

## **BIRMINGHAM CITY COUNCIL**

### **PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Corporate Director Adult Social Care and Health</b>
<b>Date of Decision:</b>	<b>9<sup>th</sup> October 2018</b>
<b>SUBJECT:</b>	<b>BIRMINGHAM COMMUNITY EQUIPMENT LOAN SERVICE</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 005332/2018</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chair approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s) or Relevant Executive Member:</b>	<b>Cllr Paulette Hamilton - Health and Social Care</b> <b>Cllr Brett O'Reilly - Finance and Resources</b>
<b>Relevant O&amp;S Chair:</b>	<b>Cllr Rob Pocock - Health and Social Care</b> <b>Cllr Sir Albert Bore - Resources</b>
<b>Wards affected:</b>	<b>All</b>

#### **1. Purpose of report:**

- 1.1 To obtain approval of this procurement strategy and to seek authority to proceed with the procurement of the Birmingham Community Equipment Loan Service (BCELS). This service provides equipment to citizens based upon a clinical assessment to meet their short or long term needs and to ensure that they can remain independent and in their homes for as long as possible.
- 1.2 The contract will commence on 1<sup>st</sup> April 2019 for a period of 3 years with an option to extend for a further 2 years subject to satisfactory performance and funding availability. The estimated value of the contract is £5.3m per annum. It is funded through the Better Care Fund by Birmingham and Solihull CCG, Sandwell and West Birmingham CCG and BCC, with in the region of £40k per annum contribution from Solihull CCG.
- 1.3 It is proposed that BCC is the lead commissioner to assist a collaborative approach and support a partnership working arrangement with the CCGs. The procurement approach will be via an open procurement route.

#### **2. Decision(s) recommended:**

That Cabinet approves:-

- 2.1 Birmingham City Council acting as the Lead Commissioner for the Birmingham Community Equipment Loan Service (BCELS).

- 2.2 The contents of this report in order to implement the strategy and commence procurement activity for the Birmingham Community Equipment Loan Service in accordance with the requirement and approach set out in Section 5.2 onwards.
- 2.3 The delegation of the contract award to the Corporate Director, Adult Social Care & Health in conjunction with the Corporate Director Finance & Governance, City Solicitor (or their delegates) and the Director of Commissioning & Procurement.

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### 3. Consultation

Consultation should include those that have an interest in the decisions recommended

#### 3.1 Internal

- 3.1.1 This contract has been included in the Forward Plan and has been discussed at the Better Care Fund (BCF) Board and the Health and Wellbeing Board on 19<sup>th</sup> June 2018. The BCF Board co-ordinate payment of this contract following provision of funds from Birmingham and Solihull CCG, Sandwell and West Birmingham CCG and BCC all are supportive of this approach.
- 3.1.2 Discussions have taken place at Adult Social Care & Health Commissioning Management Team on the 10<sup>th</sup> August and Adults and Health Management Team on the 15<sup>th</sup> August 2018.
- 3.1.3 Officers from City Finance, Corporate Procurement and Legal & Governance Services have been involved in the preparation of this report.
- 3.1.4 The Corporate Director – Children and Young People has been consulted and is supportive of the proposal to procure this service.
- 3.1.5 The Cabinet Members for Health and Social Care and Finance and Resources have been consulted on the proposal and are supportive of the recommendation.

#### 3.2 External

- 3.2.1 The following organisations have been consulted as part of the development of the future service model and are supportive of the planned approach:
- There are up to 1500 Prescribers from both BCC and the NHS who refer citizens for equipment and their comments were requested via a survey (appended to this report) on what they believed their requirements were for a new service.
  - Citizens of the service were requested via a survey to respond as to what they

- thought a new community equipment loan service should provide to them.
- Birmingham and Solihull CCG representatives formed part of the project team.
- Discussions took place with Sandwell and West Birmingham CCG to ensure that they wished to continue to provide funding for this service.
- Market shaping with potential providers was undertaken in May 2018.

#### **4. Compliance Issues:**

##### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

###### **4.1.1 The Birmingham Community Equipment Loan Service contributes to the achievement of the following Council priorities:**

- a city of growth where every child, citizen and place matters;
- an aspirational city to grow up in; and
- a fulfilling city to age well in.

###### **4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)**

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of this contract. Tenderers will submit an action plan with their tender that will be evaluated in accordance with 5.5 and the action plan of the successful tenderer will be implemented and monitored during the contract period.

##### **4.2 Financial Implications**

**(How will decisions be carried out within existing finances and Resources?)**

###### **4.2.1 The Birmingham Community Equipment Loan Service is funded from the Better Care Fund (BCF) for 2019/20 as follows:**

Organisation	Contribution of Budget %
NHS Birmingham and Solihull CCG	71
NHS Sandwell and West Birmingham CCG	10
Birmingham City Council	19

The Birmingham City Council contribution includes funding from both Adult Social Care and Health and Children's and Young People.

