



Report to Leader (Adult Social Care portfolio)

Decision Date:	5 March 2021
Reference number:	AS02.21
Title:	Business Case & Commercial Strategy – Integrated Community Equipment Service (ICES)
Relevant councillor(s):	Councillor Angela Macpherson
Author and/or contact officer:	Matilda Moss Head Of Integrated Commissioning Matilda.Moss@buckinghamshire.gov.uk
Ward(s) affected:	(All Wards);
Recommendations:	<ol style="list-style-type: none">1. To procure a managed Integrated Community Equipment Service contract with an enhanced specification building on the successes of the previous contract2. To utilise a sole provider framework as a contracting model. This will enable our Integrated Care System (ICS) partners to ‘call off’ against the framework3. To establish an updated S.75 arrangement between the Council and CCG ensuring agreement is compliant with current legislation and that the management structures proposed are mutually agreeable to each party4. To delegate the decision to award a contract to the successful bidder and final sign-off of the updated S.75 agreement to the appropriate authorised officer

Reason for decision: There is a statutory obligation for health and social care authorities to provide equipment and aids to those in the community with an assessed need. The recommendations set out will ensure a continuous service is provided to Buckinghamshire residents whilst also developing contract to that will meet the strategic aims of the commissioning partnership and the future needs of the population.

1. Executive summary

- 1.1 The attached summary of the business case and commercial strategy sets out the proposed approach to the future commissioning of the Integrated Community Equipment Service (ICES).
- 1.2 The report contains 4 recommendations that enable the commissioner to procure a new contract based on an updated specification that allows for greater development of the service and has built-in potential for our Integrated Care System partners to 'call off' against the same framework.
- 1.3 The benefits of this approach include greater support of the key local strategies and national legislation, future support of a jointly commissioned Integrated Care System ICES contract, and greater financial efficiency delivering a better value for money service.

2. Content of report

- 2.1 **Background**
- 2.2 An Integrated Community Equipment Service (ICES) has been the chosen method of equipment provision in Buckinghamshire since 2009. Prior to that equipment provision was disjointed, inaccessible and financially inefficient. This was not only apparent in Buckinghamshire but had been seen nationally, therefore, the government launched the Transforming Community Equipment Services programme (TCES). The main recommendations of TCES were for local authorities and health authorities to pool budgets and integrate equipment commission.
- 2.3 Following the national best practice guidance, the Buckinghamshire ICES model is a jointly commissioned service, i.e. Health and Social Care for Adults and Children (inc. Education). It provides simple and complex aids to daily living, maintenance of equipment, collection of items no longer required, recycling of equipment and robust data gathering.

- 2.4 This offer ensures that residents in Bucks, who have either healthcare or social care needs (or a combination of both) are promptly provided with high quality equipment, aids and/or adaptations that enable them to stay independent and live healthy lives for longer, and crucially to remain at home rather than requiring formal health and social care placements.
- 2.5 The Buckinghamshire model was updated in 2014 building on the success of the previous arrangement. The scope was also extended to include provision of services that would also benefit from the coordinated delivery mechanism of ICES, including continence products, assistive technology solutions and long-term wheelchairs. This development was in recognition, not only that it allowed for greater economies of scale delivering financial benefit, but also that many of the same clients/patients would be utilising a range of the services offered so it would streamline their access point and deliver qualitative benefit for them.
- 2.6 Section 75 of the NHS Act 2006 allows partners (NHS bodies and councils) to contribute to a common fund which can be used to commission health or social care related services by forming a commissioning partnership. This allows a local authority to commission health services on behalf of the local Clinical Commissioning Group (CCG). It enables joint commissioning and commissioning of integrated services.
- 2.7 Implementation of a S.75 partnership agreement is widely regarded as the best method for facilitating a jointly developed community equipment service. Hence this is the approach that has been taken in Buckinghamshire since 2009 and continues to be one of the longest standing and most successful partnerships between the CCG and the Council.
- 2.8 The existing supplier contract and S.75 agreement are nearing the end of their agreed terms and due to expire on 30th September 2021. As such, to remain compliant with our statutory and procurement obligations a project has been initiated to develop and implement a business case for the future commissioning of Integrated Community Equipment Services. The new arrangement will need to be in place from 1st October 2021.
- 2.9 The established partnership between the local Clinical Commissioning Group and Buckinghamshire Council to deliver an Integrated Community Equipment Service has worked well for the partners and has delivered its stated aims, by ensuring that duplication, overlap and financial inefficiency of services are minimised. Therefore, recommissioning a fully integrated community equipment services has been given strong consideration in the options below.

