

LONDON BOROUGH OF WALTHAM FOREST

Meeting / Date	16 th March 2023	
Report Title	Integrated Community Equipment Service	
Cabinet Portfolio	Councillor Mitchell, Portfolio Lead Member for Adults	
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Wards affected	All	
Public Access	OPEN	
Appendices	Appendix 1 - EA Screening template	

1. SUMMARY

- 1.1 This report recommends the award of the Community Equipment contract for 5 years to NRS Healthcare through the London Community Equipment Consortium.
- 1.2 The Care Act 2014 places a duty on Local Authorities to ensure that suitable arrangements are in place to provide community equipment services for people of all ages who are vulnerable or disabled with eligible needs, at no cost to the resident.
- 1.3 The proposed contract is necessary to ensure that Waltham Forest Council and its health partners are able to continue to fulfil this statutory duty to deliver the community equipment service.
- 1.4 To replace the expiring contract with Medequip Assistive Technology Ltd on 31st March 2023, the London Community Equipment Consortium which is led by the Royal Borough of Kensington & Chelsea (RBKC) has undertaken a robust procurement process and entered into a Framework agreement with Nottingham Rehab Limited (trading as NRS Healthcare) from 1st April 2023 for a period of up to 7 years.

2. RECOMMENDATIONS

- 2.1 Cabinet is recommended to approve:

- 2.1.1 for Waltham Forest to remain with the London Community Equipment Consortium which has entered into a Community Equipment Framework Agreement (the “Framework”) with Nottingham Rehab Limited (trading as NRS Healthcare) for a period of five years with a two-year extension period from 1st April 2023.
- 2.1.2 The award of a call off contract under the Community Equipment Framework to NRS Healthcare for the delivery of equipment services to vulnerable and disabled residents of all ages within the Borough.

3. PROPOSALS

- 3.1 The Integrated Community Equipment Service (ICES) enables people of all ages requiring equipment & mobility aids to stay independent at home, reduces admission and supports timely hospital discharge. This is a jointly commissioned service with the NHS. Community Equipment includes profiling beds, chairs, bathing equipment and bathing equipment which is delivered, installed, and collected for residents’ homes. This is a statutory non-chargeable service as set out under the Care & Support Regulations 2014.
- 3.2 LBWF joined the London Community Equipment Consortium in September of 2019. Due to the size of the consortium (21 Authorities), this arrangement has demonstrated value for money for WF.
- 3.3 The current contractual arrangement is due to end on 31st March 2023 and there are no further extension options prescribed within the contract.

Procurement process

- 3.4 Over the past 2 years the Consortium carried out a robust procurement process via the Competitive Tender Route with independent legal advice. This process was advertised in the Find a Tender Service in accordance with the Public Contracts Regulations 2015 (as amended) (“PCR”). Throughout this process, LBWF has been engaged and had internal input from legal, procurement, financial and operational parts of the Council.
- 3.5 Market Engagement feedback has been in the form of individual feedback sessions, workshops, questionnaires and a market engagement exercise advertised by the publication of a PIN notice (Publication reference: 2021/S 000- 024374) issued to the market on 30th September 2021 which sought their views on key elements of the service and feedback on potential approaches to the model.
- 3.6 The new Framework is based on the existing community equipment framework but has been subject to extensive updating to account for changes in the way in which the service operates and to account for inefficiencies and issues arising through the operation of the existing framework. The Framework has been developed in consultation with consortium Boroughs and is a bespoke contract.
- 3.7 Value for Money has been achieved through the competitive tender process ensuring the contractors quality and pricing was competitively

submitted and evaluated to allow RBKC to identify a suitable supplier. Price accounted for 40% of the overall 100% weighting, with the lowest price bidder receiving the full 40% weighting attributed to Price.

- 3.8 Only a limited amount of the catalogue was priced and tested during the competition. This was due to the wide range of equipment required and the need for it to be sourced to meet individual needs via the Equipment Review Group.
- 3.9 There were two bidders. NRS Healthcare won on both price and quality.
- 3.10 The evaluators were satisfied with the quality of offering and detail provided by NRS Healthcare on how the responsible procurement aspects would be delivered and reported over the life of the contract.
- 3.11 This Framework allows LBWF to access all the specification and permits individual negotiations with NRS Healthcare to meet local needs and to ensure service continuity, plus opportunities for innovation. The specification is comprehensive including a range of delivery speeds, standard catalogue, an ability to order specialist items, collection, cleaning, reuse, repairs, maintenance, and storage of equipment.
- 3.12 The incumbent provider (the only other viable bidder) raised a legal challenge which paused the procurement process until the suspension was lifted on 20th December 2022 following a court decision.
- 3.13 The legal challenge to the Consortium procurement activity, post the framework being entered into, continues and is focussed on possible loss of earnings and claim of legal costs. LBWF, as part of the Consortium, do bare possible liabilities, alongside all Consortium members, should the legal challenge be successful. All LBWF stakeholders have been involved in the risk assessment of this liability.
- 3.14 The London Community Equipment Consortium has entered into the Framework, and it is proposed that LBWF call off a contract from the Framework for the delivery of community equipment and services.

