

## Commissioning and Procurement Executive Committee – 15 March 2022

<b>Subject:</b>	Integrated Community Equipment Loan Services Partnership		
<b>Corporate Director/ Director:</b>	Catherine Underwood, Corporate Director of People Sara Storey, Director of Adult Health and Social Care		
<b>Portfolio Holder:</b>	Councillor Adele Williams		
<b>Report author and contact details:</b>	Steve Oakley, Head of Contracting and Procurement <a href="mailto:steve.oakley@nottinghamcity.gov.uk">steve.oakley@nottinghamcity.gov.uk</a> 0115 8762836		
<b>Key Decision</b>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<b>Subject to call-in</b>
			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<b>Reasons:</b>	<input checked="" type="checkbox"/> Expenditure	<input type="checkbox"/> Income	<input type="checkbox"/> Savings of £750,000 or more
taking account of the overall impact of the decision			<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Type of expenditure:</b>	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital		
<b>Total value of the decision:</b> £7.742m (for the maximum 5+5 year term of the contract)			
<b>Wards affected:</b> All			
<b>Date of consultation with Portfolio Holders:</b>			
<b>Relevant Council Plan Key Outcome:</b>			
Clean and Connected Communities			<input type="checkbox"/>
Keeping Nottingham Working			<input type="checkbox"/>
Carbon Neutral by 2028			<input type="checkbox"/>
Safer Nottingham			<input type="checkbox"/>
Child-Friendly Nottingham			<input type="checkbox"/>
Healthy and Inclusive			<input checked="" type="checkbox"/>
Keeping Nottingham Moving			<input type="checkbox"/>
Improve the City Centre			<input type="checkbox"/>
Better Housing			<input type="checkbox"/>
Financial Stability			<input type="checkbox"/>
Serving People Well			<input checked="" type="checkbox"/>
<b>Summary of issues (including benefits to citizens/service users):</b>			
<p>The Integrated Community Equipment Loan Service (ICELS) is managed through a partnership with Nottinghamshire County Council, Nottingham City Council and Nottingham and Nottinghamshire CCG. The partnership has responsibility for procuring a service that provides equipment to maintain independence to citizens of all ages across Nottingham and Nottinghamshire. The current contract has been recognised as being one of the most effective services in the region both in terms of quality and cost.</p> <p>The partnership is currently working on the process to procure a contract to replace the existing contract when it expires in April 2023. The new contract is proposed to be for a period of five years with a potential to extend for a further 5 years.</p> <p>From April 2023 the partnership arrangements need to be extended in line with the new contract this report is seeking approval to continue the partnership arrangement for a further five years with the possibility to extend in line with any contract extension for up to another five years.</p>			
<b>Exempt information:</b> None			

<b>Recommendations:</b>	
<b>1</b>	To approve continuation of Nottingham City Council being a party to the Integrated Community Equipment Loan Service partnership for the duration of the contract term up to ten years.
<b>2</b>	To approve spend of up to £7.742m on services delivered to Nottingham City Council through the ICELS partnership over the next ten years (5+5 years) based upon current budget as pooled funds under partnership arrangement.
<b>3</b>	To note the work being led by Nottinghamshire County Council on behalf of the ICELS partnership to procure a new contract from April 2023.
<b>4</b>	To delegate authority to the Director of Commissioning and Procurement to sign the partnership agreement.

## 1. **Reasons for recommendations**

- 1.1 The commissioning of Community Equipment Services needs a partnership between the NHS and Local Authorities to work effectively and efficiently. Nottingham and Nottinghamshire Integrated Community Equipment Loan Service (ICELS) Partnership has been managing the commissioning of ICELS for the NHS, Nottingham City and Nottinghamshire County Council for over 15 years. The partnership has been very effective with the ICELS provision being recognised nationally for being very efficient and providing a good quality service to citizens.
- 1.2 Over the last ten years the cost of ICELS to Nottingham City Council have not increased as initiatives undertaken across the partnership have reduce costs and improved the effectiveness of the service. NHS partners have recognised changes in discharge policies have impacted the cost of the service and they have increased their contribution. At the same time Nottingham City Council has been able to reduce its contribution by circa £0.3m.
- 1.3 Nottingham City Council could not source a service of the same standard at the same cost without the purchasing power of the whole partnership.

