CCG to report to members requesting additional Better Care Fund draw downs.

4.11.6 Due to the fact that it is difficult to determine whether equipment has been provided due to a health or social need, the basis for contributing to this has always been on a 50/50 basis with any cost pressures over and above the initial LBB & CCG budgets coming out of the Better Care Fund.

#### 4.11.7 Performance

In 2019/20, approximately 70,000 items of equipment were delivered and over 24,500 pieces were collected via the Medequip Depot at Woolwich. Medequip is either meeting or just below key targets for most delivery and collection indicators for Bromley. More specifically, Medequip's KPI's performance on collections achieved by Bromley in the last 6 months are as per below:

Month	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21
KPI %	57.72%	59.70%	62.05%	65.33%	80.60%	67.94%

Performance is monitored locally, and review meetings are held regularly between the contractor and Bromley equipment leads to address any shortcomings. The contractor has been working with the Consortium to improve quality in specific areas such as customer service, planned preventative maintenance, streamlining processes and IT system upgrades.

4.11.8 As part of the ongoing contract management and monitoring work, in order to achieve a range of efficiencies and operational improvements, a new project is currently being piloted in Greenwich and Waltham Forest, to offer a 'next day only' service in place of 'same day' deliveries. Two-thirds of delivery speed options will be removed, but without any significant variation in cost. Service users will routinely receive orders predominately next day, and the change provides additional resilience through the pandemic. Whilst this work is still ongoing and the final report is yet to be shared with members, the Consortium's vision is to set up a working group to review the outcomes of the project and to develop an implementation plan detailing what Boroughs would be required to do locally. If Bromley chooses to implement Next Day project, the Consortium will make recommendations to enable Bromley to decide if we wish to implement.

## 4.12 OPTIONS APPRAISAL FOR CONSORTIUM MEMBERSHIP

### 4.12.1 Option1: Continue with the London Consortium membership and participate in the next procurement exercise

By procuring through the London Consortium, the option to exercise the second-year extension may be required in order to complete the procurement process.

#### Benefits

- i. This is a tried and tested model, which has been operating for over 10 years. It is the largest consortium of its kind in the UK and Europe.



- ii. The collective bargaining and purchasing power of more than 20 Councils and CCGs should enable economies of scale.
- iii. It offers increased opportunity to shape and influence the market.
- iv. Service disruption is minimised by having a larger operational network from which to draw – For instance, during the COVID-Pandemic, the Consortium Team was the main point of contact between boroughs and Medequip, maintaining business continuity and supporting sourcing PPE during the first lockdown when government supply chains were prioritising the NHS.
- v. The annual management and support fee charged to the Council includes contract management, business analysis function and equipment review, and is relatively low compared with resourcing in-house.
- vi. By remaining as a member of the Consortium, Bromley will continue to be at the heart of the re-procurement process and lead on the development of the new service specification. Each member authority has already participated in a procurement prioritisation exercise and have suggested improvements which will be used by the working groups developing the new service model and specification. As a member Bromley will benefit from the development of a more centralised, high-quality contract management model.
- vii. Governance is provided through the Consortium Management Board and Committee of which Bromley officers are active members
- viii. The London Consortium undertakes the close monitoring of all quality performance and contract management matters, ensuring any areas of concern are resolved in a timely manner.
- ix. Collective knowledge, experience and peer support, e.g. through working group participation and best practice days.
- x. Positive action planning and continuous service improvement, i.e. the recent pilot on 'Next day delivery' has already proven successful and produced positive results.

#### **Disadvantages**

- i. There is a perceived loss of flexibility than procuring separately, with less control over the contract, e.g. if Bromley's views or needs differ to other Consortium members.
- ii. It could potentially take longer to make contractual decisions if consensus from members is required.
- iii. There is a risk that no suitable bids will be received for the consortium contract, which would cause delays and additional work for individual members.
- iv. Other Borough might decide to leave the Consortium, thereby weakening its position.
- v. There are additional tendering/procurement costs that will be added to the current budget by an estimate of over £36,000 over a two year period.

#### **4.12.2 Option 2: Leave the Consortium at the end of the contract period and enter into a different shared service agreement e.g. Croydon or Redbridge**

Joining the Redbridge Framework is not seen as a reliable option at this time, as they have now published and completed their tender and are currently going through the implementation phase of the new Contract, due to commence 1st September 2021.

