

Item No. 9.	Classification: Open	Date: 1 February 2022	Meeting Name: Cabinet
Report title:		Gateway 1 - Procurement Strategy Approval Integrated Community Equipment Service	
Ward(s) or groups affected:		All	
Cabinet Member:		Councillor Evelyn Akoto, Health and Wellbeing	

FOREWORD – COUNCILLOR EVELYN AKOTO, CABINET MEMBER FOR HEALTH AND WELLBEING

The Integrated Community Equipment Service is an important aspect of supporting people to be safely discharged from hospital, providing adaptation equipment to support the residents to become or maintain independence. It is therefore welcomed that this procurement will support access to this vital equipment to continue.

The Integrated Community Equipment Service is an example of collaboration for two reasons. Firstly, the council is commissioning this service with other local authorities so that we can secure value for money from economies of scale. Secondly, the council, through a pooled funding arrangement, has provided health colleagues access to the contract so that the economies of scale are further increased.

The pooled funding arrangement between the council and the CCG has a ratio that reflects the respective usage of professionals in the system (35% social care and 65% health). The funding arrangement enables integrated teams like Intermediate Care Southwark and our hospital discharge teams to support residents to safely return home or live as independently as possible in a care setting such as extra care, residential care or nursing care. The use of the Better Care Fund for supporting this funding arrangement reflects the integrated nature of this service and provides an opportunity for partners to think about how the fund can be extended in the future.

It is noted that the overall cost of this contract has been affected by the pandemic and Brexit. The pandemic has increased demand for services and affected the supply chain, therefore increasing price and volume. The way in which Brexit was implemented has also affected the supply chain and therefore costs within the contract. Officers are working with the lead commissioner, the supplier and end-users of the contract to try to minimise the financial impact of these two significant drivers in cost, whilst ensuring that quality is not compromised.

The Integrated Community Equipment Service provides many benefits for Southwark residents, including providing value for money as we are in a stronger place to negotiate as part of the collaboration with other local authorities. Additionally, the service provider absorbed the initial increased costs attributable to

the pandemic and Brexit at the beginning of the pandemic. These financial benefits extend the CCG and therefore, by ensuring value for money and the use of the Southwark Pound, we are able to ensure that our funding is focused on direct support for our residents.

Benefits for our residents include being able to have equipment installed in their homes so that they can return to home and live there for as long possible, reducing the need for being admitted to hospital and increasing independence and wellbeing.

RECOMMENDATIONS

1. That Cabinet approve the procurement strategy for the provision of Integrated Community Equipment by Southwark Council, under the Section 75 agreement with Southwark Council and South East London (SEL) Clinical Commissioning Group (CCG), via the pan-London consortium's newly procured Integrated Community Equipment Service (ICES) call off contract which is anticipated to commence on 1 April 2023, and will run for five years, with the option to extend for an additional two years (1yr +1yr), at an estimated annual cost of £980,000, an estimated five year total cost of £4.9m and an estimated five year plus two years total cost of £6.8m for Southwark Council.
2. That Cabinet note that Southwark Council and SEL CCG continue to deliver the ICES service under the current Section 75 (s75) agreement, whereby the council contribute 35% of the contract cost, and SEL CCG contribute 65%.
3. That Cabinet note that Southwark Council continue to be the lead commissioner for this contract in the borough, and be responsible for contract management.
4. That Cabinet note that, as part of the joint commissioning arrangement between Southwark Council and SEL CCG (Southwark), SEL CCG will continue to be represented at the regular ICES management board meetings and will continue to be consulted with and included in any decision making processes relevant to the service.
5. That Cabinet note that the financial modelling is yet to be completed by the consortium lead as part of the pre-procurement work, however, the estimated spend for Southwark Council based on the current framework, is £4.9m for the proposed initial five year contract term.

BACKGROUND INFORMATION

6. The Integrated Community Equipment Service (ICES) is mostly used by occupational therapists, physiotherapists and nurses who are employed either by health organisations or the council. Equipment is loaned out to patients or vulnerable service users of any age in Southwark to promote independence and to enable care or support to be provided within the home environment and at school. Equipment is also loaned to residents in care homes. Examples of provision include installation of handrails to support people to use the stairs at home safely; provision of a hoist which can enable people to get out of bed

with greater independence whilst keeping their carers safe; and provision of ramps to enable wheelchairs users to access the community and safely remain living in their preferred home environment.