Costs/Value for Money

- 3.15 The initial term of this contract will be for 5 years. The estimated total Framework value including the two-year extension period across all the London Community Equipment Consortium members (currently 21 Boroughs) is £360 million.
- 3.16 LBWF is forecasting spend of approx. £2.2m in 2022-23, however spend varies dependent on user need, the equipment choices practitioners make, and the item reuse credits received each month.
- 3.17 The Council is the lead commissioner on behalf of Waltham Forest Health and Care Partnership. The ICB contributes to the budget via the Better Care Fund. The Council has consulted with ICB partners on the development of the specification, catalogue and re-commissioning process.
- 3.18 The activity fees submitted in the Commercial Envelope will remain fixed for the first year. The overall costs submitted do present value for money

compared to the current contract, being generally similar or less than those in the current contract.

- 3.19 The new specification and contract requirements should create efficiencies during the next contract period but will have to be balanced against rising demand and an ageing population.
- 3.20 Within the new Framework terms and service specification any pricing increases will be subject to contract performance review of the provider, meeting open book accounting requirements. The equipment pricing is at cost with no markup allowed within the contract. Any further equipment pricing will be on new purchases only and will be discussed with the manufacturers directly using the buying power of the size of the London Community Equipment Consortium.
- 3.21 The service is a demand driven activity-based service and is shared between Health and Adult Social Care across the London Community Equipment Consortium members. Due to the complexity of the service, demand and local pathways, it is difficult to determine an overall savings figure at this time and will require careful monitoring and reporting both at London Community Equipment Consortium level and Borough level. POPPI and PANSI data forecasts, that all London Community Equipment Consortium members local demographics indicate an increasing ageing population with additional complex needs and long-term conditions that will require to be supported by community equipment. Discharge to Assess will contribute to increased assessments and expenditure, whilst post pandemic activity will increase as the NHS continues to clear the backlog of elective surgeries and ongoing treatments, which will require community equipment to support rehabilitation and reablement.
- 3.22 **Inflation:** Equipment prices and Activity Fees shall remain fixed for the first Contract Year as submitted in the tender save that the fix on tender prices in the first Contract Year only applies to the extent the item was priced and the item of equipment remains the same. Then in each subsequent Contract Year during the Framework Period, the Activity Fees may at the absolute discretion of the Contracting Authority be subject to indexation in line with the average annual rate of the Consumer Price Index published by the Office for National Statistics twelve-month measure for January to December in each case published following the immediately preceding December to the fee review date (1 April). Activity Fees increases will be subject to ratification by the London Community Equipment Consortium Board members and satisfactory performance and completion of Open Book accounting requirements as set out in the Framework. LBWF officers will be consulted as part of this process with tight local management and performance oversight contributing to any decision. Increases to the Equipment Purchase Price from one Contract Year to the next may not exceed the average annual rate of the Consumer Price Index published by the Office for National Statistics twelve-month measure for January to December in each case published following the immediately preceding December to the fee

review date. These increases will apply to new equipment purchases only. Specials pricing will be determined at the time of purchase.

3.23 Governance

The Framework will be managed centrally by the London Community Equipment Consortium with the LBWF joint health and social care operational group, led by Adult Social Care, managing the local interface with the provider and the London Community Equipment Consortium. The governance is to the Home First Executive and the Waltham Forest Health and Care Partnership Board.

4. OPTIONS & ALTERNATIVES CONSIDERED

4.1 Leave the Consortium and join the Redbridge Framework - (Not Recommended)

4.1.1 Redbridge framework term is 7 years with 6 months' notice period in case WF would wish to exit early and although there would be continuity of provider - Redbridge framework provider is Medequip - and a synergy of service with other NEL boroughs (Redbridge, Havering). This is not recommended due to the cost increase from the current arrangement to the Redbridge framework prices.

4.1.2 The approach is less advanced in the sustainability/climate change agenda and innovation with a much lower number of partners currently calling off this framework meaning leaving the London Community Equipment Consortium would reduce our buying power.

