

BNSSG CCG Governing Body Meeting

Date: Tuesday 5th November 2019

Time: 1.30pm

Location: The Vassall Centre, Gill Avenue, Downend, Bristol, BS16 2QQ

Agenda Number :	6.3
Title:	BNSSG Integrated Community Equipment Service Procurement Plan
Purpose: Decision	
Key Points for Discussion:	
<ul style="list-style-type: none"> To note the current contract framework for provision of an integrated community equipment service, and the proposal that a new single contract for health and social care across the BNSSG area which has a focus on clearly identified outcomes will provide a more flexible, responsive and cost effective service model. To note the ongoing discussions with North Somerset Council with a view to them joining the procurement process To approve the proposed procurement approach set out in this paper To approve the contract model and contract length To recognise that this is a time critical decision, as delay will result in being outside contractual terms and delay mobilisation. To note the financial risks resulting from demographic growth and change and the clinical imperative to care for people as close to home as possible, and further to note the proposed mitigations to control costs for all the commissioners 	
Recommendations:	<p>To approve</p> <ul style="list-style-type: none"> the Procurement Plan for an Integrated Community Equipment Service which should commence as soon as possible after 06 November 2019 The contract and procurement framework, including provision for North Somerset Council to join as an associate commissioner if they wish.
Previously Considered By and feedback :	<p>Strategic Finance Committee</p> <ul style="list-style-type: none"> 27 September 2019 1 November 2019
Management of Declared Interest:	No conflicts of interest

Risk and Assurance:	<ul style="list-style-type: none"> • Timescale: Impact on mobilisation if procurement is delayed. Mitigated by seeking approval in principle at Strategic Finance Committee and Governing Body • Financial: impact of demographic change on demand for equipment. To be mitigated by robust and active contract management • Service: risk to service access for North Somerset residents. Mitigated either by North Somerset Council becoming an associate commissioner, or agreeing clear criteria and processes for ordering health and social care equipment in North Somerset
Financial / Resource Implications:	The total contract cost for the CCG, based on current expenditure would be £18.9m over five years and £26.5m over seven years.
Legal, Policy and Regulatory Requirements:	The CCG and Local authorities have a statutory duty to provide equipment in support of health and social care needs. The procurement will operate within the required legal and regulatory framework for public sector procurement
How does this reduce Health Inequalities:	Timely provision of high quality equipment to meet clinical needs promotes good health in all sections of the community, and is not dependent on income.
How does this impact on Equality & diversity	We will conduct a full Equality Impact Assessment and Quality Impact Assessment during the development of single prescribing policies (due to commence in Spring 2020) for BNSSG. The assessment screening form completed in the planning stage identified that no further work was required at this time.
Patient and Public Involvement:	Completion of the Public Involvement Assessment Form has identified that due to the fact that there is no significant change to the service offer, service model, criteria or standards for provision of community equipment; patient and public involvement is not required at this time. A Service User Charter will be developed with service users and the successful provider during the mobilisation period.
Communications and Engagement:	Consultation with clinical stakeholders has taken place in developing a service model, and they will be represented in the procurement process. Detailed work with all stakeholders will take place during the mobilisation phase.
Author(s):	Inge Shepherd (Senior Contract Manager Non-Acute) Helena Fuller, Deputy Director of Commissioning (Contracts and Procurement) Rachel Anthwal (Head of Non-Acute Contracts)
Sponsoring Director / Clinical Lead / Lay Member:	Lisa Manson, Director of Commissioning

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Report title: BNSSG Integrated Community Equipment Service Procurement Plan

1. Background

The Integrated Community Equipment Service (ICES) contract covers the provision of a wide range of mobility and homecare equipment to enable people with health and social care needs to stay safely in their homes. Access to community equipment is based on assessment of clinical need.

The service is commissioned from an external Provider who maintains and delivers equipment for the residents of the BNSSG area. Equipment ranges from bathing and toileting aids, to beds, mattresses and hoists. Community equipment is a key enabler to support system flow through prevention of admission and support for discharge.

The vast majority of the activity in the contract relates to adults, with a small amount of specialist children's equipment provided through the contract. The majority of children's equipment is funded by Local Authorities.

This paper sets out the detailed procurement plan for a single ICES contract to cover all health prescribed equipment in Bristol, North Somerset and South Gloucestershire, and Local Authority prescribed equipment in Bristol and South Gloucestershire. North Somerset Council are not currently part of the procurement as they wish to commission a dedicated equipment store for social care in their area. However the contract documentation allows for North Somerset Council to join the partnership at any point during the contract period.

2. Current Contracts

At present there is a separate contract in each Local Authority area (Bristol, North Somerset and South Gloucestershire). Contracts are held by the respective Local Authorities. They are bespoke contracts, written by the respective Local Authority with input from legacy CCGs.

Whilst there is some consistency in the types of equipment provided, these contracts have different catalogues, service specifications, and in some cases different prescriber policies in each of the Local Authority areas. This lack of consistency can lead to cost pressures for commissioners and is inefficient for prescribers. The contracts currently have the same provider organisation but this would not be guaranteed if we continued with separate contracts.