###### **4.2.2 The estimated value of the contract is £5.3m per annum. The Council's financial liability under the Better Care Fund is approximately £1m (19% of the total) for which there are capital and revenue budgets included in the current budget and future plans.**

###### **4.2.3 The Better Care Fund's current arrangement will end in March 2020 and government announcements are awaited regarding future arrangements.**

- 4.2.4 All partners have agreed to enter into this contract. If the current Better Care Fund arrangements do not continue alternative funding arrangements need to be agreed to ensure the financial risk is covered by all parties until the end of the new contract in March 2024.

#### 4.3 Legal Implications

- 4.3.1 The Care Act 2014 sets out local authorities' duties in relation to assessing people's needs and their eligibility for publicly funded care and support. Section 2 of the Care Act 2014, places a general duty on local authorities to provide, arrange or otherwise identify services, facilities or resources to help prevent, delay or reduce the needs of adults for care and support. The provision of a community equipment loan service forms part of this duty, as having the correct equipment to assist with daily life supports people to live independently in their homes for longer. Section 8 of the Care Act 2014 details how a local authority should respond to an identified need and contains an illustrative list of what may be provided to an adult in need. The list includes providing care and support at home which the Birmingham Community Equipment Loan Service helps to fulfil.

#### 4.3.2 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

Consideration of whether to undertake a consultation exercise was discussed during the planning stage and it was agreed that this would not be required as tenderers will be asked how their bid addresses social value as part of the evaluation and no additional stakeholder consultation was required. This consideration also included how this procurement exercise might improve the social and economic well-being of the city and will be addressed by evaluating social value.

#### 4.4 Public Sector Equality Duty

- 4.4.1 A stage 1 initial assessment has been completed and is attached as an appendix to this report. The assessment did not identify any potential negative impacts on groups with protected characteristics and therefore a full Equality Assessment report has not been produced at this stage.

### 5. **Relevant background/chronology of key events:**

#### 5.1 Background

- 5.1.1 A community equipment loan service provides equipment to citizens to help reduce unnecessary admissions to hospital, prevent delayed discharge from hospital, and assist with everyday tasks, enabling people to live independently at home. This type of equipment can range from simple mobility aids, such as crutches and walking frames, to more complex and expensive items such as profiling beds and hoists. Items are provided free of charge, on loan or single issue, to people of all ages who meet the agreed criteria. However a majority of those in receipt of the equipment in 2017/18 were aged 65+ (70%). This service is an all-age service and provided following a clinical assessment.
- 5.1.2 The current Community Equipment Loan Service contract commenced on 1<sup>st</sup> April 2013 and is an NHS contract which is contract managed by Birmingham and Solihull CCG. The contract award was approved on the 5<sup>th</sup> February 2013 and a subsequent contract extension to 31<sup>st</sup> March 2018 was noted on the 22<sup>nd</sup> March 2016 by Cabinet. A further extension to 31<sup>st</sup> March 2019 was agreed through BCF governance processes earlier this year.

- 5.1.3 There are around 1,500 prescribers in Birmingham who prescribe equipment to help children and adults with health and/or social care needs to live as independently as possible in their chosen home. These prescribers are Occupational Therapists, District Nurses and Physiotherapists from both NHS and BCC.
- 5.1.4 In 2017/18 a total of 105,832 pieces of community equipment/aids to daily living were delivered to children and adults across Birmingham generated from 32,142 orders. On average a delivery to a citizen includes 3 items of equipment. There are 131,282 citizens that are registered as receiving equipment across the life of this contract.
- 5.1.5 Provision of equipment/aids to daily living is an essential component of the health and social care system. Meeting an individual's changing equipment needs plays a pivotal role in:
- Improving an individual's quality of life, by providing equipment that supports, maintains and enhances the ability of people to remain independent in their own home and in the community;
  - Preventing health difficulties and deterioration, reducing the need for hospital admission and facilitating quick discharge from hospital;
  - Supporting people at the end of their life to be cared for and to die in the place of their choice;
  - Supporting the use of direct payments and personal health budgets, providing people with increased choice and control over services they receive.
- 5.1.6 The current contract with Medequip is due to end on the 31<sup>st</sup> March 2019.

## 5.2 Strategic Procurement Approach

- 5.2.1 Further to the Options Appraisal Report in Appendix 3, the following options for the procurement of the service were considered:
- Tender for a service with Birmingham & Solihull Clinical Commissioning Group (BSol CCG), Sandwell & West Birmingham CCG and Birmingham City Council under a shared contract. This is the recommended option as this would give the Council and CCGs the most flexibility in specifying our service provision, drive improvement from the service and enable the contract to be awarded within the required timescales due to the restructuring of the CCG. In addition this ensures a partnership and collaborative approach.
  - Tender as a framework agreement primarily for Birmingham but available for use by other public sector bodies. No benefit or economies of scale would be realised from this option therefore this option was discounted.
  - Use a collaborative framework agreement. There are no collaborative framework agreements in place that meet the Council's requirements.