7. The overall role of ICES is to support health and social care professionals providing community equipment to individuals which will:
 - support discharge from hospital
 - prevent unnecessary admissions to hospital
 - support on-going frailty
 - prevent or delay further deterioration, e.g. falls prevention, intermediate care, move to a care home
 - support an individual's choice to remain in their own home and help to give elderly and disabled people control over their own lives
 - aid rehabilitation and reablement
 - maintain and/or increase independence, and optimise care and support packages
 - facilitate informal care provision, and reduce the risk of a breakdown in carer arrangements
 - reduce the length of hospital stay and reduce 'bed blocking' in hospitals, by facilitating earlier hospital discharges
 - reduce the costs of long-term care by avoiding the need for care home admissions
 - reduce the costs of long-term care by avoiding the need for paid carers, and/or by reducing the number of carers or frequency of care visits required;
 - play a key role in the delivery of early intervention and prevention strategies, and in avoiding crisis admissions to high cost services
 - promote independence, safety, social inclusion, quality of life, improved end of life care.

8. There is a Section 75 (NHS Act 2006) agreement in place between Southwark Council and NHS South East London (SEL) Clinical Commissioning Group (CCG), for the Integrated Community Equipment Service where the council is the lead commissioner.

9. ICES is financed by a joint funding arrangement between the council and SEL CCG by means of a combined budget, with a cost sharing ratio of 35:65 respectively. The current agreed annual budget across both organisations for 2021-22 is £2.25m. This cost sharing includes the costs related to contract management.

10. Medequip was awarded the ICES service contract as part of a framework agreement with other boroughs, the contract commenced on 1 April 2017 for a period of four years with the opportunity to extend for a further two years. The contract is in the final year of the extension and comes to an end on 31 March 2023.

11. The bi-Borough partnership of City of Westminster and Royal Borough of Kensington and Chelsea are the lead commissioner of the pan-London 'call off contract' from the ICES Consortium Framework agreement. Southwark is one of 21 London boroughs, which make up the consortium. As part of the collaboration with other local authorities, Southwark has a stronger position to secure risk sharing between the commissioning organisation and the delivery partner. For example, the service provider absorbed the initial increased costs attributable to the pandemic and Brexit at the beginning of the pandemic. Each borough has a locally designed contract and places orders for items of equipment as and when identified and prescribed by health and social care professionals. As well as benefitting the residents that use the equipment, this contract will benefit residents looking for employment, as set out in paragraph 63, at least four apprenticeships over the initial life of the contract, with another two or three if the contract is extended, as per the Fairer Futures Procurement Framework requires one apprenticeship per £1 million in the contract value.
12. The governance of the consortium is operated through a management committee and a board; which respectively meet on a monthly and bi-monthly basis. The incumbent provider, Medequip, attend both these meetings and present a quality report on performance and updates on their action plan as well as discussing and resolving ongoing issues.

Summary of the business case/justification for the procurement

13. The recommendation to remain within the pan-London consortium under the s75 agreement with Southwark Council and NHS South East London (SEL) Clinical Commissioning Group (CCG) is being made for the following reasons:
 - It allows for continuous delivery of statutory service provision.
 - Southwark Council and SEL CCG continue to benefit from the collective buying power of 21 boroughs/CCGs.
 - It supports the continuation of a Section 75 agreement between Southwark Council and SEL CCG.
 - Benefit from a dedicated resource provided by the consortium that will centrally monitor and manage the quality and costs of the community equipment service.
 - Benefit from a dedicated resource provided by the consortium which will lead the future procurement and contract award process.
14. The collective buying power of the consortium provides Southwark with best value for money and options that shape the equipment market, ensuring that developments in equipment are in line with the needs of our residents.
15. The consortium is a growing entity and discussions are in place with an additional two local authorities who have approached the consortium lead with a request to join.

16. Additionally, the activity fees associated with equipment delivery and collection under this contract have been fixed for the last four years, and the consortium recognised an increase in costs beyond their control, such as the ULEZ (Ultra Low Emission Zone) and the increases in the congestion charges that have been set by the Mayor of London, and any increases in local parking charges. However, by contrast, the equipment costs have increased due to Brexit and increases in materials and shipping costs.
17. Under the Care Act 2014, the council has a duty to provide community equipment to vulnerable residents and a lack of this service provision would be a failure to meet the statutory duties.
18. There would be an impact on residents' services, for example, discharges to care homes could be delayed or even not facilitated if the appropriate community equipment were not available in the care home at the time of discharge.
19. If Southwark Council and SEL CCG do not remain in the pan-London consortium they will have to undergo a procurement exercise to ensure a new contractual arrangement is in place to commence from 1 April 2023. The council and SEL CCG will need to find the resources to manage the tender and procurement process and may find that the equipment charges and associated costs are higher when they are not part of a wider consortium and do not have the collaborative buying power and negotiating prowess associated with the joint arrangement.

