



Date: 6th January 2020

Title: Business Case & Commercial Strategy – Integrated Community Equipment Service (ICES)

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- Recommendations:**
1. To procure a managed ICES contract with an enhanced specification building on the successes of the previous contract
 2. To utilise a sole provider framework as a contracting model. This will enable our Integrated Care System (ICS) partner to ‘call off’ against the framework
 3. 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 party
 4. 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

Executive summary

Please note that since this report was originally presented, the scope of the commissioning partnership across the ICS footprint has altered and will now only include Buckinghamshire and Oxfordshire. This briefing paper has been amended to reflect this change.

The attached business case and commercial strategy sets out the proposed approach to the future commissioning of the Integrated Community Equipment Service (ICES).

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.

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.

Content of report

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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 and 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.

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

The full business case is available upon request, whilst the key issues and options are detailed within this briefing.

Options considered

The options appraisal analyses two aspects of the procurement. Firstly the 'commissioning options' (i.e. what we want to procure) set out the various service model and specification development opportunities, and focus on a managed solution which extends the scope of the services within the contract, a managed solution based on the existing specification, to commission the individual services separately or to decommission the service without replacement.

Secondly the 'commercial options' set out the different approaches to market (i.e. how we are going to procure it) and focus on a sole provider framework accessible to our ICS partner, an open tender for Buckinghamshire's requirements only or an open tender with the option for later involvement with the Integrated Care System. The commissioning and commercial options have been individually evaluated and each has a recommended option and a distinct decision will be required for each. Any combination of commissioning and commercial approach can be combined.

Commissioning Options

Option 1 (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.

Option 1 requires an updated S.75 agreement to deliver all benefits as planned.

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

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

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

Option 2 requires an updated S.75 agreement to function to deliver all benefits as planned.

Benefits:

- Would require only a simplified development of the service specification along with a straight-forward approach to tendering for service
- Would extend the existing successful partnership between all parties

- All statutory provision is offered in a legal and compliant way

Risks:

- Whilst this option does extend a well-established partnership arrangement with both the CCG and an experienced equipment service provider, it does not take advantage of the 'step-change' opportunity to further improve and refine the service presented at the end of a contract term
- This option does not make efforts to futureproof the service against upcoming challenges to budget, demographic and market changes and so has a greater vulnerability to external forces over the duration of the contract term, as it will be commissioned against a specification developed in 2014 to address the challenges of the day only

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

Option 3 will not require an updated S.75 agreement as the commissioning partnership is dissolved.

Benefits:

- Allows for partners to commission services with a sole focus on the host organisation's stated service aims

Risks:

- Financially disadvantageous to all parties, due to the inability to purchase in greater economies of scale
- Removes the CCG financial benefit from utilising the host authority's VAT regime within S.75 agreement
- Increased cost to Buckinghamshire Health and Social Care resulting from reintroduction of duplication, overlap and financial inefficiency of operating multiple services
- Multiple points of access to the service create inefficient service pathways for both prescribers and service users – evidence suggests this will result in increased delays to providing interventions
- Reputational damage to the commissioning authorities by disengaging with a joint health and social care initiative when there is a national drive to further integrate and harmonise services for the benefit of practitioners and service user/patients alike.

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



Option 4 will not require an updated S.75 agreement as the commissioning partnership is dissolved.

- This is not a viable option as both the Council and CCG have a statutory obligation to provide equipment to meet an assessed need.

Commercial Options

As stated in the executive summary, the original presentation of this paper occurred before discussions had been concluded with other ICS partners to finalise the scope of the framework. The scope of the framework will now extend to both Buckinghamshire and Oxfordshire but will not include the area under the West Berkshire commissioning partnership.

The Buckinghamshire ICES commissioning team have, over the last two years, started to engage with other commissioning teams across the ICS to jointly develop each of our services in a manner which delivers benefits across the wider Buckinghamshire and Oxfordshire area. The opportunity to further develop this partnership should not be overlooked as ICES contracts have been seen to deliver increased financial benefit when services and products are purchased at a greater scale (e.g. consolidated purchasing of ICES contracts across many London Boroughs, and in some other county council and city council partnerships). Furthermore, and perhaps more importantly, patients/clients and prescribers receive greater qualitative benefits from streamlined service provision. Due to the separate contracting arrangements and various contract expiry dates across Buckinghamshire and Oxfordshire, it is not possible to go straight out to market for a single, unified service (especially not within the timescale required for Buckinghamshire). Therefore, the options below have been developed and evaluated to enable the cross-county relationships to be further nurtured whilst still allowing for ICS-level benefits to be delivered in the short term.

