

Report to Keith Hinkley, Executive Director Adults and Health

August 2021

Community Equipment Service Contract Extension

Report by Jane Walker, Operations Manager – Independent Living Services

Electoral division(s): All

Summary

West Sussex County Council (WSSCC) has a contract with NRS Healthcare (NRS) for the provision of Community Equipment Services (CES).

The CES provides equipment as well as advice, guidance and support for Community Equipment prescribers, patients and customers. It supports people to live as independently as possible in their own home, facilitates hospital discharge, and prevents unnecessary hospital admissions.

The CES contract is due to expire (subsequent to prior uptake of permissible extension periods) on 31 March 2022. The contract was awarded on 1 April 2015 for an initial period of 5 years with a 2-year extension option.

An additional 12-months is required to enable the full contract re-commissioning to incorporate the key aspects of the Department of Health's 'Urgent Community Response' standards and to enable an Integrated Community Equipment Service (ICES) for West Sussex to be implemented (including the move to a pooled budget arrangement - with the associated process and financial efficiencies that this provides). It will also enable CES provision to be remodelled and the optimum re-commissioning strategy to be adopted for the next competitively tendered contract.

Recommendation

The Executive Director of Adults and Health is asked to approve a modification to the current Community Equipment Service contract to extend the contract by 12-months via a single tender waiver. The cost of this will depend on decisions made by the County Council and the West Sussex Clinical Commissioning Group as part of budget preparations for 2022/23 but is not expected to exceed £10.5m.

Proposal

1 Background and context

- 1.1 The West Sussex County Council (WSSCC) Community Equipment Service (CES) enables the Council to deliver on key West Sussex Plan priorities such as

'keeping vulnerable people safe' and 'helping people and communities fulfil their potential'. It also forms part of the joint 'Community Response and Reablement' (CR&R) programme (being delivered by WSCC and NHS partners) and contributes to supporting the health and care system to manage hospital discharge flow and preventing unnecessary admission to hospital.

- 1.2 The CES provides equipment as well as advice, guidance and support for Community Equipment prescribers, patients and customers. It supports people to live as independently as possible in their own home, facilitates hospital discharge, and prevents unnecessary hospital admissions.
- 1.3 CES are legislated for under the Care Act 2014.
- 1.4 The CES is commissioned through a partnership between WSCC acting as Lead Commissioner and the West Sussex Clinical Commissioning Group (CCG).
- 1.5 Day to day administration of the NHS elements of the service is currently delegated from the CCG to Sussex Community Foundation NHS Trust (SCFT).
- 1.6 WSCC is the lead for the management of the outsourced contract for Community Equipment and act on behalf of WSCC and NHS staff prescribing community equipment.
- 1.7 The CES is currently provided via a contracted independent provider - NRS Healthcare (NRS).
- 1.8 The CES contract is due to expire (subsequent to prior uptake of permissible extension periods) on 31 March 2022. The contract was awarded on 1 April 2015 for an initial period of 5 years with a 2-year extension option.

2 Proposal details

- 2.1 The proposed modification will extend the CES contract with NRS by 12-months via a single tender waiver. The service is jointly funded - circa. 45% WSCC and 55% NHS – with expenditure being demand-led. Since it delivers a key preventative activity, both partners have committed to increase funding levels. Consequently, spending in 2022/23 will be impacted by decisions that are taken as part of respective budget setting processes as well as inflation and equipment cost increases. This means that a precise contract cost cannot be stated at this stage. However, based on the trend of the recent past this is not expected to exceed £10.5m.
- 2.2 This 12-month extension will enable the full contract re-commissioning to incorporate the key aspects (for the health and social care system) of the Department of Health's 'Urgent Community Response' standards where CES may require deployment within a 2 hour period to support admission avoidance and timely discharge from hospital (See Background Documents)
- 2.3 The extension period will also enable an Integrated Community Equipment Service (ICES) for West Sussex to be implemented (including the move to a pooled budget arrangement - with the associated process and financial efficiencies that this provides) and enable significant work to be undertaken with system partners (West Sussex CCG and SCFT) to substantially remodel

CES provision to ensure that it is fit for the future delivering outcomes for customers and achieving value for money for the health and social care system. This work has been substantially delayed by the COVID-19 pandemic. This will ensure that the optimum decision can be made on the commissioning strategy for the next competitively tendered contract.

- 2.4 It will also enable the CES contract expiry to be coterminous with the East Sussex County Council and Brighton & Hove City Council CES contracts (31 March 2023), allowing exploration of the opportunity for Sussex-wide CES joint procurement and the economies of scale this could potentially support.

Key dates:

DATE	ACTIVITY
<i>August '21</i>	Officer Key Decision Report published
<i>1 April '22</i>	Contract variation to take effect
<i>31 March '23</i>	Contract expiry (inclusive of 12-month single tender extension)

3 Other options considered (and reasons for not proposing)

- 3.1 Full details below:

- Do nothing (do not extend the contract by 12-months):
 - If a 12-month contract extension via single tender waiver is not approved this will mean the full contract re-commissioning is unable to incorporate the key aspects of the Department of Health’s ‘Urgent Community Response’ standards where enabling services such as CES will require deployment within a 2 hour period to support admission avoidance and timely discharge from hospital. The Council and its system partners would risk not fully incorporating the key aspects of these standards, which is also required to ensure that the optimum model of service delivery is in place to achieve customer outcomes and value for money.
 - It will also impact on the Council’s strategic aims with insufficient time available to enable an Integrated Community Equipment Service (ICES) for West Sussex to be implemented, and to enable the significant work required to be undertaken with system partners (West Sussex CCG and Sussex Community Foundation Trust) to substantially remodel CES provision to ensure that it is fit for the future, delivering outcomes for customers and achieving value for money for the health and social care system.