Following discussions with Local Authority partners, the CCG Commissioning Executive approved an extension to the current contracts in October 2018 in order to allow the CCG to work with partners on procuring a single ICES contract for BNSSG. This was to ensure consistent access

to equipment for all health prescriber organisations, and the ability to work with a single provider to respond to changes in the health and social care system over the contract period.

3. Procurement Governance

A Programme Board consisting of senior officers from the three partners has been set up to oversee the process. The Board meets regularly to collectively make key decisions, and is supported by a project group made up of subject matter experts from the three partners. The project group has been tasked with preparation of all the procurement documentation, including the service specification, single catalogue and contract.

The three partners will enter into a Collaborative Commissioning Agreement for the ongoing management of the contract. This agreement will allow for North Somerset Council to join the commissioning partnership either before the commencement of the procurement or during the contract period if they wish to do so.

4. Procurement Approach

Due to the nature of the service being procured, the procurement, it is being run using the open procedure under the Light Touch Regime, as defined by the Public Contracts Regulations (2015).

The process being used has three phases:

- Initial tender, including the selection questionnaire;
- Following evaluation and moderation of initial tenders, inviting the shortlisted bidders to the negotiation stage;
- Following the negotiation stage the shortlisted bidders will be asked to submit their best and final offer.

5. Procurement Timeline

The procurement timeline set out below has been developed with the aim of making the contract award decision no later than 31 March 2020, to allow six months mobilisation for the start of the new contract. This timeline is based on experience of mobilisation of other CCG contracts. The dates of the negotiation phase and final evaluation and moderation are subject to change depending on the number and quality of bids received.

Key dates are

- Moderation of initial tender by end December 2019
- Negotiation stage and moderation of best and final offer by mid-February 2020
- Due Diligence period February 2020
- Contract award report considered at CCG Governing Body March 2020
- Contract by end March 2020

6. Contract length, type, and contract management

6.1 Contract length

The proposed contract length is five years with the option to extend for two years. This will offer stability and continuity and encouraging the provider to invest in innovative ways of working to support commissioners to manage costs, but will also allow for a review if there are significant changes in the provider market.

The contract includes a requirement to agree an annual service development and improvement plan with commissioners, which should incorporate any changes where the ICES provider can support developments across the health and social care system.

6.2 Contract Type

It is a requirement that any contract for the provision of clinical services to which the CCG is an associate commissioner must use the NHS Standard Contract. The provision of equipment is required to support clinically assessed needs and therefore the standard contract is being used.

6.3 Contract Management

The contract will be held by Bristol City Council, who will manage the relationship with the provider on behalf of the associate commissioners.

The contract will be subject to Section 75 agreements between the CCG and the respective Local Authority partners. The joint commissioning arrangement will be underpinned by a Collaborative Commissioning Agreement which clearly describes the roles and responsibilities of the three commissioning partners throughout the life of the contract.

In order to ensure that all three of the commissioning organisations retain strong oversight a Programme Board of senior managers will meet at least quarterly from the commencement of contract. The Terms of Reference for this Board will be agreed during the mobilisation period, and form part of the joint commissioning agreement.

The CCG will continue to have an active role as an associate commissioner as this is essential to ensure that there are clear prescribing policies and clinical pathways which promote good clinical practice and manage spend by health prescriber organisations..

7. Service Specification

The specification has been developed by the Project Group with input from clinical subject matter experts, and informed by best practice in other areas. It will be approved by the Programme Board before commencement of the procurement process. Key points include:

- Clearly stated outcomes requiring the Provider to meet all of the service requirements equitably across the geographical area and for both adult and children's equipment. This includes the requirement to meet agreed delivery and collection times. These requirements are backed up by the Key Performance Indicators for the contract.
- Wherever possible, requirements are described in outcomes terms to enable bidders to respond with innovative solutions.
- A single catalogue, supported by a single ordering system and single prescribing policies across all Commissioners, using a generic specification with tolerances, rather than naming products. Market feedback indicated that this will offer significant advantages including reduced warehousing costs, bulk buy discounts and uniformity of service provision. The

single catalogue will also save prescriber time, as they will have one set of procedures to follow, and one system to access to place orders;

- Prescribers will have enough information to support clinical decision making, and will be able to access technical support from the provider staff, to minimise the need to have to physically visit a store
- The ability of the ICES to adapt to system developments such as the development of locality / network hubs

8. Evaluation

The Programme Board has agreed tenders will be evaluated using a 60% Quality and 40% Price Model. This will ensure that the quality aspects of the bid will receive higher prominence.

As the technical element of the procurement process is being led by South Gloucestershire Council, their procedures are being used. This includes a requirement to have a specific question in the quality section regarding social value, and the percentage of score allocated to this question is in line with the South Gloucestershire Council Social Value policy.