Croydon Council's shared service agreement can be accessed as a procurement only service or full service. Both of these service options would still require Bromley to resource other functions, such as contract manage and maintain an equipment catalogue.

#### **Benefits**

- i. Bromley would be able to take greater control of the procurement and contract management.
- ii. The geographical location of the service (Croydon) would mean potentially shorter delivery distances resulting in more responsive delivery times.

### **Disadvantages**

- i. Collective bargaining power would be smaller, which may impact negatively on contract prices.
- ii. Feedback from market engagement events suggests that Croydon may struggle to mobilise and service multiple Boroughs without further investment.
- iii. Evidence from the visit indicated that some of their processes and developments lagged behind the Consortium, which could hinder future developments.
- iv. Bromley would need to ensure it had the appropriate commissioning and procurement resources and expertise to work alongside Croydon.

#### **4.12.3 Option 3: Leave the Consortium and bring the service back in house**

This could be either as an internal department or by setting up a local authority trading company.

### **Benefits**

- i. Bromley would be able to take greater control of the procurement and contract management.
- ii. The geographical location of the service would mean potentially shorter delivery distances resulting in more responsive delivery times.

### **Disadvantages**

- i. The Council would have to negotiate, tender and procure an individual contract. Minimum tendering costs are estimated to be at least £20,000 and would need to be factored in to the costs.
- ii. Bromley would need to ensure it had the sufficient appropriate commissioning and procurement resources, plus expertise to develop and manage the contract individually.
- iii. Resources would be required to train and develop staff locally.
- iv. Managing legacy equipment would fall on the Council, with potential proportionately higher repair costs (due to loss of economies of scale) and collection and storage costs. Bromley would need to secure warehousing space and manage complex warehouse logistics and distribution.
- v. There are no other London boroughs currently that provide an in-house community equipment service, an indication of the complexity and management demands of this contract.
- vi. Peer support and shared knowledge base would be reduced, as a result of leaving the Consortium arrangement.
- vii. Bringing community equipment service back in-house could be seen as a risk for the Council, due to the ongoing pressure on budgets, as well as the COVID Pandemic challenges and pressures on the supply chain following Brexit.

#### **4.12.4 Preferred Option**

The recommendation is Option 1 i.e. for Bromley to remain with the Consortium, primarily on the basis that it would experience diseconomies of scale and consequential loss of buying power under options 2 or 3.

## **4.13 MARKET CONSIDERATIONS**

4.13.1 The Consortium has looked at the market for alternative service providers. Nationally the commercial sector market is dominated by three providers – Medequip, Millbrook Healthcare and NRS Healthcare, who together have the market share of outsourced local authority and NHS community equipment contracts. Medequip is the dominant provider of the outsourced market in London due to the size of the contract with the Consortium. Smaller outsourced providers include British Red Cross, Croydon Community Equipment Solutions, Pluss and Ross Care.

- 4.13.2 Medequip, Millbrook and NRS have been winning contracts nationally and are all diversifying into other health and social care services such as wheelchairs, assistive technology (telecare and telehealth), occupational therapy services and retail equipment services.
- 4.13.3 Other providers, such as Ross Care and British Red Cross are either focussing on specific geographical areas or are reducing their service offer. The latter has already indicated to the Consortium that they would not be bidding in the next procurement round.
- 4.13.4 Nationally, those authorities who still have in-house services are considering their options as to whether to outsource part of their service or move to a fully managed service. For example, Manchester is establishing its own regional consortium based on the London model.
- 4.13.5 Of the 33 boroughs in London, over sixty per cent have an outsourced contract with Medequip via the London Consortium. The market is segmented as follows:

Supplier	No. of LAs	%	Note
Medequip via London Consortium	21	64	
Millbrook - Redbridge Framework	7	21	City of London moved from Millbrook to Consortium in Apr 19
Croydon Community Equipment Service	3	9	Croydon, Merton & Sutton use Croydon IPH shared service arrangement
Inspire Community Trust	1	3	Bexley
In-house Service	1	3	Enfield. Tower Hamlets moved from in-house to Consortium in Apr 19

- 4.13.6 Feedback from the last procurement and the market engagement event suggests that the specification of the current contract and financial model deterred providers from bidding, and gave advantage to the incumbent (Medequip). These issues will be addressed in the next procurement round.