- 2.10 When compared to the Care Act (2014) and Buckinghamshire's Better Lives Strategy requirements, the values of the ICES contract are shown to be intrinsically aligned to strategic service user outcomes. This positions the ICES contract as one of very few services that truly supports each level of intervention whether this is provided to people on the fringes of social care or those with complex and long-established care and support needs. From Living Independently, through to Regaining Independence and Living with Support, the ICES contract is seen to be a facilitator for greater independence and self-efficacy.
- 2.11 Similarly, the CSC&L strategy (Getting the Best Start in Life) is well supported by the ICES service through the deployment of equipment and aids to younger people; primarily disabled children or those with additional needs. The equipment interventions mean Children can gain a parity of access for opportunities within an educational or social setting and receive support for vital family and social networks.
- 2.12 Finally, but no less importantly, the ICES contract is critical in supporting the local CCG's implementation of the NHS 5 Year Forward View and responding to the ongoing COVID 19 pandemic. Benefitting from such a responsive and well-coordinated ICES contract has been critical for achieving the goals related to community healthcare and prevention of extended hospital admissions within the county. The range of products in place has ensured long term health conditions are managed well and instances of necessary acute care are reduced. This is of great importance as hospitalisation is also a known, high contributing factor for escalation of social care needs and instigation of social care packages.
- 2.13 Whilst the Buckinghamshire model continues to be seen as a leader in design of community equipment services due to the already extensive consolidation of equipment services, best practice financial model (i.e. recycling credit model) and developmental partnership with an experienced equipment provider (i.e. allowing for innovation to be implemented throughout the term of the contract), there is opportunity to further develop the local ICES offer.
- 2.14 The business case examines the options to deliver (but is not limited to) the following additional benefits:
- Improved integration of community support services
 - Greater economies of scale
 - Reduction of demand on clinicians for simple assessments
 - Promotion of self-funder access to equipment
 - Continuation of a single point of contact for patients/clients
 - Development of a model that aligns with the Integrated Care Systems (ICS) approach to collaboration across the Buckinghamshire and Oxfordshire footprint

- Supporting healthcare delivery in the community
- Facilitation of timely acute discharges and prevention of avoidable admissions

2.15 **Recommended Options**

2.16 The recommended options analyse two aspects of the community equipment service procurement. Firstly the 'commissioning option' (i.e. what we want to procure) sets out the service model and specification development opportunities and focuses on a managed solution which extends the scope of the services within the contract.

2.17 Secondly the 'commercial option' sets out the approach to market (i.e. how we are going to procure it) and focuses on a sole provider framework accessible to all across Buckinghamshire and Oxfordshire.

2.18 The commissioning and commercial options have been individually evaluated and each has a recommended option and a distinct decision will be required for each. Although any combination of commissioning and commercial approach can be combined, the recommended options provide the greatest scope for service improvement, maximising user outcomes and achieving value for money.

2.19 **Commissioning Options**

2.20 **(Recommended) - Commission a managed solution based on an updated service specification.** Currently under consideration for inclusion are telemedicine for long term condition management, monitored diagnostic equipment, enhanced support services for occupational therapists and provision of home adaptations.

2.21 **Benefits:**

- Allows commissioners to redesign the service model by building on the existing specification, incorporating lessons learned over the course of the current contract, update the model in line with contemporary client and prescriber expectations, and future-proof the model to take account of strategic direction, budgetary challenges and demographic changes
- Enables the recruitment of an experienced equipment provider to act as a transformation partner and to assist with navigating the various challenges arising within the contract term
- simplification of contract management by bringing similar services under one contract and one provider (albeit potentially as a 'lead provider')
- further economies of scale in equipment purchasing and activity pricing by extending and building on a service that already delivers C. 335,000 products via 152,000 activities per annum

- expert providers being able to deliver their services as part of sub-contracting arrangements under a 'lead provider' model
- further enhancing the single point of contact and 'one stop shop' for prescribers, leading to a reduction in clinician time spent on non-clinical tasks
- further enhancing the single point of contact for service users leading to less confusion or misplaced effort to access services, and ultimately leading to improved outcomes
- robust and proactive management of users' wider care and healthcare needs based on robust management intelligence

2.22 **Risks:**

- This option poses little risk to the commissioning partnership as it builds on the previously established and successful service delivery model
- It may not be possible to negotiate for the full , extended scope to be implemented from the contract start date, however, it will be possible to 'switch on' these services once they are ready (a similar, successful approach was taken in 2014/15 when the wheelchair and continence components were implemented at the start of year 2 of the contract term)
- There is a slight risk that providers with the ability to provide some but not all of the consolidated service model, particularly those service which will be newly added, may not wish to be included under a 'lead provider'. The commissioning team will proactively engage with the market if this becomes an issue to mitigate and remove the risk.