Market considerations

20. The consortium lead is currently carrying out market engagement to test the appetite of the market for service delivery in the future, and to ensure due diligence. A questionnaire has been sent out and feedback from the market will support determining the delivery model in the new contract.
21. The commercial sector provider market is dominated by three providers, who between them have the majority of the market share of outsourced local authority and CCG Community Equipment contracts; however, there are also some other smaller providers.
22. The consortium note that nationally, there is a reluctance to bring any Community Equipment Service back in-house during the ongoing period of austerity, combined with the unknown environment post-Brexit. Those authorities who still have in-house services are reported to be considering their options as to whether to outsource partially or move to a fully managed service.
23. The market in London is segmented in the following way for the 33 London boroughs:

- 21 (64%) have an outsourced ICES contract with one of the providers via the pan-London consortium;
- 7 (21%) have an outsourced ICES contract with another of the two main providers;
- 2 (6%) are thought to be operating an in-house service or through a trading arm of the local authority;
- 3 (9%) are using a shared service arrangement.

KEY ISSUES FOR CONSIDERATION

Options for procurement route including procurement approach

24. The potential options for procurement are set out in table 1 below:

Table 2: Procurement options		
No.	Option	Impact
1.	Do nothing	<ul style="list-style-type: none"> • The council would not meet its legal duties under the Care Act 2014.
2.	Provide the service in-house	<ul style="list-style-type: none"> • Integration ceases with the current arrangements ceasing • Individual social work teams and occupational therapy teams would need to source equipment to meet eligible needs identified under the Care Act 2014 and arrange delivery • Likely higher costs for equipment and delivery, and significant resources needed by practitioners and council officers to implement
3.	Conduct a competitive procurement process for a Southwark Council and SEL CCG integrated community equipment service	<ul style="list-style-type: none"> • The process would ensure the potential for a competition between providers for the service provision • Provision is likely to be more expensive than the current service, as economies of scale from the consortium are lost • The tender process and mobilisation for the service may not complete before the current contract end date 31 March 2023 • The identified cost of the roles involved in the procurement / tender process, including a clinical lead, commissioning lead, procurement support and data analyst support

No.	Option	Impact
4.	Join the pan-London consortium for a London integrated community equipment service	<ul style="list-style-type: none"> • The process would ensure the potential for a competition between providers for the service provision • The number of boroughs (21) and likely volume of equipment indicated for the joint procurement are likely to result in collective bargaining and better buying power, value and economies of scale • All overheads will be jointly met by the consortium • Southwark will have access to depots pan-London

Proposed procurement route

25. The recommended procurement route would be participation in the pan-London consortium for an integrated community equipment service.
26. The current procurement timeline as identified by the consortium lead is outlined below. However, this is subject to change and a longer than necessary mobilisation period has been factored in to allow for some flexibility in the timeline, if needed:
- November 2021 – Boroughs confirm their intention to remain in or leave the consortium
 - January 2022 – Publish Contract Notice
 - January 2022 – Publish ITT
 - February 2022 – Tender Closes
 - March 2022 – Tender Evaluation
 - April to June 2022 – Intention to award and standstill
 - June 2022 – Contract award, local sign offs and contract signing
 - July 2022 to March 2023 – Mobilisation
 - April 2023 – Go-live.
27. The consortium lead, the Bi-Borough partnership of City of Westminster and Royal Borough of Kensington and Chelsea, are managing the procurement process. However, boroughs contribute to working groups focusing on different elements of the procurement and the Southwark commissioning lead and operational leads will continue to attend workshops to ensure Southwark's residents are catered for, and that Southwark Council and SEL CCG's priorities and commitments are reflected in the procurement documentation. This will include the service specification, the method statements, KPIs and contractual arrangements.
28. Southwark Council and SEL CCG will participate in evaluating the bids if invited to by the consortium lead.

29. The contractual arrangements are still in consultation stage and are yet to be finalised by the consortium lead, and may be different to the current contractual arrangements.