Option 1 (Recommended) - Establish a Sole Provider Framework available to 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 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 our Oxfordshire ICS partners.

Benefits:

- Has the greatest capacity to harmonise service provision across 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 each ICS member
- 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 (i.e. value per contract item is lower when ordered in higher numbers and so when other authorities join the framework and purchase the same catalogues of equipment a reduced item price is then offered)
- 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 the John Radcliffe hospital)

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 Buckinghamshire and Oxfordshire equipment service commissioners, 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. However, this can be mitigated through close cross-authority working as per above.
- Other members of the ICS choose not to utilise the framework reducing the delivery of the benefits listed above. Whilst this would limit or remove some of the benefits from extending the joint working across ICS footprint, 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 Bucks would not diminish as a result.

Option 2 – Utilise an open tender process for a Buckinghamshire’s requirements (as stated previously, although this option is not the primary recommendation, if the recommended option becomes inviable prior to tender the this will be the direct replacement as it known to be deliverable and will still provide high quality serviced outcomes)

The Council will issue a tender via an open process for Buckinghamshire’s requirements only. However, this route will allow initial conversations held with our other Buckinghamshire, Oxfordshire and West Berkshire (BOB) Integrated Care System (ICS) partners to mature. These discussions are carried out with a view that a formalised partnership arrangement may be established in line with future ICS priorities beyond the end of the new contract term.

Benefits:

- Simplified commercial process reduces the burden on staff resource and time
- Ensures that the stated aims (excluding those linked to cross boundary working) will be achieved

Risks:

- Limits the ability for more advanced joint working as it would not enable the Council's other ICS commissioning partners to join the contract at a later date
- Will limit the possibility for economies of scale to be realised during the life of the contract through a collaboration between the three Authorities

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

The Council will tender for an individual contract but clearly state that there is an option for other members of the ICS to 'join' the contract later when their respective contracts expire. To enable this approach to be taken Buckinghamshire Council must at the time of tender advert include details regarding the scope of the service for all authorities, their spend data and usage volumes. This will require explicit agreement from commissioning partners within the ICS.

Benefits:

- No requirement for other ICS members to 'call-off' a framework and set up their own contractual arrangements. ICS members can join at any time under the pre-agreed terms and conditions
- Members of the ICS partnership would be working on the same contractual terms (i.e. same T&Cs etc)

Risks:

- There is a significant risk to delivering this model from a time and resource perspective. It has been deemed highly unlikely this option could be delivered without a further extension to the current contract to give time for the necessary tasks linked to the successful delivery of this option to be undertaken. The risks to timely commissioning are further exacerbated by the requirement for a firm commitment of intentions by all ICS partners, likely to include their own formal governance sign off. If this method of procurement was chosen, it is highly likely the Council would need to accept very high levels of risk associated with a potential breach of Public Contract Regulations (2015).
- There is not yet any commitment or indication of desire to commission through this model from the ICS partners. Whilst a commissioning framework that allows partners to call-off against contract is a well-established model, a single contract model has yet to be fully understood as most ICS areas have not yet fully integrated the commissioning of services. However, as this model may be the preferred option at the end of the new contract term, the proposed framework approach would serve as an advantageous 'stepping stone'

- As the viability of the provider model required to support this option may be more financially vulnerable (e.g. pricing is likely to be predicated on future expansion of the service that may not come to fruition), there is an additional risk that may be realised during the contract term that would increase costs for Bucks or, at the worst, cause the contract to fail completely.
- Risk that ICS members do not commit to involvement in the future and so diminishing the opportunity for efficiency benefit.

Legal implications

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.

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.

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.

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.

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.

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.

Corporate implications

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)

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). Despite these facts, in the interest of ensuring parity of access to the service and safeguarding our residents' information, both an Equalities Impact Assessment and Data Protection Impact Assessment have been carried out

Next steps and review

- Review and agreement by A&H board 6th January '21
- Review and agreement by ICET 7th January '21
- 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