## 5. STAKEHOLDER ENGAGEMENT

- 5.1 Stakeholder engagement will form part of the procurement plan.

## 6. PROCUREMENT AND PROJECT TIMESCALES AND GOVERNANCE ARRANGEMENTS

### 6.1 Current Contract Value

2017-2021	Whole life (current):	£8.6m
2021-22	Optional 1-year extension:	£2.6m
2022-23	Optional 1-year extension	£2.6m

- 6.2 **Other Associated Costs** – Consortium Membership of £9k pa, salary and pension TUPE charges of £55k pa, software licence of £11k pa, procurement costs of over £36k over two-year period.

- 6.3 **Proposed Contract Period** – 5 years, with the option to extend for up to two years.

- 6.4 The aim is to complete the retendering process for the new contract to start on 1 April 2023. The revised timetable will utilise the remaining one year formal extension option at an estimated value of £2.6m (plus procurement costs), to enable the Consortium to secure approval of new service specification and the authorisation to proceed to procurement. This will largely depend on the support from Consortium members and their commitment to participate fully in the procurement process.

- 6.5 The first aim of the procurement project is to procure the new single provider framework agreement for community equipment goods and services, which will be accessible to all participating authorities. The new framework agreement will be:
- the contractual basis for a suitable, effective and value-for-money community equipment service for each participating authority (each participating authority to confirm their participation by 30<sup>th</sup> November 2021), and
  - will be awarded such that participating authorities can go live with the new service on 1<sup>st</sup> April 2023.
  - the new framework agreement will be for 5 years with permissible extension options of up to 2 years in total
- 6.6 The new community equipment framework arrangement will help to achieve the best possible outcomes for our service users, their carers and our prescribers, as well as the best possible value for the Participating Authorities' money. To achieve this, the new community equipment arrangement must meet the community equipment needs of all Participating Authorities, including staff, service users and value for money needs.
- 6.7 The second aim is to procure a new Technology Enabled Care Services (TECS) framework agreement for assistive technology and call monitoring services, which will be accessible to all participating authorities.
- 6.8 The new TECS framework agreement will:
- Enable participating authorities to access a broad range of effective, value for money and emerging TECS services to meet the demand for more complex, interactive and remote assessment and support that will be developed over the next 5 – 7 years as the digitalisation of the UK telephone networks is completed.
  - The procurement exercise for this framework will start after the main community equipment tender has been completed. The aim will be for this framework to have a parallel start date with community equipment or shortly after, not exceeding 1 year.
- 6.9 The following is an outline of the remaining tasks and deliverables within the project timetable, based on the option to exercise the second year extension up until 31 March 2023.
- Complete procurement gateways and governance by Autumn 2021
  - Publish tender - January 2022
  - Tender Evaluation Period - February–March 2022
  - Contract Award Governance - April 2022
  - Mobilisation starts by June/July 2022
  - Go live April 2023
- 6.10 New Consortium membership documents will be sent to boroughs for signature in due course. As part of the procurement process, the Consortium will be issuing new inter-authority access agreements, call off agreements etc. as part of the new framework and contract.

## **7. SUSTAINABILITY AND IMPACT ASSESSMENTS**

To be undertaken as part of the procurement process.

## **8. POLICY CONSIDERATIONS**

- 8.1 A key objective for both health and social care is to support the independence of vulnerable people in the community and is in line with Bromley's strategic priority to ensure that people with care and support needs, and those whose circumstances make them vulnerable, can live

their lives to the full and are protected from avoidable harm. (Care Services Portfolio Plan 2018-22).

- 8.2 The ICES contract is an important element in delivering this objective, by allowing health and social care professionals to order equipment such as beds, hoists, commodes and walking frames, which can support timely discharge from hospital, prevent hospital admissions and avoid increased care packages.
- 8.3 The London Borough of Bromley and its local health partners are signed up to the Bromley Alliance, whose principles are to work towards a share vision of integrated service provision, to commit to delivery of systems outcomes regarding clinical matters, service user experience and financial matters, and to commit to common processes, protocols and other systems inputs.

## 9. IT AND GDPR CONSIDERATIONS

- 9.1 The contract will reflect the Council's policy regarding data protection and comply with legal requirements.