4.2 Procurement competition (not recommended)

4.2.1 This approach has not been recommended due to time constraints and a review of available frameworks where strong a consortium has been active in the market for a long period of time. A solo competition led by LBWF would not create the same influence and possible savings, as is viable thorough group purchasing.

4.3 Direct award (not recommended)

4.3.1 This option was discounted due to viable frameworks being available and so a direct award is seen as having a high-risk of procurement challenge associated with it.

5. COUNCIL STRATEGIC PRIORITIES (AND OTHER NATIONAL OR LOCAL POLICIES OR STRATEGIES)

5.1 The service underpins homecare and reablement, hospital discharge and enables people to stay at home and remain independent for longer in line with the Council's corporate priority 2: safe and healthy lives.

5.2 The service enables the delivery of statutory duties in relation to the Care Act, the Children Act, Health & Social Care Act as well as the NEL

Integrated Care Board's strategic priorities of Home First, Care Closer to Home, Wellbeing & Prevention and the Centre of Excellence.

- 5.3 NRS Healthcare are introducing the London Living Wage for their staff which is in line with the Council's corporate priority 1: connecting people with jobs.

6. CONSULTATION

- 6.1 Stakeholder engagement with Service Users and their Carers who use community equipment was undertaken by member boroughs to co-produce service standards which shall be followed by the provider.
- 6.2 Local health and social care practitioners and partners were consulted about the contract specification, catalogue, service standards and kept informed of the procurement process.

7. IMPLICATIONS

7.1 Finance, Value for Money and Risk

- 7.1.1 The current forecast gross expenditure on community equipment for 22-23 is around £2.2 million. This is currently funded from a number of funding sources including the Adult Social Care base budget, Improved Better Care Fund Council grant and contributions from Health through the Better Care Fund S75 arrangements.
- 7.1.2 There are no immediate direct financial implications from the award of this contract to a different provider, and current funding arrangements will continue and adjusted as required through the life of the contract from the available Adult Social Care resources. It should be noted that equipment prices will be fixed in the first year of the contract. In subsequent years prices may be subject at the absolute discretion of the contracting authority to indexation in line with the consumer price index. Increases for Activity fees will need to be ratified by the Consortium. Any increases agreed will need to be funded from within existing budgets
- 7.1.3 The legal challenge from the existing provider about the Consortium procurement process is ongoing in relation to loss of earnings and a claim for legal costs. As a result, there is a risk that the Council, and other Consortium members, may bear financial liabilities.

7.2 Legal

- 7.2.1 The current statutory duties are as follows:
- 7.2.2 Section 2 of the Care Act 2014 places a general duty on local authorities to provide, arrange - or otherwise identify - services, facilities and resources to prevent, delay or reduce the needs of adults for care and support in the local area.
- 7.2.3 In addition the service supports Children, Young People and those supported by SEND and in transition to Adult Social Care.

- 7.2.4 The Health and Social Care Act 2012 as amended by the Health Care Act 2022 state that, when provided by a local authority as preventative services, all equipment must be free of charge. So too must any minor adaptation costing £1,000 or less, likewise reablement for up to six weeks.
- 7.2.5 As this contract provides access to community equipment services for the ICB, it should be noted that under section 3 of the National Health Service Act 2006 the ICB is required to provide such other services or facilities for the prevention of illness, the care of persons suffering from illness and the after-care of persons who have suffered from illness as the group considers are appropriate as part of the health service.
- 7.3 The Council has power under section 1 of the Localism Act 2011 to do anything that an individual may do unless constrained by other legislation and the letting of a contract of this type would be enabled under that power. The Council also has the power under section 111 Local Government Act 1972 to do anything incidental to, or which facilitates or is conducive to the exercise of any other Council function. Proposed contract as detailed in this report can therefore be procured under these powers.
- 7.4 Section 1 of the Local Government (Contracts) Act 1997 provides that every statutory provision conferring or imposing a function on a local authority confers power on the local authority to enter into a contract with another person for the provision or making available of assets or services, or both, (whether or not together with works or goods) for the purposes of, or in connection with, the discharge of the function by the local authority.
- 7.4.1 From the information supplied there is no reason to believe that the procurement has not been undertaken in accordance with the Council's Contract Procedure Rules and the PCR 2015, and assuming that the legal documents will be scrutinised and approved by the Legal Services there should be minimum risk in entering into a contract with NRS Healthcare.
- 7.4.2 The Council will also be required to enter into an access agreement with the London Borough of Kensington and Chelsea that will formalise the Council's membership of the London Community Equipment Consortium.
- 7.5 Equalities and Diversity**
- 7.6 The Framework is not considered to have any potential for negative impact on the protected equality characteristics and will have a positive impact on end users as it will provide community equipment to support inclusion.
- 7.6.1 Under section 149 of the Equality Act 2019, the Council must consider its wider public sector equality duty (PSED) when making its decision. The duty requires the Council, when exercising its functions, to have 'due regard' to the need to eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited under the Act; advance equality of opportunity between those who share a 'protected

characteristic' and those who do not share that protected characteristic; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it (this involves having due regard, in particular, to the need to (a) tackle prejudice and (b) promote understanding).

