

Report to Alan Sinclair, Director of Adults and Health

November 2022

Integrated Community Equipment Service Procurement

Report by Catherine Galvin, Assistant Director - Commissioning

Electoral divisions: All

Summary

West Sussex County Council (WSSC) is currently the lead commissioner for the West Sussex Community Equipment Service (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, facilitates hospital discharge, and reduces hospital admissions.

Following a compliant procurement process, the Council acting as the lead on behalf of itself and the NHS Sussex Integrated Care Board (ICB), formerly known as the West Sussex Clinical Commissioning Group, is now in a position to award the new Integrated Community Equipment Service (ICES) contract.

Recommendation

The Director of Adults and Health is asked to approve the award of the Integrated Community Equipment Service (ICES) contract to Millbrook Healthcare for an initial period of five (5) years commencing 1 April 2023, with the option to extend for up to two (2) further years if delivery and performance of the contract are satisfactory.

Proposal

1 Background and context

- 1.1 The existing West Sussex County Council (WSSC) Community Equipment Service (CES) enables the Council to deliver on West Sussex Plan priorities such as 'keeping people safe from vulnerable situations' and 'helping people and communities fulfil their potential' as well as key Adult Social Care Strategy (2022-25) priorities promoting independence, such as supporting people to be in their own homes.
- 1.2 The current CES contract was procured (decision [ASCH05 \(13/14\)](#) refers) and awarded to NRS Healthcare following a compliant tender process on 1 April 2015 for an initial period of 5 years with an option to extend for a further 2 years. The contract was extended compliantly for those 2 years in 2020. In August 2021, a single tender waiver was approved for a further 12 months via direct award to the incumbent provider expiring on 31 March 2023 to enable

sufficient time for CES provision to be remodelled and the optimum recommissioning strategy to be adopted for the next competitively tendered contract, work that had been substantially delayed by the Covid-19 pandemic.

- 1.3 In April 2022, the Cabinet Member for Adults Services approved the commencement of the procurement of an all-age countywide ICES for an initial period of 5 years with the option to extend for a further period of up to 2 years and delegated authority to the Director of Adults Social Services (DASS) (this authority is held by the Director of Adults and Health) to award the contract. This is detailed within the [Decision Report AS02 \(22/23\)](#).
- 1.4 A contract notice was issued on the Find a Tender Service on 12 May 2022 (ref 2022/S 000-012429) and an F14 additional information notice was issued on 17 June 2022 (re 2022/S 000-016604). Further promotion of the requirement was made through the West Sussex e-Sourcing Portal and Contracts Finder.
- 1.5 A total of 11 organisations expressed interest in the opportunity on the e-Sourcing Portal. Three tenders were received by the tender return due date of 19 July 2022 in accordance with the tender documents made available on the e-Sourcing Portal.
- 1.6 Procurement Services undertook compliance checks on the tender submissions on the 19 July 2022 to ensure all schedules that were required were duly submitted and that the tenders were correct.
- 1.7 The tender evaluation criteria and evaluation model as detailed below, was agreed by officers of the Council and NHS Sussex ICB and was included in the tender documentation.
- 1.8 The underlying principle of the Evaluation Methodology was to select the most economically advantageous tender to the Council and NHS Sussex ICB (in terms of the qualification, technical and commercial criteria described below) which meets the Council's requirements.

Bidders receive a score out of 100%	Technical	Commercial
Technical / commercial split	60%	40%

- 1.9 The technical element of the tender featured the response to 11 method statement questions to determine the ability of the bidder to deliver the required services. Minimum scoring was incorporated to ensure that bidders achieved a minimum acceptable standard of service delivery in line with the requirements.
- 1.10 The tenders were evaluated by the evaluation panel between the 20 July 2022 and 30 August 2022 with moderation meetings subsequently undertaken to discuss and agree final scores. The evaluation panel comprised of Council commissioners, contract officers and operational officers with representation from equivalent officers from NHS Sussex ICB/NHS making up membership of the partnership.

- 1.11 As part of the tender, bidders were invited to propose a range of products for the equipment catalogue known during the tender process as close technical equivalents (CTEs). These CTEs were evaluated by health and social care practitioners through both desk-based reviews and physical assessments. Bidders were informed which of their CTEs had been accepted during this process.
- 1.12 Bidders were also invited to present their IT solution for this tender. These presentations were undertaken on 6 September 2022.
- 1.13 Once the evaluation of the technical element of the tender submissions and the CTEs had been completed, tender submissions that achieved the minimum score within the technical element had these scores combined with the commercial element score to determine the total overall score for their tender.
- 1.14 Bidders were asked to submit their financial information and commercial finance carried out checks to ensure the financial stability of the successful bidder.
- 1.15 The appointed procurement manager has ensured that the procurement process was compliant with the Council's Standing Orders on Procurement and Contracts and the Public Contract Regulations 2015.

2 Proposal details

It is proposed that the contract for the Integrated Community Equipment Service (ICES) is awarded to Millbrook Healthcare. The contract will commence on 1 April 2023 for an initial period of five (5) years with the option to extend for up to a further two (2) years.

Factors taken into account

3 Consultation

3.1 Internal/External

The development of ICES services and the proposals outlined in this report have been guided (through this full development and procurement period) by feedback received from key stakeholders.

Consultation was undertaken with prescribers, patients and customers in December 2021/January 2022 as well as with internal stakeholders (and NHS stakeholders) through dedicated service design workshops and attendance at the Community Response Project Group.