Price Assessment

Bidders will be asked to submit a response to two aspects of price, namely the cost of equipment and the cost of associated activities that support the running of the contract. These activities include deliveries, collections, repairs and planned maintenance of equipment.

Evaluators

Representatives from each of the three commissioning partners will form the evaluation panel. They will be supported by clinical evaluators representing social care, community health, acute health and children's services. They will be supported by a group of clinical assessors, representing Acute, Community and Social Care practitioners who will provide feedback on the response to the equipment catalogue, service delivery, customer service and IT questions. This feedback will be collated by the clinical evaluators and used as part of the moderation discussions. All evaluators and clinical advisors will be asked to declaration of interest and confidentiality forms prior to the commencement of the evaluation.

9. Financial resource implications

Due to the imminent procurement and the commercial sensitivities we cannot outline the financial implications in this paper but have ensured the Governing Body have been fully briefed

The contract price comprises two cost areas: equipment and services. Each will be reviewed annually with the first review taking place in March 2022. The provider will be expected to use their purchasing power, and to source alternative suppliers to mitigate any increase in equipment costs wherever possible. The review of service costs (cleaning, repair, delivery etc) will be based on the agreed NHS uplift for the year, less efficiency savings.

All partners are working within very tight/no-growth budgets and recognise that there are risks in relation to this contract due to demographic change and increasing demand. The Programme Board for the procurement discussed the potential development of a risk sharing agreement however there was no appetite from Local Authority colleagues for any of the commissioning partners to take risks relating to other organisations' spend. It has therefore been agreed by the

programme board that the funding splits and apportionments remain the same throughout the life of the joint contract.

The priority for the CCG is to ensure robust contract management and to work with health service provider organisations to ensure that they are managing both clinical pathways and prescriber behaviour to manage financial risks to the CCG, as this has been shown to have the most impact on contract spend.

As an activity based contract it is vulnerable to future increased costs due to an ageing population and the move towards the community becoming the default place for care. A number of mitigations will be set in place, building on the work conducted to contain costs in the current contract and set out in Section 10 below.

10. Issues and risks

Timescale (risk score 12): There has been one month slippage in the procurement timetable. This creates a risk that contract award will not be possible in March 2020. This can be mitigated by being flexible with the process set out in section 5 above. However this is reliant on the CCG approving the procurement plan no later than 5th November 2019. Any further delay will result in a reduction of the mobilisation period to five months with consequent risks to effective service delivery from day one of the contract.

Finance (risk score 12): As an activity based contract, it is vulnerable to increased costs due to an ageing population as well as the shift towards community based care. The key mitigations for this are:

- Robust contract and health prescriber management arrangements will be established to ensure cost containment including:
- clear and well managed prescriber policies, including clear authorisation process for higher cost equipment
- ensuring proactive discharge planning to promote timely ordering of equipment and minimising need for same day deliveries
- monitoring of the return and recycling of equipment at the end of a loan period.
- pro-active follow up of users of equipment in both domestic and residential settings to maximise recycling rates
- encouraging return of unwanted equipment through GP surgeries and other health premises
- standardisation of the catalogue to ensure the best value equipment is used
- working with the provider to ensure best value in sourcing of equipment

Service risk (risk score 12): there is a risk of delays in access to equipment for residents in North Somerset if there are separate contracts for provision of health and social care equipment. This will be mitigated if agreement is reached with North Somerset Council to join the procurement. Alternatively, clear and detailed policies and pathways will be required so that all prescribers know the criteria and pathways for ordering appropriate equipment. These would be developed by the CCG and North Somerset Council prior to the commencement of the new contract.

11. Legal Implications

As with any procurement, there is a risk of legal challenge if the process is not fair, transparent and open. This risk is being mitigated by having an open procurement process managed by a senior procurement manager from South Gloucestershire Council.

12. How does this reduce health inequalities

Timely provision of high quality equipment enables people with health and social care needs to stay at home, and to be discharged from hospital once they are medically fit. This reduces the risks of unnecessary hospital stays and also reduces the risk of poor care at home. Community equipment is provided free of charge so access is not dependent on income.

13. How does this impact on Equality and Diversity?

Access to equipment is based on assessment of clinical need and this will not change with the procurement. The advice of the CCG Inclusion Coordinator is to conduct a full Equality Impact Assessment and Quality Impact Assessment during the development of single prescribing policies (due to commence in Spring 2020) for BNSSG. The assessment screening form completed in the planning stage identified that no further work was required at this time.

14. Consultation and Communication including Public Involvement

Completion of the Public Involvement Assessment Form has identified that due to the fact that there is no significant change to the service offer, service model, criteria or standards for provision of community equipment; engagement is not required at this time. A briefing for stakeholders has been shared widely with voluntary sector groups who work with older people, children and their families or carers, as this incorporates the majority of people who use community equipment. A service user charter will be jointly developed with service users and the successful provider during the mobilisation period.

Clinical prescribers have been involved in the development of the service specification through a series of workshops. Further feedback was sought from prescribers on the draft specification, and this feedback has been incorporated where appropriate.