7.6.2 A completed Equality Analysis Screening was conducted with no Negative Impacts identified.

7.6.3 NRS Healthcare will have Board level oversight, relevant policies and procedures and annual confidential employee surveys to ensure continuous improvement, plus ongoing training and inclusion awards. To address any imbalances. NRS Healthcare will have clear processes including reviews, training, use of LMS to identify trends, targeted mentoring etc. NRS Healthcare is already working to close the median pay gap and the mean pay gap is negative favouring females (although this indicates higher male representation amongst front line workforce). NRS Healthcare is targeting local recruitment to ensure a diverse workforce in terms of all protected characteristics and is using specialist agencies to ensure it's advertising will reflect a diverse culture. Unconscious bias training for recruiters, mandatory EDI training for all TUPE transferees, and monitoring of new starters behaviours is part of NRS's workforce plan.

7.7 Sustainability (including climate change, health, crime and disorder)

7.8 **Climate Change and Green Credentials.** NRS Healthcare has given a clear commitment to delivering a full electric fleet from contract award, which is far more ambitious than the 10% annual carbon reduction requirements set out in the service specification. They have evidenced the pre-order of 145 electric vehicles (EVs) with a confirmation letter from the supplier, the installation of charge points at each depot is planned, EV driver training committed to, operations including charging factored in, telematics system to be used, range issues factored into vehicle maintenance and upkeep, all tailored to EVs. NRS Healthcare will have a small fleet of diesel vehicles for contract "go live" to ensure business continuity. NRS Healthcare is to install green energy installations at its London depots.

7.9 **Social Value.** NRS Healthcare have committed to recruiting a full time Social Value lead during mobilisation to work with relevant partners as well as social value leads in each consortium Borough. They will ensure outcomes are measurable. They will compile a register on targeted recruitment and social value, review monthly and report 6 monthly ensuring socially excluded demographics are targeted. NRS Healthcare demonstrated a high level of ambition, specific yet flexible to the needs of Boroughs, a dedicated lead to coordinate, affiliation with various named partner organisations to support and has committed to a wide range of clear offers.

7.10 Environmentally Conscious Recycling. The contract is predicated on reusing equipment. NRS Healthcare aim to reuse 95% of returned items via a robust cleaning regime. This exceeds the current provider's item reuse rate of approx. 75% for Waltham Forest. NRS Healthcare will use low impact cleaning systems and TECare products that are non-toxic and biodegradable when decontaminating equipment.

7.11 NRS Healthcare has committed to using environmental management system 14001 and environmental management & waste strategy, with named roles and responsibilities. Currently NRS Healthcare send just 4% to landfill and the latest improvements for mattress waste solutions means they should be sending net zero to landfill by contract start. From contract start NRS Healthcare will seek breakdown on recycling rates, any 'energy from waste' (incineration is high carbon) % etc. as well as landfill statistics to ensure continuous improvement. NRS Healthcare understand our commit to baselining and measuring all waste produced within the contract to ensure strategies for waste reduction are continually effective and transparent. NRS Healthcare has specific waste streams set out including trade effluent. NRS Healthcare will use partner Biffa to provide data on 3 highest waste streams after 3 months. NRS Healthcare will work with the Consortium on high volume waste streams to set targets i.e. tonnage/£1000 contract spend. NRS evidenced an initiative being explored with a provider to shred mattresses to use as carpet underlay. NRS Healthcare set out techniques such as removal and recycling of packaging and packaging in batches where possible. NRS Healthcare will use leverage with manufacturers to continuously improve sustainability of packaging, have already moved away from plastic with small exceptions and no longer use polystyrene.

7.12 Council Infrastructure

7.12.1 There are no HR implications.

7.12.2 The incumbent provider uses a web-based ordering system. The new provider will use a similar approach, officers with ensure compliance with council IT security systems and data protection.

BACKGROUND INFORMATION (as defined by Local Government (Access to Information) Act 1985)

None