Soft market testing was undertaken in January 2022 whereby service providers were invited to provide comments on the commissioners' proposals. Four service providers engaged with this process. The commentary received offered insights that assisted in the development of the tender evaluation.

To better understand the service design and approaches of other local authority CES provision, benchmarking has been undertaken with the following, all of whom are either currently recommissioning or have recently recommissioned:

- East Sussex County Council
- Brighton and Hove City Council
- Surrey County Council
- Kent County Council
- Portsmouth City Council
- Southampton City Council
- Medway Council

4 Financial (revenue and capital) and Resource Implications

Revenue consequences of the proposal

- 4.1 The ICES budget is jointly funded by the Council and NHS Sussex ICB. The Council has financial responsibility for all equipment prescribed for social care reasons and NHS Sussex ICB for equipment that is issued for health reasons.
- 4.2 Based on 2022/23 budget contributions, an amount of £10.303m annually was identified for the procurement, to which indexation will be applied with the aim of maintaining purchasing power. The cost of the service will be £10.186m, which means the revenue consequences of the proposal are as follows:

	Year 1 2023/24 £m	Year 2 2024/25 £m	Year 3 2025/26 £m	Year 4 2026/27 £m	Year 5 2027/28 £m
Revenue budget					
Council contribution	4.381	4.381	4.381	4.381	4.381
NHS Sussex contribution	5.922	5.922	5.922	5.922	5.922
Total	10.303	10.303	10.303	10.303	10.303
Cost	10.186	10.186	10.186	10.186	10.186
Saving	0.117	0.117	0.117	0.117	0.117

- 4.3 Over the lifetime of the contract, demand for equipment is expected to rise due to demographic pressure. As a result, the saving will be retained in the budget. Should demand rise to a level greater than can be afforded within funding limits, the partners will make such changes to operational delivery arrangements as may be necessary to manage within the sums available.

4.4 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.
- The following social value benefits are also noted in the new ICES contract:
 - Significant recycling/reuse of equipment.
 - Activities to minimise the environmental impact of the service, including carbon emissions, in support of commissioners' climate change strategies for West Sussex.
 - Focused recruitment and employment of local people with employment opportunities for long term unemployed and disadvantaged groups by making reasonable adjustments to the roles to ensure employees can fulfil their role.
- In addition, there is an established 'Efficiency Plan' with the incumbent service provider to drive out cost, and this is a requirement for the new contract also. Specific areas of opportunity include prescribing practice; optimising re-use of non-standard items of equipment; optimising recycling; use of technology/digital and customer-led approaches to reduce the cost of failed deliveries.

(b) Future savings/efficiencies being delivered

As a preventative service, the new contract will play an enabling role in supporting delivery of a number of existing Adults' Services savings targets.

(c) Human Resources, IT and Assets Impact

Human Resources, IT and Assets Impact has been sought accordingly.

5 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Failure for the new service to be delivered on and from the service commencement date.	This is mitigated by the mobilisation plan that will be robustly monitored by the Council. The service provider will be required to sign the contract before the commencement date.
Lack of internal resources to effectively manage the contract.	Through internal governance and escalations any impending risks will be raised.
Potential disruption to the service as a result of award to a new provider and possible short-term impact on the customer experience of those accessing the service.	Commissioners will work closely with the current and new provider to ensure a smooth transfer of services and mobilisation and ensure that any changes for customers are clearly communicated in a timely manner.
Risk of challenge which could delay mobilisation date.	The Council and NHS Sussex have ensured that the procurement was compliant with

Risk	Mitigating Action (in place or planned)
	the Council's Standing Orders on Procurement and Contracts and the Public Contracts Regulations 2015.

6 Policy alignment and compliance

- 6.1 Under the Care Act 2014 the Council has a mandatory obligation to provide a Community Equipment Service.
- 6.2 The Council is a Contracting Authority as defined in the Public Contract Regulations 2015 ("PCR") and as such is governed by those regulations. Therefore, the procurement has been undertaken in compliance with these regulations.
- 6.3 The Council will enter into a services contract using terms and conditions, approved by Commercial Legal Services and compliant with section 10 of the Council's Standing Orders on Procurement and Contracts.
- 6.4 The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") will apply on the commencement of the new contract. The Council has adequate contractual provisions in place in the existing contract to facilitate the transfer of relevant information between old and new provider above and beyond the statutory provisions which should ensure a smooth transfer of service.
- 6.5 There is no risk that this contract will be considered illegal state subsidy within the subsidy control requirements because the procurement exercise was subject to a competitive tender thereby ensuring that the Council has not selectively granted an advantage to one particular economic operator over another.
- 6.6 **Equality duty and human rights assessment**
A full equality impact assessment was completed for the procurement. The assessment indicated that no changes are planned within the new contract that would have any additional impact on Equality and Human Rights and work will be initiated to ensure robust data collection processes and enhanced engagement activities are in place for the service across all nine protected characteristic cohorts (Equality Act 2010). The ICES will also ensure that customers with a range of different needs, medical conditions, disabilities and communication requirements are able to access the service. It is also noted that this area of provision 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 the community. There are no Human Rights implications arising from this procurement activity.
- 6.7 **Social Value and Climate Change**
As noted in paragraph 4.3 social value and minimising the environmental impact of the service are important aspects of this procurement and the tender evaluation. Both the Council and NHS Sussex ICB have made key commitments in these areas and the weighting attributed to them in the evaluation process was increased accordingly since the last procurement.

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

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Background paper – [Equality Impact Assessment](#)