Identified risks for the procurement

30. Identified risks are set out in the table below:

No.	Risk	Risk Level	Mitigating Action
1.	Legal challenge from other providers	Low	<ul style="list-style-type: none"> • The pan-London consortium conducts a publicly advertised competitive tender process, in compliance with procedures required by the Public Contracts Regulations. The council will be a party able to use the procurement, and will be able to call-off the framework agreement.
2.	Sustainability of the provider	Low	<ul style="list-style-type: none"> • All providers in a position to apply for this tender are well-established providers, of significant size, with a broad customer base within London, and across the country. Providers will have to provide a detailed financial submission as part of the tender process for the consortium.
3.	Increased activity within the service	Medium	<ul style="list-style-type: none"> • Arrangements are in place for regular and robust contract management of the contract, including a review of prescribing activity against the contract, and will identify any significant increases in prescribing by teams early • Ongoing work is in place to continue to increase the rate of collections to reduce new spend on equipment across the contract • The Southwark Council Occupational Therapy team are conducting training with prescribers to ensure they are informed about the different pieces of equipment that may be prescribed, to ensure that correct items of equipment are prescribed, and over-prescribing does not take place

No.	Risk	Risk Level	Mitigating Action
4.	Delay within the consortium progressing the re-procurement	Low	<ul style="list-style-type: none"> The lead commissioner is currently advising that the procurement timeline is on track, as outlined at paragraph 26 Southwark Council commissioning lead will continue to be part of and meet with the procurement sub groups to ensure the timeliness of this procurement and that Southwark's input is included
5.	Impact of the Covid-19 pandemic	Medium	<ul style="list-style-type: none"> Shortage of various raw materials and microchips caused by shipping and manufacturing issues associated with the pandemic are contributory factors to some higher than expected product price increases The consortium lead is keeping boroughs aware of items of equipment that are low on / out of stock and boroughs have been asked to order alternative equipment, where appropriate People are staying at home rather than being admitted to a hospital or care home
6.	Impact of Brexit	Low	<ul style="list-style-type: none"> Due to the impact of the EU exit, there is the risk of additional cost pressures as there are supply chain issues due to the shortage of HGV drivers There is also a risk of the ability to secure the equipment needed

Key / Non Key decisions

31. This report deals with a key decision.

Policy Framework Implications

32. Section 2 of the Care Act (2014) places a general duty on local authorities to provide, arrange or identify services, facilities and resources to prevent, delay or reduce the needs of adults for care and support in the local area, such as community equipment.

33. In addition to our legal duties to provide community equipment under the Care Act 2014 the following legislation is relevant:

- National Health Service Act (2006)
- Children Act (1989)
- Chronically Sick and Disabled Persons Act (1970)
- Children and Families Act (2014).

34. The community equipment contract is aligned with the council's "Fairer Future for All" vision, including the Fairer Future promises to create an age friendly borough and secure value for money services.

Procurement Project Plan (Key Decisions)

Activity	Complete by:
Enter Gateway 1 decision on the Forward Plan	18/10/2021
DCRB Review Gateway 1	24/11/2021
CCRB Review Gateway 1	02/12/2021
Brief relevant cabinet member (over £100k)	21/12/2021
Notification of forthcoming decision - Cabinet	24/01/2022
Approval of Gateway 1: Procurement strategy report	01/02/2022
Scrutiny Call-in period and notification of implementation of Gateway 1 decision	10/02/2022
Completion of evaluation of tenders	22/04/2022
Forward Plan (if Strategic Procurement) Gateway 2	01/12/2021
DCRB Review Gateway 2:	01/06/2022
CCRB Review Gateway 2	01/07/2022
Notification of forthcoming decision – despatch of Cabinet agenda papers	01/08/2022
Approval of Gateway 2: Contract Award Report	01/09/2022
End of scrutiny Call-in period and notification of implementation of Gateway 2 decision	01/10/2022
Add to Contract Register	31/03/2023
Place award notice on Find a Tender Service	31/03/2023
Place award notice on Contracts Finder	31/03/2023
Contract start	01/04/2023
Initial contract completion date	31/03/2028
Contract completion date – (if extension(s) exercised)	31/03/2030

*Please note as the Bi-Borough partnership of City of Westminster and Royal Borough of Kensington and Chelsea are leading on this procurement these dates may be subject to change.

TUPE/Pensions implications

35. The procurement may have implications for the incumbent external service provider where they do not participate or are unsuccessful in the tendering exercise. Should a contract be awarded to a provider not currently contracted with the council, then it is anticipated that TUPE will apply.
36. Due diligence will be undertaken to obtain relevant TUPE information from incumbent providers. Where required additional information may be requested from incumbent providers to provide assurance that the full TUPE (and any pension implications) obtained and therefore due diligence is completed. This information will then be made available to bidders at the appropriate stage during the procurement.