4 Consultation, engagement and advice

- 4.1 Comprehensive consultation has taken place with internal stakeholders (and with NHS stakeholders) through the Community Response & Reablement programme.
- 4.2 Procurement, Finance and Legal Services have been consulted and informed through the appraisal of options and this paper.

4.3 NRS have also fully contributed towards this proposal to ensure that they are in full agreement with it and their role in the proposal. They have also agreed to fully engage with any pilot models and ways of working, which will contribute towards WSCC Adult Services Improvement vision and the system wide Community Response and Reablement (CR&R) vision.

4.4 **Legal Implications**

4.5 There is no provision within the current contract for further extension. Consideration has been given to Regulation 72 of the Public Contracts Regulations 2015. Regulation 72 clarifies what is considered to be a "substantial modification" to a contract and sets out six scenarios where a public contract can legally be modified without the need for a new procurement. On consideration of these scenarios, the conclusion is that this extension is not within any of the permissible contract variations. Therefore, there is the risk of legal challenge from another provider in the market as the Council would be directly awarding a contract to a provider without following a competitive procurement procedure. However, this risk should be mitigated by the fact that the Council will be undertaking a full re-procurement of the service in the near future. Recent market testing in December 2020 suggests that the potential bidder pool is limited.

5 **Finance**

5.1 **Revenue consequences**

5.2 The cost of the contract is subject to decisions that WSCC and West Sussex CCG will take during budget preparation for 2022/23. These will be influenced by the impact of demand growth, inflation and equipment cost increases. The outcome is expected to be agreement of a budget of a maximum of £10.5m. The cost of the contract will be managed within the limit that is set.

	Year 1 2022/23 £m
Estimated maximum contract cost	10.5
Estimated maximum partner contributions	10.5
Remaining budget	Nil

5.3 **The effect of the proposal:**

(a) **How the cost represents good value**

- CES is a critical preventative service, which delivers a positive rate of return for the health and care system across West Sussex by enabling people to continue living independently in the community and reducing demand for acute hospital services. In addition, an action plan was agreed with NRS (as part of the permissible contract extension) to drive out cost and this will continue to be a monitored requirement in the additional contract period from April 2022 to March 2023.

- The following social value benefits are also evident:
 - Focused recruitment and employment of local people by NRS at a time when employment has been impacted by the pandemic, particularly disadvantaged groups by making reasonable adjustments to the role to ensure employees can fulfil their role. In the Littlehampton Depot over 60% of the workforce live within a 10-mile radius.
 - NRS offering different training schemes such as Management pathways from level 3-5 supporting the team leaders to develop, in addition to offering a range of other learning pathways including Business Improvement Techniques, Customer Service, Occupational Therapy, Payroll/Finance. This aids staff retention keeping local people in employment.
 - Net Zero associated reductions in emissions related to vehicle use by the implementation of new Operational Execution Software to reduce mileage of staff in the new route planning system, plus reduce the risk of failed deliveries and planned preventative maintenance by alerting the customer to the time of arrival.
 - Transitioning company vehicles from petrol/diesel to electric and/or hybrid vehicles by 2030.
 - Investigating using sustainable sources of energy for the business as contracts renew.

(b) **Future savings/efficiencies being delivered**

As above.

(c) **Human Resources, IT and Assets Impact**

N/A

6 Risk implications and mitigations

<i>Risk no.</i>	<i>Risk description</i>	<i>Mitigation</i>
1	The Council would risk not fully incorporating the key aspects for the health and social care system) of the Department of Health's 'Urgent Community Response' standards. The Council would also risk poorer outcomes for customers and reduced value for money for the Council and the wider West Sussex health and social care system with a suboptimal re-commissioning strategy/model of service delivery put in place.	Request for a modification to the current CES contract to extend the contract by 12-months via a single tender waiver. Effective from 1 April 2022 to 31 March 2023.

2	Re-commissioning/procurement is not completed in a timely manner.	Early re-commissioning activity is already being progressed. Potential slippage will be monitored by the Project Steering Group and Commissioning/Procurement leads. Overall governance will be through the Adult Services Portfolio Board.
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7 Policy alignment and compliance

7.1 The West Sussex County Council (WSSCC) CES enables the Council to deliver on key West Sussex Plan priorities such as 'keeping vulnerable people safe' and 'helping people and communities fulfil their potential'. It also forms part of the joint Community Response & Reablement programme and contributes to supporting the health and care system to manage hospital discharge flow and preventing unnecessary admission to hospital.

7.2 Equality duty and human rights assessment:

A full equality impact assessment was undertaken through the original procurement process. No changes are planned within the extension period that would have any additional impact on Equality and Human Rights. The service brings a strong benefit to disabled and older customers of West Sussex and ensures that they are supported to remain as independent as possible in their own homes.

There are no Human Rights implications arising from this contract variation.

7.3 Social Value and Climate Change:

Assessed when contract was awarded – for updates see Section 5.3.

7.4 There are no crime and disorder or public health implications.

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Appendices None

Background paper: [Urgent community response – two-hour and two-day response standards](#)