## 10. PROCUREMENT RULES

- 10.1 The report seeks an extension of one year to the contract with Medequip Ltd. through the London Community Equipment Consortium, utilising the formal extension options built into the contract, the value of the proposed extension being an estimated £2.6m, in line with the decision previously taken by Executive (Report ECHS19049) to remain within the London Community Equipment Consortium.
- 10.2 The Council's requirements for authorising an extension are covered in CPR 23.7 and 13.1. For a contract of this value, the Approval of Executive following Agreement by the Chief Officer, the Director of Commissioning, the Director of Corporate Services and the Director of Finance must be obtained.
- 10.3 The actions identified in this report are provided for within the Council's Contract Procedure Rules, and the proposed actions can be completed in compliance with their content.

## 11. FINANCIAL CONSIDERATIONS

- 11.1 The table below outlines the budget and spend over the last four years:

	2017/18		2018/19		2019/20		2020/21	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Equipment costs	1,518	1,889	1,545	1,897	1,564	1,972	1,740	2,550
IT licenses, consortium fees & TUPE costs	85	78	79	74	80	74	81	93
<b>Total Expenditure</b>	<b>1,603</b>	<b>1,967</b>	<b>1,624</b>	<b>1,971</b>	<b>1,644</b>	<b>2,046</b>	<b>1,821</b>	<b>2,643</b>
Health Contribution	-600	-964	-600	-717	-600	-843	-600	-1,403
Better Care Fund	-400	-400	-422	-422	-430	-589	-597	-597
COVID grant								-19
Winter Pressures Grant				-230				
<b>Total Income</b>	<b>-1,000</b>	<b>-1,364</b>	<b>-1,022</b>	<b>-1,369</b>	<b>-1,030</b>	<b>-1,432</b>	<b>-1,197</b>	<b>-2,019</b>
<b>Net Total</b>	<b>603</b>	<b>603</b>	<b>602</b>	<b>602</b>	<b>614</b>	<b>614</b>	<b>624</b>	<b>624</b>

- 11.2 In 2018/19 the Department of Health and Social Care provided the Winter Pressures Grant to support Adult Social Care services, which had to be used in addition to planned spending and to support the local health and social care system to manage demand pressures on the NHS between November 2018 and March 2019 and help promote people's independence. £230k of this grant was allocated to cover the overspend on equipment.
- 11.3 As detailed in the report to Executive in July 2017, Bromley's contribution is capped at £600k, so any other overspend needs to be financed by the CCG directly, or through a request to draw funds from the Better Care Fund (BCF). The increase in actual BCF allocation in 2019/20 onwards is a result of reallocating part of the CCG element of BCF.
- 11.4 If the proposed exemption is approved, and assuming that equipment costs remain at current levels then this will bring the estimated total contract value to £13.9m as set out in the table below:

	<b>£'000</b>
<u>Existing contract</u>	
2017/18	1,969
2018/19	1,971
2019/20	2,046
2020/21	2,643
2021/22 (estimated)	2,643
	<b>11,272</b>
<u>Proposed extension</u>	
2022/23 (estimated)	2,643
	<b>13,915</b>

- 11.5 It is proposed that the £37k estimated procurement costs set out in paragraph 4.9 above are funded from Improved Better Care Fund (iBCF) underspends carried forward from previous years.

## **12. PERSONNEL CONSIDERATIONS**

- 12.1 There are no personnel considerations for any existing Bromley employees. Staff from the in-house Equipment Service employed by the Council were transferred to Medequip in 2011 pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006.
- 12.2. Should a new supplier be awarded the contract from 2023, TUPE regulations will apply to staff working for Medequip at the point of transfer, who are in scope and will transfer to the new provider. This would include any ex-LBB staff who transferred to them as part of this contract and who are still employed by them at the point of transfer.

## **13. LEGAL CONSIDERATIONS**

- 13.1 Paragraph 3.4 of this report indicates that the call off contract allows a further 12-month extension to 2023. If this is the case, there are no legal or procurement issues in granting this extension, given the Council already has the contractual right to extend it.
- 13.2 Officers should check the contract to ensure it meets all formal procedural requirements in exercising its right to this extension, in particular, giving the provider the appropriate notices.

<b>Non-Applicable Sections:</b>	
Background Documents: (Access via Contact Officer)	None