Development of the tender documentation

37. The Bi-Borough partnership of City of Westminster and Royal Borough of Kensington and Chelsea are developing tender documentation on behalf of the pan-London consortium. All boroughs are participating in sub-groups to shape the documentation and identify robust and meaningful KPIs.
38. Individual boroughs will not be named and listed in the tender documentation, a total number of boroughs who have expressed an interest to be included in the pan-London consortium will instead be cited. However, the Contract Notice will name the boroughs included in the pan-London consortium.

Advertising the contract

39. The contract will be published via Pro-Contract and other procurement portals, as well as advertised using the Find a Tender Service in line with the requirements of the Public Contract Regulations 2015.

Evaluation

40. The Bi-Borough partnership of City of Westminster and Royal Borough of Kensington and Chelsea will co-ordinate the tender evaluation process and this will be outlined once established. However, the quality and price ratio has been confirmed; the split is 60:40 respectively, with a Social Value element of 10% maximum.

Community, equalities (including socio-economic) and health impacts

Community impact statement

41. Southwark's Borough Plan describes the vision for the borough and sets out priorities and promises to the people of Southwark. The Plan was refreshed in 2020 to consider the progress made since 2018 when it was first developed and to reflect the new demands and priorities Southwark faces from the COVID-19 pandemic.

42. The delivery of this service contract aligns with Southwark's Borough Plan, specifically promoting independence, safety, social inclusion and quality of life for residents through enabling access to community equipment, and creating a fairer future for all with reduced health inequalities.
43. Southwark Council have recently embarked on the Southwark Stands Together programme which brings together local organisations, community groups and individuals across the borough committing to identify, and then implement solutions to address entrenched racism and injustice. It recognises the importance of listening to the voice of the workforce to hear their concerns and most importantly identify solutions to address areas of inequality by taking positive action to address these imbalances. In addition, the programme seeks to ensure we meet the needs of our residents and ensure those from all ethnic backgrounds are treated equally and fairly, and receive the same service.
44. Partnership Southwark is a Local Care Partnership within South East London Integrated Care System, working with other health, care and non-statutory organisations and local communities to bring together services and support at a neighbourhood level so that they do a better job of keeping people healthy and meeting their needs. Since 2019, they have been working to better join up services and support, tackle the causes of inequality, and improve the health and wellbeing of Southwark residents.
45. Partnership Southwark focus on the groups most affected by long-standing health, social and racial inequalities. Their work is informed by engaging the community in Southwark to understand their needs, develop services and support that work for them, and empowering people to look after their own wellbeing and live longer, healthier lives, by focusing on prevention and self-management.

Equalities (including socio-economic) impact statement

46. The Public Sector Equality Duty under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:
 - The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010.
 - The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and
 - Foster good relations between those who have protected characteristics and those who do not.
47. 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment. The council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce.

48. An Equalities Impact Assessment will be undertaken as part of the recommissioning of this service contract in order to assess the impact of the service, especially for those who have protected characteristics under the Equality Act 2010. The assessment will determine whether the service is being accessed by all Southwark residents, and identify any gaps. Preliminary assessment shows that the current service delivery model under the integrated system is being accessed by most groups, and is comparative to the borough profile regarding protected characteristics in some groups.
49. During July 2021, engagement with service users was conducted by Southwark Council officers, and a total of 20 telephone surveys were completed with either service users or their family / carer. The breakdown of protected characteristics for the service users who took part in the survey is as follows:
 - Age range covered 26 years to 95 years of age.
 - All service users noted they had a disability and/or long term health condition.
 - Two thirds were female, one third male.
 - Service users were from Asian and mixed White and Asian (5%), Black British, Black African, Black Caribbean (25%) and White backgrounds (55%) which is comparative to the borough profile; 15% preferred not to say.
 - The majority did not want to state their religion, or stated they had no religion.
 - Three quarters stated they were heterosexual, the rest preferred not to say.