## 2. **Background (including outcomes of consultation)**

- 2.1 Integrated Community Equipment Services provide equipment to enable citizens to maintain their independence and health within the community. These services are usually commissioned for populations of around one million people.
- 2.2 Over the last 15 years or so the Nottingham and Nottinghamshire Community Equipment Service has been commissioned across the whole of Nottingham and Nottinghamshire by both the City and County Council alongside the commissioning organisations for the NHS currently Nottingham and Nottinghamshire CCG.
- 2.3 The partnership has been very successful in managing costs whilst maintaining the quality of service. The current service has routinely achieved performance targets of over 95%. Whilst most community equipment services have seen increasing costs over the last five years the Nottingham and

Nottinghamshire service has remained fairly static with only marginal increases for inflation and increasing activity.

- 2.4 For Nottingham City Council our contribution has reduced over time as the NHS has increased their activity and contribution significantly to reflect the changes around discharge processes and increasing requirement for expensive mattresses to aid tissue viability.
- 2.5 The service has been recognised nationally for its effectiveness which has been driven by increasing the rate of equipment return that can then be recycled and used again. Other than staffing and distribution cost the main cost is the purchase of replacement equipment by recycling a significant proportion the cost of the service is significantly reduced.
- 2.6 The partnership term is set to cover the period of the contract with the external supplier so that partners can review their involvement periodically. Work has already commenced on the tender for the next contract which will be completed by April 2023. The partners are now confirming their agreement to remain a member of the formal ICELS partnership prior to completion of the next tender.
- 2.7 Nottingham City Council benefits from being a member of the partnership as the buying power of the CCG and Nottinghamshire County Council means that we benefit from the economies of scale that they bring. We couldn't procure the level of service delivered for the partnership without a significant increase in cost or reduction in quality.
- 2.8 There is a formal partnership agreement that will be reviewed and agreed during 2022/23 to enable the partners to continue to manage the performance of the provider. The partnership agreement includes arrangements for funding splits and how the partners manage any changes in activity. The Nottingham City Council contribution is around 10% of the total partnership cost. Although partnership is calculated on a split of City and County and then split further between the NHS and local authorities. Therefore, in 2022/23 the City overall percentage is 28% down from 29% in 2021/22, of this 28% Nottingham City Council pays 20% and the NHS pays 80%. The contributions are calculated on a three year rolling average so that any change in activity in one year does not result in a significant change in contribution in the following year. This manages risks for all organisations and ensures contributions reflect longer term activity trends.
- 2.9 The proposal is to extend the partnership for the duration of the next contract to ensure the business can be transacted in a timely manner and with all partners supporting the delivery.

### 3. **Other options considered in making recommendations**

- 3.1 End the partnership and procure a service for Nottingham City Council, this was discounted as this would increase costs both of managing our own team and from losing the efficiency of the partnership.
- 3.2 Do nothing this has been discounted as we need to have an ICELS service and all evidence points to the partnership approach being the most effective.

#### 4. Consideration of Risk

- 4.1 With the changes planned within the NHS there is a risk of one partner leaving the partnership by default. The partnership agreement will include clauses to ensure the any changes to organisational structures are allowed to ensure continuity.
- 4.2 With prices increasing and supply issues in the market there is a risk that costs will increase. The procurement will ensure the most economically advantageous tender is accepted to run the service from April 2023 which will ensure costs are managed. All products are reviewed regularly and alternatives sought when a products cost increases and is no longer best value for the partnership.

#### 5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 This decision seeks approval to extend the current ICES agreement for a further 5 years, with the option to extend for an additional 5 years.
- 5.2 The term of 5 years plus the option to extend for a further 5 years is proposed and therefore the full value of this commitment is **£7.742m** or **£0.742m per annum**.
- 5.3 The partnership provides significant value for money due to the economies of scale available to the group. The partnership has also been able to deliver efficiencies during the current term that would not otherwise be available via other means.
- 5.4 Funding for the partnership is available from within the Childrens and Adults revenue budget as well as the capital Disabled Facilities Grant (DFG), which is allocated from the Better Care Fund (BCF).
- 5.5 The full allocation of the DFG is included in the BCF planning template.
- 5.6 It is assumed the capital grant funding will continue throughout the 10-year period. Should it not continue to be available, a further decision will be required. A further decision will also be required in any subsequent years should there be a shortfall in funding above the provision within the Council's Medium Term Financial Plan (MTFP).
- 5.7 As part of the funding is in the form of a capital grant, the service will to continue to ensure all grant conditions are adhered to, to prevent any grant clawback and an unbudgeted pressure.
- 5.8 Due to funding mix of revenue and capital, the service will also need to ensure all spending is captured and reported appropriately. Finance colleagues will be able to advise and provide support on this.