2.23 **Commercial options**

2.24 **(Recommended) - Establish a Sole Provider Framework available to all Buckinghamshire and Oxfordshire ICS members.** The Council will tender to set up a Sole Provider Framework for the supply of Integrated Community Equipment Services. Under a Sole Provider Framework, additional commissioning partners would have the opportunity to call off from the framework at a future date, when they require it. Whilst this does not commit other partners to call off from the framework, Buckinghamshire will have made this extended future collaboration possible by 'paving the way'. The scope of the Sole Provider Framework will extend to the Buckinghamshire and Oxfordshire partnerships within the ICS. Oxfordshire have provided written confirmation of their agreement to be named within the tender and have expressed an ambition to work collaboratively as outlined.

2.25 **Benefits:**



- Has the greatest capacity to harmonise service provision across the Buckinghamshire and Oxfordshire authorities within the ICS as each commissioning partner can “call-off” against the same framework.
- Enables greater liaison with other ICS partners to develop more efficient approaches to purchasing, recycling products, rebate mechanisms etc.
- Would allow for framework documentation to reflect the requirements of all participating ICS members
- The coordinated approach to developing the ICES service model across Buckinghamshire and Oxfordshire will, overtime, have the capacity to deliver further financial efficiencies through purchasing scale
- Further potential for financial and process efficiencies from utilising either multiple or a larger, single logistics base and greater customer and clinician support services.
- Removal of postcode lottery for those residents living on the borders of each county with uneven access to equipment services
- Simplification of patient pathways out of acute care settings across county borders (e.g. Buckinghamshire patients being discharged home from The John Radcliffe hospital)

2.26 Risks:

- Each Authority will still have its own contract in place with their supplier so would have their own T&Cs, specification etc. which may lead to diversification of service models. However, through a well-established, regular forum for the Buckinghamshire and Oxfordshire commissioners (also including Berkshire), ICS-level relationships are now well developed with agreement already in place for some sharing of contract functions and product catalogues. The Council is confident in mitigating this risk with further formalisation and enhancement of these existing agreements
- As Call-Offs would happen at different stages there is no guarantee of a co-terminus end date to enable even more innovative inter-county commissioner. However, this can be mitigated through close cross-authority working as per above.
- Other members signed up to the framework choose not to utilise it, therefore, reducing the scale the delivery of the benefits listed above. Whilst this would limit or remove some of the benefits from extending the joint working across the ICS, there would be no further disbenefits or risks inserted at the time these decisions were made i.e. the service quality or cost effectiveness in Buckiinghamshire would not diminish as a result.

3. Other options considered

- 3.1 Four alternative commissioning and three commercial options were also given consideration within the business case as detailed in the attached briefing document (see Background Papers Section).
- 3.2 Due to the risks identified and comparable lack of benefits versus the recommended options, commissioning options 2-4 and commercial option 2-3, are not being pursued for the procurement but are listed here for transparency. The full evaluation of benefits and risks are clearly stated within the attached briefing document.

3.3 Commissioning options

Option 2 - Commission a managed service solution based on the existing service specification.

Option 3 - Decommission the Integrated Community Equipment Service and partners to commission separate services

Option 4 – Decommission the contract in line with the contract end dates and cease to provide community equipment services

3.4 Commercial options

Option 2 – Utilise an open tender process for a Buckinghamshire’s requirements

Option 3 – Tender for an individual contract with option for later Integrated Care System (ICS) involvement.

4. Legal and financial implications

4.1 Legal Implications

- 4.2 As stated previously, there is an obligation under the Care Act 2014 and NHS Act 2006 to provide equipment and aids into community settings for those with an assessed need. As such the recommended options fully meet the statutory requirements of each S.75 partner accessing the service.