Health impact statement

50. The Health Inequalities Framework, which was approved at the Health and Wellbeing board in March 2021, notes that health inequalities are avoidable, unfair and systematic differences between different groups of people that influence our opportunities for good health, both physical and mental.
51. The Framework notes that the COVID-19 pandemic has exacerbated existing health inequalities in Southwark, impacting all groups but particularly people from Black, Asian and minority ethnic backgrounds, low-income households and those with disabilities.
52. Outcomes from the Southwark Stands Together (SST) programme have been used to develop five recommendations to tackle health inequalities experienced by Black, Asian and minority ethnic communities. The Health Inequalities Framework will incorporate the findings from SST and address these alongside the other influences of inequalities; including other protected characteristics such as socio-economic factors and inequalities experienced by socially excluded groups.

53. The implementation of an Integrated Community Equipment Service will improve the health of residents by providing equipment and resources to prevent, delay or reduce the needs of adults for care and support.
54. Providers will be expected to expand the number of local apprenticeships they offer, and they will also be expected to offer flexible and part-time working arrangements to encourage a wider range of applicants and reduce barriers to employment. The new contract will require all staff employed by the community equipment provider to be paid the London Living Wage. It will therefore reduce health inequalities in Southwark by ensuring people from socio-economic disadvantage are better remunerated for their work and will lead to a more stable, well-equipped workforce that is able to deliver high quality, consistent care for service users.
55. One of Southwark's Borough Plan key aims is to support and protect vulnerable residents so that they can lead healthy and active lives. The Integrated Community Equipment Service will enable many older and disabled residents to live safely and independently at home, many of whom are recovering from illness after discharge from hospital. It will provide them with the care and support they need to live healthy and fulfilled lives and prevent many from having to be admitted to residential or nursing care.

Climate change implications

56. The recycling and collection of equipment contributes towards a positive environmental impact as well as being cost effective for the council and CCG.
57. The incumbent provider participated in a major motor manufacturer's electric vehicle development and trialling programme, and from December 2021, will have six electric vehicles (EVs) beginning to operate within London. They have developed and implemented a programme of conversion to EVs, with the aim that by December 2027, 100% of all service delivery vehicles will be electric.
58. Vehicles currently being procured by the incumbent provider are Euro 6 classified, reducing Nitrogen Dioxide emissions by more than 55%.
59. Building on this, and following the introduction of the Ultra-Low Emission Zone and phased expansion of the zone in London, the consortium will work with the market to promote the use of more efficient vehicles that meet the required emission standards. A green fleet will be the desired outcome for the new contract.
60. The current service provider has four depots within London which limits the amount of travelling the technicians have to undertake when collecting and delivering items of equipment to and from the depots.

Social Value considerations

61. The Public Services (Social Value) Act 2012 requires that the council considers, before commencing a procurement process, how wider social,

economic and environmental benefits that may improve the well being of the local area can be secured. The details of how social value will be incorporated within the tender are set out in the following paragraphs.

Economic considerations

62. The current contracted staff associated with the contract are paid the London Living Wage as a minimum. The future service provision will also include the London Living Wage.

Social considerations

63. Four of the current depots being utilised by the incumbent provider are based in London, providing opportunities for promoting local labour initiatives or the use of local supply chains, recruiting whenever possible from neighbouring boroughs. Apprenticeships are offered through the contract for local residents to gain experience as part of a dynamic company. As the Fairer Futures Procurement Framework requires one apprenticeship per £1 million in the contract value, Southwark has sought to secure a commitment of at least four apprenticeships over the initial life of the contract, with another two or three if the contract is extended.
64. The service will promote independence and people's ability to live longer in their own homes, and be discharged to their own homes sooner after a hospital admission, promoting their social wellbeing within their own communities.

Environmental/Sustainability considerations

65. The recycling and collection of equipment contributes towards a positive environmental impact.
66. Emerging technologies and digitalisation benefits have been realised by the consortium and are being integrated into the development of the new service specification.

Plans for the monitoring and management of the contract

67. The council's contract register publishes the details of all contracts over £5,000 in value to meet the obligations of the Local Government Transparency Code. The report author must ensure that all appropriate details of this procurement are added to the contract register via the eProcurement System.
68. The contract will continue to be monitored and managed within the Commissioning department with Contract Review reports being presented to the Children's and Adults' Departmental Contracts Review Board (DCRB) and Corporate Contract Review Board (CCRB) in line with Contract Standing Order (CSO) requirements.
69. An ICES Management Board takes place on a monthly basis hosted by the Assistant Director of Children and Adults Joint Commissioning, with

representatives from contract management, clinicians, commissioning, finance, budget holders and the SEL Southwark CCG. This board is responsible for monitoring the delivery of the contract and the recommissioning timetable. Monitoring of the contract through the board shows good contract performance.