## 5.3 Duration and Advertising Route

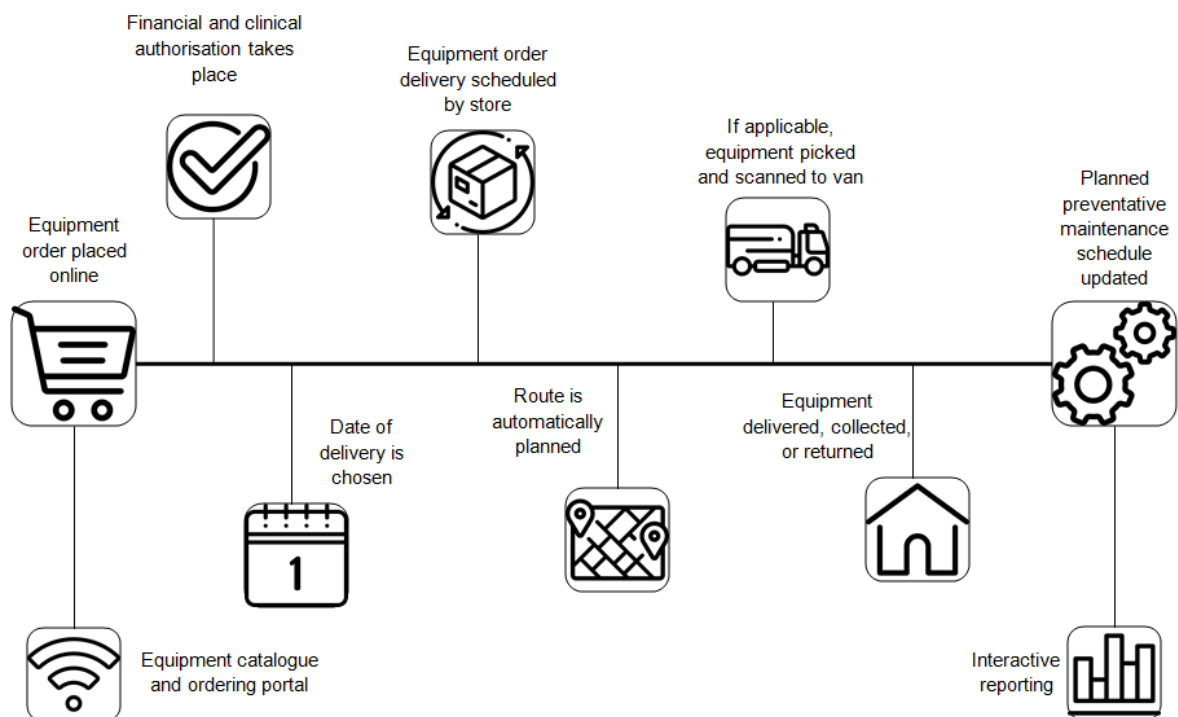
- 5.3.1 The proposed contract will be for a period of 3 years with an option to extend for a further 2 years subject to satisfactory performance and funding availability. The contract will

commence on 1<sup>st</sup> April 2019. The tender opportunity will follow the open route and will be advertised via Contracts Finder, Find it in Birmingham and the Official Journal of the European Union (OJEU).

## 5.4 Scope and Specification

- 5.4.1 The aim is to provide a BCELS that enables citizens to live as independently as possible, in their chosen home, and enables Health and Social Care Services to function effectively and without delay, preventing citizens from developing more complex needs, and protecting them and their carers from harm or injury.

The following depicts an overview of the key elements of a community equipment service:



## 5.5 Tender Structure

The evaluation of tenders will be conducted in 2 stages:

### Stage 1 – Company Information

This stage will consist of mandatory pass/fail considerations which tenderers must pass before progressing to Stage 2. These are:

- Part 1 Information about the Applicant
- Part 2 Grounds for Mandatory Exclusion
- Part 3 Grounds for Discretionary Exclusion Section 1
- Part 4 Grounds for Discretionary Exclusion Section 2
- Part 5 Economic and Financial Standing
- Part 6 Technical and Professional Ability
- Part 7 Additional Questions
  - Environmental Management
  - Insurance

- Compliance with Equalities Duty
  - Compliance with Health and Safety
  - Compliance with BBC4SR
- Part 8 Previous Experience  
Part 9 Declaration

Those tenderers that pass Stage 1 will proceed to the Stage 2 Evaluation.

## Stage 2 – Evaluation of Tenders

The contract award will be based on the Most Economically Advantageous Tender. This will be determined by reviewing the quality of the service, social value and price offered as detailed in the tenderer's response.