The partnership funding splits going forward have been agreed but are subject to change, particularly if number of partners change. Any future changes should ensure the commitment continues to remain equitable across all partners.

Chanelle Poyser, Senior Commercial Business Partner, 1<sup>st</sup> March 2022

## 6. Legal colleague comments

- 6.1 There are no significant legal concerns arising from the recommendations set out in this report. It is proposed that Nottinghamshire County Council will continue to act as the host authority under the partnership arrangement and will carry out the tender process and enter into the contract with the successful provider.
- 6.2 As such the contractual liabilities will rest with the County Council but there will be a back to back agreement with the partners (the City Council, the County Council and the relevant CCG's) made under the provision of s.75 National Health Service Act 2006 which will set out the obligations of the partners, including financial governance.
- 6.3 The City Council must ensure that it is satisfied with the procurement process that is being led by the County Council, including the appropriateness of the specified requirements, the evaluation mechanism (it is advised that a representative from the City Council is included in the evaluation panel), application of the new Public Contracts Regulations 2015 and any contractual provisions. Advice and support from legal and procurement officers should be sought as required.

## 7. Other relevant comments

### 7.1 Procurement

This decision relates to Nottingham City Council's continuation in a partnership with Nottinghamshire County Council and Nottingham and Nottinghamshire CCG for the provision of Integrated Community Equipment Loan Services. Under the partnership agreement, Nottinghamshire County Council will compliantly procure a contract for these services on behalf of the partners. This will represent best value for the City Council through efficiencies achieved through the joint purchasing power of the whole partnership. Therefore, these proposals are supported.

Jo Pettifor, Category Manager – Strategy & People, 24<sup>th</sup> February 2022

As noted in the report, provision of equipment is an enabling and preventive intervention that supports people to live independently. Equipment can often reduce the need for on-going long term support such as homecare and reduce risks for people such as falls; and risks for staff and informal carers supporting people such as equipment to assist with moving, turning and lifting. There are currently long waiting lists for people for Occupational Therapy assessments, the outcomes of which are a combination of recommendations for adaptations, equipment and methods of using equipment, or signposting to self-help. At the time of this report there are c.450 people waiting for an assessment.

The Adult Health and Social Care transformation plan includes an increased focus on prevention, and projects have commenced that will seek to support more people to utilise equipment, adaptations and technology in a more timely way. This may increase usage of equipment under this contract as an intended consequence.

To support more timely assessments, the Workforce Development strategy, (also a key part of the transformation programme), will, through development of a new career progression policy for OT's, enable the service to more effectively recruit and retain sufficient numbers of OT and OT assistants to enable reduction of the backlogs.

To support and promote a shift to digital customer service options, the Customer Service programme will, alongside the adult's programme be developing self-help options which will include access to diagnostic and support to self-assess for equipment. This will also help to reduce timescales for those people who do still require a mediated or supported assessment by a qualified OT.

Sara Storey, Director for Adult Health and Social Care 18<sup>th</sup> February 2022

**8. Crime and Disorder Implications (If Applicable)**

8.1 N/A

**9. Social value considerations (If Applicable)**

9.1 Social value is a key part of the tender process being undertaken to secure a new supplier for the partnership.

**10. Regard to the NHS Constitution (If Applicable)**

10.1 The NHS constitution has been considered in developing both the partnership and the tender process.

**11. Equality Impact Assessment (EIA)**

11.1 An EIA is not required because no change is proposed to current policy and process.

**12. Data Protection Impact Assessment (DPIA)**

12.1 A DPIA will be informed as the partnership agreement is developed and formal data sharing agreements are revised.

**13. Carbon Impact Assessment (CIA)**

13.1 A CIA will be picked up through the tender process and will be assessed at a Partnership level.

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

14.1 None.

**15. Published documents referred to in this report**

15.1 None.