- 4.3 Utilisation of the S.75 agreement to provide an ICES contract is a tried and tested method of service delivery. It has been utilised with Buckinghamshire from 2009 and is widely used amongst other commissioning authorities. Therefore, this method poses very little risk to the commissioning authority.

4.4 **Financial Implications**

The ICES contract has been delivered within the context of increasing demand for services in both the volume of service users and the complexity of need being met. However, during the current contract, spend per package has decreased and significant savings have been achieved through equipment review to mitigate these challenges. It is anticipated that the trends of increased usage and greater complexity of need will continue as our population ages.

4.5 Through the undertaking of a competitive tender process we will ensure that the successful bidder adequately demonstrates improved value for money and that future provision continues to be cost effective. However, it is important to note that the service financial model will continue to be based on an activity charging mechanism (i.e. the more the contract is utilised the more it will cost). Therefore, following successful implementation of the new contract the operational management group forum will be re-established to ensure that operational leads, commissioning leads and provider leads work collaboratively to review activity and spend levels.

4.6 The contract model will have the ability for commissioning and operational colleagues to actively control the spend levels during the term and as they arise. This may require some difficult decisions relating to the level of provision available to clients/patients as the main, if not only way, to reduce spend against the contract is to reduce the level of use by managing down demand.

4.7 A confidential appendix can be found attached which details both:

- Financial benefits tracking in the form of contract spend on ICES equipment provided vs. avoided costs for the wider health and social care system in Buckinghamshire,

And;

- A fully detailed summary of ICES expenditure across the contract from 2014 to present, and with detailed projections for the first financial year of the new contract.

5. Corporate implications

5.1 The recommendations set out within this briefing and the attached Business Case will have the following considerations:

- Property (The commissioning authority has and will have no interest in the properties utilised in the delivery of the contract)

- HR (The service is an externally provided service so there are no direct employment interests, however, TUPE of the incumbent provider staff will apply and will be diligently addressed within the recommissioning process)
- Climate change (The method statement used to recommission the service will explore how the provider can reduce environmental impacts by utilising greener alternatives in their service model and supply chain)
- Sustainability (The existing and future service model will require and encourage increased recyclability of products including new products to be added to the equipment catalogue with greater use of recycled materials)

5.2 It is not anticipated that the recommissioning exercise will result in significant or notable changes that will impact the service user (i.e. their experience should be one of continuous operation of service with no delays or disruption of service). In the interest of ensuring parity of access to the service and safeguarding our residents' information, an Equalities Impact Assessment (EqiA) screening has been completed.

6. Consultation with local Councillors & Community Boards

6.1 Prior to this paper being presented for a Key Decision, the business case and recommendations have been approved through the Adult and Health Directorate. The Cabinet Member for Adult Social Care has been briefed within this decision making process. Clinical Commissioning Group agreement has been gained through the Integrated Commissioning Executive Team (ICET).

Communication, engagement & further consultation

7.1 The business case, the commercial strategy and the specification have been developed collaboratively with a range of stakeholders. It has been vital to gather the opinions and perspectives of clinicians and prescribers across health and social care as well as commissioners and operational leads. The breadth of knowledge called upon has ensured that the learning from the last contract period has informed improved service design and a wider scope of contract.

7.2 A full communication plan will be developed alongside colleagues from our corporate communications team. This communication plan will be developed alongside the implementation period in the lead up to the contract going live. The plan will promote the new contract to prescribers and clinical staff as well as our provider partners in the care sector and self-funders.

8. Next steps and review

8.1 Following a Leader Decision the procurement process will progress leading to the award of a contract:

- Feb '21: Finalise the Service Specification
- Feb '21: Compile ITT documentation
 - Including, T&Cs, specification, method statement, evaluation criteria etc.
- Mar '21 – Apr '21: Carry out a competitive tender process
 - Including evaluation and moderation of the bids and preparation of the Tender Evaluation Report
- **May '21: Approve Contract Award and S.75 Agreement Content (Delegated Decision)**
- June '21: Contract award
- June '21 – Sept '21: Contract implementation period
- **1st Oct '21: Contract Go Live**

9. Background papers

9.1 The Background papers;

- ICES Recommissioning 2021 Business Case Briefing
- EqIA screening

10. Your questions and views (for key decisions)

10.1 If you have any questions about the matters contained in this report please get in touch with the author of this report. If you have any views that you would like the cabinet member to consider please inform the democratic services team. This can be done by telephone 01296 382343 or email democracy@buckinghamshire.gov.uk