

**Health and Wellbeing Board Commissioning Sub-Committee
24 March 2021**

Subject:	Assistive Technology Contracts
Report Author and Contact Details	Anna Coltman, Commissioning Officer anna.coltman@nottinghamcity.gov.uk
Portfolio Holder(s):	Councillor Adele Williams, Portfolio Holder for Adult Care and Local Transport
Other colleagues who have provided input:	Dionne Scream, Solicitor Jo Pettifor, Procurement Category Manager Hayley Mason, Strategic Finance Business Partner
Key Decision: Yes	
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City or impact on staffing or service delivery <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Type of expenditure: <input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Total value of the decision: £1,357,020	
Wards affected: All	
Date of consultation with Portfolio Holder(s): N/A	
Relevant Council Plan Key Theme:	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Integrated Assistive Technology (AT) Service and the Dispersed Alarms Service are both provided by Nottingham City Homes (NCH). The current contractual arrangements for these services end on 31 March 2021.</p> <p>These services provide support to citizens to remain living independently in their own home or in the community. The Integrated AT service provides a staffing resource for the maintenance of alarms, training and evaluation and development activities. It also provides for the 24-hour monitoring and response service, delivered through</p>	

Nottingham on Call. A new service model for the Dispersed Alarms is intended to support the most vulnerable citizens by facilitating hospital discharges and providing a range of equipment for citizens with a reablement plan.

This report requests approval to continue service provision with new contractual arrangements with NCH in place from April 2021.

Recommendation(s):

1. To endorse Nottingham City Council (NCC) as the lead commissioner of the Integrated Assistive Technology Service and the Dispersed Alarms Service.

2. To approve the award of the Integrated Assistive Technology contract to Nottingham City Homes as a wholly-owned subsidiary of the Council, through 'Teckal' arrangements. This is a 3-year contract with an annual value of £434,400 and a total value of £1,303,200.

3. To approve the award of the Dispersed Alarms contract to Nottingham City Homes as a wholly-owned subsidiary of the Council, through 'Teckal' arrangements. This is a 3-year contract with an annual value of £17,940 and a total value of £53,820.

4. To delegate approval to the Acting Director of Commissioning and Procurement to award and sign the contracts for these services.

5. To approve the spend associated with this decision, subject to the joint approval of the 2021/22 Better Care Fund Plan as detailed in Section 4 of the report.

1 Reasons for recommendations

- 1.1 The Integrated Assistive Technology (AT) Service and the Dispersed Alarms Service are commissioned by Nottingham City Council (NCC) with the Nottingham and Nottinghamshire Clinical Commissioning Group (CCG). NCC acts as lead commissioner for these services, which are funded through the Better Care Fund (BCF).
- 1.2 The contractual arrangements for these services end on 31 March 2021. Other options considered do not allow NCC to continue with existing services in such a way that provides continuity of service for citizens and value for money for NCC. These options are outlined in further detail in Section 3.
- 1.3 Approval is requested to continue to award contracts to Nottingham City Homes (NCH) because NCH is a wholly-owned subsidiary of the Council and therefore covered by the exemption provisions of the UK Procurement Regulations, allowing for a direct award. The current services are considered to be delivering value for money for NCC because NCH have well-established infrastructure and processes, good relationships with citizens and tenants across the City and have developed

strong partnership arrangements with City Council commissioners and social care teams.

- 1.4 Under these new contractual arrangements, the Integrated AT Service will continue to deliver the existing service within the existing available funding for a 3-year term. The Dispersed Alarms service will also be subject to a 3-year contract term, and will be subject to a new service model that will target support to facilitate hospital discharge and support citizens with a social care reablement plan.
- 1.5 The key outcomes for the Integrated AT Service and the Dispersed Alarms Service continue to be that:
 - citizens are enabled to remain living independently in their own home, safely, for as long as possible;
 - moves into residential care are prevented or delayed; and
 - unnecessary hospital admissions are avoided.
- 1.6 The value contained within this report is reflective of the new service specifications and the proposals which are outlined in the Executive Board report on 19 January 2021.

2 Background (including outcomes of consultation)

- 2.1 Assistive Technology (Telecare and Telehealth) has been operational in Nottingham since 2007. In June 2015, the Health and Wellbeing Commissioning Executive Group endorsed the Strategic Vision of the Assistive Technology work stream, including the creation of a single integrated service.
- 2.2 From April 2015, the budgets for the Telecare and Telehealth Services were contained within the BCF AT work stream.
- 2.3 In October 2018, the Integrated AT service was subject to a contract variation, resulting in reductions to the staffing and equipment elements of the budget. As a result, NCH stopped delivering the Telehealth service and services that were planned including Telemedicine, as well as reducing their staffing resource.
- 2.4 The Dispersed Alarms service was commissioned in 2012 and in 2019/20 additional capacity was added to the contract. Analysis of usage in 2019/20 indicated that there was underutilisation of this contract including the additional capacity. The new service model will target support to facilitate hospital discharge and support citizens with a social care reablement plan.

3 Other options considered in making recommendations

1. Do nothing. This was rejected as the current contracts are ending and new arrangements are required.

2. Seek to review service provision and explore alternative models. This was rejected for the Integrated AT Service as the contract has been subject to review in the previous term of the contract that resulted in a contract variation to reduce the contract value. Any further changes to deliver efficiencies would risk destabilising the current service model provided by NCH. The Dispersed Alarms contract has been subject to a review of service provision resulting in a change to service model.