Staffing/procurement implications

70. The procurement approach is managed on our behalf and led by the Bi-Borough partnership of City of Westminster and Royal Borough of Kensington and Chelsea, so there will be no staffing implications for Southwark Council.
71. Southwark Council's contract management team, and occupational therapy team currently support the Integrated Community Equipment Service contract. These posts are joint funded by the council and CCG and it is anticipated this arrangement will continue under the new contract.

Financial implications

72. The current agreed annual budget across both Southwark organisations for 2021-22 is £2.25m.
73. Subject to further financial modelling, the estimated total projected spend over the next five years is £13.9m. This takes into consideration changes in demand and projected cost increases in line with historical trends.
74. ICES is financed by a joint funding arrangement between the council and the SEL CCG, with a cost sharing ratio of 35:65 respectively. Hence, Southwark Council have a total estimated cost of £4.9m for the five year contract term, and SEL CCG have a total estimated cost of £9m. Total estimated costs for the additional two years if exercised are £6.8m and £12.6m respectively.
75. The ICES contract is also funded by the Better Care Fund for both the council and CCG element. The council have a BCF allocation of £480k, whereas the CCG have a BCF allocation of £278k. The BCF is subject to change on an annual basis depending on organisation priorities.
76. The current annual consortium membership fee is £20,650, made up of an IT Licensing fee of £10,500 and the consortium membership fee of £10,150. The current annual consortium fee is incorporated into the combined budget mentioned above but is yet to be confirmed for the new contract.
77. The contract is demand led and budgets are agreed each year through meetings with SEL CCG and Southwark Council, and expenditure is monitored through the ICES Management Board. In addition, there is an element of control over spend as we only call off the framework as needed.
78. Given that the ICES contract is a cost and volume contract, active contract monitoring will be a key role in ensuring that activity is in line with the proposed budget.

79. The ICES contract has experienced both an increase in demand and inflationary increases in the cost of various equipment due to COVID-19 and implications of Brexit.
80. The majority of community equipment prescribers are in Southwark's acute trusts, and this is reflected in the ratio of funding between the council and the CCG, so the financial risk to Southwark Council is low.

Investment implications

81. The Integrated Community Equipment Service operates on an equipment loan basis. Boroughs do not invest in specific items of equipment, apart from Special Items that are not included in the standard equipment catalogue. These items are purchased by the ordering borough but once returned, are shared with other boroughs in the consortium, in a reciprocal arrangement.

Legal implications

82. Please see concurrent from the Director of Law and Governance.

Consultation

83. During July 2021, engagement with service users was conducted at borough level. All service users who received delivery of an order or who had a collection booked were contacted and asked to complete a questionnaire, compiled on the boroughs behalf by the consortium. The engagement was intended to gauge service users' satisfaction with the service they received from the incumbent provider, and to consider how it could be improved for the new contract.
84. In Southwark, a total of 20 telephone surveys were completed, with either service users or their family / carer. A link to the survey was shared with a wide range of community and voluntary organisations within the borough. The consortium are reviewing the summary of overall key findings, and will share the findings with boroughs when complete.
85. A survey was designed for prescribers as well and was conducted at the same time. In Southwark it was promoted by ICES team via the manager's network, and by the Principal Occupational Therapist at Team Manager and Service Manager Level. It was also promoted virtually via MS Teams channel. Southwark reported the highest volume of responses within the consortium, with a total of 40 completed surveys.
86. The consortium lead is currently carrying out market engagement to test the appetite of the market for service delivery in the future, and to ensure due diligence. A questionnaire has been sent out and feedback from the market will determine the delivery model in the new contract. The intention is to make the contract more attractive and flexible than it currently is.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director of Finance and Governance REF: [62EN2122]

87. The Strategic Director of Finance and Governance notes the contents of this report and in particular the financial implications referenced at paragraph 72 to 80. It has been noted that this is a cost and volume contract, hence regular board monitoring with all stakeholders is essential.
88. The dynamic of a joint funding arrangement, coupled with the contribution made by the Better Care Fund (BCF) reflects the shared benefits accruing to the council, CCG and health partners in their endeavours to improve outcomes for the residents of Southwark. Whilst funding is secure for 2021-22, the service and other partners will need to work closely to mitigate any risks arising from future spending reviews and subsequent changes to the BCF.
89. Given the significant increase in demand in recent times close contract management and contingency planning will be necessary to mitigate risk for the new contract.
90. The Strategic Director also notes that further in depth financial modelling is yet to be undertaken, which will take into consideration changes in demand in line with historical trends and changes to the demographic of users.