3. Extending the contracts for a further year. This was rejected as the contract is ending with no option for extension and a decision is required to put in place a new arrangements. New contracts will allow commissioners to work with the Provider to explore opportunities for achieving better value for money, to review and remodel the service and to explore broader range of equipment choices for citizens. Commissioners will also initiate development work with NCH to create an outcomes focussed service model and align the service with NCC’s draft Digital Strategy. This development work will form part of the annual reviews.

4. Tender the services through an open and competitive tender process. The current services are considered to be delivering value for money for NCC. NCH as housing provider and alarm service provider have infrastructure, systems and processes in place which any new provider would need time and funding to establish. There are not felt to be other providers who could deliver the same service within Nottingham. NCH is a wholly owned subsidiary, direct awards are permissible through ‘Teckal’ provisions of the Procurement Regulations.

4 Finance colleague comments (including implications and value for money)

4.1 The total cost of the decisions outlined in this report is **£1,357,000** for the 3 year proposed contract duration based on the revised service specifications, or **£452,000 per annum**.

4.2 Providing there are no changes to the current levels of grant funding received, the annual funding envelope to support the proposals contained within this report are detailed in **Table 1** below.

TABLE 1 – ANNUAL FUNDING FOR ASSISTIVE TECHNOLOGY SERVICE INC DISPERSED ALARMS	
	2021/22 £m
BETTER CARE FUND (BCF) FUNDING:	
Assistive Technology Service	0.334
Dispersed Alarm Service	0.018
Sub Total	0.352
DISABLED FACILITIES GRANT (DFG) CAPITAL FUNDING:	
Assistive Technology Service	0.100
Total	0.452

- 4.3 Whilst this decision contains an element of capital related expenditure to be offset by the associated DFG income, there will be no additional drawdown required from the Capital Programme nor any prudential borrowing implications.
- 4.4 Whilst the contracts outlined in this decision have formed part of the BCF plan in the current and previous years, any funding allocations against BCF schemes in future years (2021/22+) will require joint approval by this Committee via the completion of the BCF plan. **The annual BCF funding plan will be subject to a further report for approval once the full planning guidance has been published.**
- 4.5 If the level of BCF/DFG funding diminishes in future years, work will need to be undertaken jointly to identify an alternative funding source or to ascertain which BCF schemes to reduce/decommission in order to fully mitigate the financial risk to both partners.
- 4.6 Recommendation 2 and 3 seeks to direct award the contracts to NCH. As a wholly-owned subsidiary of the Council, the contracts with NCH fall under the teckal exemption (Public Contract Regulations 2015), which means that a full procurement tender exercise is not required where it is considered that the arrangement offers best value to the Council.
- 4.7 Value for money will continue to be delivered by procuring services that meet the needs of local people through the most economic, efficient and effective means. The service delivery options including the managed key performance indicators supporting BCF targets alongside the recommendations for the use of teckal arrangements outlined above will support the delivery of value for money. The Dispersed Alarms service will also be subject to annual reviews with the outcomes for citizens to be monitored closely through contract reporting and service user feedback surveys.

Advice provided by Hayley Mason (Strategic Finance Business Partner) on 15 March 2021

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

Procurement comments:

The decisions in this report relate to the proposed award of contracts to NCH for the delivery of Assistive Technology and Dispersed alarms services from April 2021. It is considered that delivery by Nottingham City Council represents value for money and the proposed awards will enable continuity of services to vulnerable citizens. As a wholly owned subsidiary of the Council, NCH may be awarded this funding directly under contracts, in accordance with the Council's Financial Regulations and Contract Procedure Rules (2.6.10 and 2.6.11).

Advice provided by Jo Pettifor (Category Manager – Strategy and People) on 19 February 2021.

Legal comments:

In accordance with the Council's Constitution, the Council when buying services is permitted to enter into arrangements with one of its subsidiary companies if it meets certain criteria under the procurement regime provided under the Public Contract Regulations 2015, known as the 'teckal exemption'.

Arrangements falling under the teckal exemption are excluded from the requirements to seek quotation or tenders under the Council's Contract Procedure Rules, provided a contract is put in place and the arrangement is considered to offer best value to the Council.

It is understood that the arrangement with NCH, a wholly owned subsidiary of the Council that is deemed to fall within the teckal exemption, not only offers well managed services to the Council for Assisted Technology and Dispersed Alarms and service users, but in light of a difficult market and financial constraints upon the Council, it is also considered value for money to the Council.

It is also understood that the services will be remodelled to ensure broader opportunities will be open to the Council and its citizens under the Contracts that will be established.

Advice provided by Dionne Screamon (Solicitor).

6 HR colleague comments (including implications)

Not applicable.

7 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

Not applicable.

8 Social value considerations

8.1 The service adds social value in Nottingham by:

- Promoting social inclusion for service users and the representation of service users as positive contributors to the life of the city.
- Preventing costs to other services such as health, including emergency health services.
- Enabling people to remain independent in the community and reducing the need for long term community support, hospital admission or other outcomes such as long-term residential care.
- Employing from the local community as much as possible.
- Utilising environmentally sustainable working practices wherever possible.

9 Regard to the NHS Constitution

Not applicable.

10 Equality Impact Assessment (EIA)

10.1 An EIA is currently being undertaken.

11 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

None.

12 Published documents referred to in this report

None.