Head of Procurement

91. This report seeks Cabinet's approval of the procurement strategy for the provision of Integrated Community Equipment Service (ICES) to be procured as a call-off contract under the pan-London consortium form under s75 agreement with Southwark Council and NHS South East London (SEL) Clinical Commissioning Group (CCG) as detailed in paragraph 1.
92. The proposed contract is due to commence on 1 April 2023 for a period of five years with an option to extend for a further two years (1yr + 1yr) with an annual anticipated value of £980,000 and a total cost of £4,900,000 to Southwark Council for the estimated five years period and £6,860,000 inclusive of the additional two year extended period.
93. The reasons for choosing the proposed procurement route is detailed in paragraphs 13 to 23, which meets both the council's governance process and PCR 2015 requirements. The procurement route, process and contract terms and conditions will ensure high quality service delivery, best value and sustainable benefits.
94. The procurement process is detailed in paragraphs 34 to 39 and paragraphs 40 in this report specifies the evaluation methodology to be applied by the council in selecting the successful bidder for the proposed contract. The report also highlight potential risks and mitigating actions in paragraph 30, impacts for equalities health and climate are detailed in paragraphs 46 to 60, social value commitments are detailed in paragraph 61 and confirmation of the payment of London Living Wage is detailed in paragraphs 54 and 62.

Director of Law and Governance

95. This report seeks approval of the procurement strategy for the future provision of an Integrated Community Equipment service, involving “call offs” from a new framework for the service which has been procured by the lead commissioners of a pan-London consortium formed of 21 London boroughs, including Southwark.
96. Due to the nature and current estimated value of the service required by the council its procurement is governed by the Public Contracts Regulations 2015 (PCR), which require expressions of interest to be sought through the publication of a contract notice on the UK’s Find-a-Tender portal. However, in this instance the report proposes that the council, acting as local lead commissioner on behalf of the SEL CCG will access its equipment supply through a framework which is to be procured in line with the PCR by the bi-borough partnership of the City of Westminster and the Royal Borough of Kensington and Chelsea, which acts as the lead commissioner for a consortium of London boroughs. This means that the council will not be required to undertake a separate tendering exercise and instead will be able to place orders following a process defined in the terms of the framework agreement made between the bi-borough partnership and the appointed service provider.
97. The proposed procurement strategy is also consistent with the requirements of the council’s Contract Standing Orders (CSOs), which reserve to the Cabinet the decision to approve the report recommendations.
98. Cabinet will be aware of the Public Sector Equality Duty (PSED) in section 149 of the Equality Act 2010. At each stage, in exercising its function (and in its decision making processes) the council must have due regard to the need to:
 - (a) Eliminate discrimination, harassment, victimisation or other prohibited conduct;
 - (b) Advance equality of opportunity between persons who share a relevant protected characteristic and those who do not share it;
 - (c) Foster good relations between person who share a relevant protected characteristic and those who do not share it.
99. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation. Marriage and civil partnership are protected in relation to (a) only.
100. The community impact statement and the health impact statement in this report note the benefits that the proposed procurement is intended to generate and it is noted that an equality impact assessment is to be undertaken for the purposes of understanding the impact and accessibility of the existing service, especially for those service users with a protected characteristic under the

Equality Act 2010, and identifying any gaps in order to inform any improvements. The report further notes the engagement that has been (and is to be) made with service users and service providers, both in order to establish the level of satisfaction with the current service and the level of interest in the new procurement. Those activities serve to demonstrate the council's observance of and compliance with the PSED, although Cabinet must be satisfied in this regard when considering the report's recommendations.

BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
None		

APPENDICES

No	Title
None	

AUDIT TRAIL

Cabinet Member	Councillor Evelyn Akoto, Cabinet Member for Health and Wellbeing	
Lead Officer	David Quirke-Thornton, Strategic Director for Children's and Adults' Services	
Report Author	Sarah Bullman, Joint Commissioning Officer, Partnership Commissioning Team	
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Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Finance and Governance	Yes	Yes
Head of Procurement	Yes	Yes
Director of Law and Governance	Yes	Yes
Contract Review Boards		
Departmental Contract Review Board	Yes	Yes
Corporate Contract Review Board	Yes	Yes
Cabinet Member	Yes	No
Date final report sent to Constitutional Team		20 January 2022