Tenders received will be evaluated using a quality/price/social value balance in accordance with a pre-determined evaluation model. The quality element will account for 50%, the social value element 10% and the price element 40%.

This quality/social value/price balance was established having due regard for the corporate document 'Evaluating Tenders Procedure v3.0' which considers the complexity of the services to be provided.

The quality of each tenderer's submission will be assessed in relation to specific requirements set out in the tender documents. These are:

### Quality (50% Weighting):

Criteria	Overall Weighting	Sub-weighting
Service Structure	50%	10%
Service Outcomes		10%
Service Care Pathways		15%
Contract Mobilisation and Transition		15%

**Tenderers who score less than 60% of the quality threshold, i.e. a score of 30 out of a maximum quality score of 50 will not proceed to the next stage.**

### Social Value (10% Weighting):

Criteria	Overall Weighting	Sub-weighting
Good Employer	10%	5%
Green and Sustainable		5%

**Tenderers who score less than 40% of the social value threshold, i.e. a score of 4 out of a maximum quality score of 10 will not proceed to the next stage.**

Only suppliers that meet the minimum quality and social value thresholds will proceed to the price evaluation.

### **Price (40% Weighting):**

Tenderers will be expected to submit a price on the basis of service delivery and mobilisation.

The price of the service includes two elements, an element for the overall service delivery that is based on standard and special equipment which includes delivery, maintenance, collection and recycling. Equally included in price is an element for one off, upfront set up costs.

The tenderer with the lowest acceptable price for both elements is given the maximum possible weighted price score. The other tenderers' weighted price scores will be calculated on pro rata basis.

<b>Criteria</b>	<b>Overall Weighting</b>	<b>Sub-weighting</b>
Service Delivery (Value for Money)	40%	30%
Mobilisation (One off Transformational Cost)		10%

### **Overall Evaluation**

The evaluation process will result in comparative quality, social value and price scores for each tenderer. The proposed contract will be awarded to the tenderer with the overall highest score.

#### **5.6 Evaluation Team**

The evaluation will be undertaken by the Assistant Director Community and Operational (BCC) or delegate, Clinical Lead and Commissioning Manager (BCC), Nominated Birmingham and Solihull CCG delegates X3 which includes a Clinical Lead with the support of officers from Finance and Legal. The process will be moderated by the Assistant Procurement Manager.

#### **5.7 Risk**

- 5.7.1 The Corporate Procurement Service (CPS) approach is to follow the Council Risk Management Methodology and the Procurement Team is responsible for local risk management. CPS maintains a risk management register and documentation relevant for each contract. The risk register for the service has been jointly produced and owned by Adult Social Care and Health Commissioning and CPS with arrangements being put in place to ensure operational risks are appropriately mitigated.

#### **5.8 Indicative Implementation Plan**

Cabinet Approval (Strategy)	9 <sup>th</sup> October 2018
ITT Issued	October 2018
ITT Return	November 2018
Evaluation Period	November/December 2018
DPR Approval (Award)	December 2018



Contract Award	December 2018/January 2019
Mobilisation period including TUPE transfer	January to March 2019
Contract Start	1 <sup>st</sup> April 2019

## 5.9 Service Delivery Management

### 5.9.1 Mobilisation

The mobilisation period will commence on January 2019 and will be on-going with the commencement of the contract and full service delivery by no later than 1<sup>st</sup> April 2019.

The mobilisation period is required as there will be the requirement to train around 1,500 prescribers to a new or updated ordering system.

### 5.9.2 Contract Management

The contract will be managed by a designated BCC Adult Social Care & Health Commissioning Manager using the Council's Contract Management process and toolkit. Key performance indicators will be used to regularly monitor and manage quality.

### 5.9.3 Performance Management

Performance measures will cover:

- Provide a quality service with high levels of Equipment Prescriber and Citizen satisfaction responses;
- Deliver equipment, providing a choice of times that are appropriate to the citizen and Equipment Prescriber and within the agreed prescribing timeframes;
- Ensure that suitable equipment, including both standard and special items, are delivered on time, fully maintained and meeting relevant legal requirements;
- Provide a cost effective service that achieves good value for money on standard and special equipment purchases through buying power and optimizes re-use of equipment, collection and recycling;
- Offer a range of equipment that is effective and keeps up-to-date with developing technology;
- Maintain an exemplary safety record, with health and safety policies in place and implemented; and ensure any breaches are reported to Commissioners, the Medicines and Healthcare Products Regulatory Agency (MHRA) and manufacturers as soon as possible;
- Provide good quality intelligence on the demand for and usage of equipment and share good practice on the use of equipment to support citizens at home.

Performance monitoring information will be submitted on monthly basis and this will include a range of qualitative and quantitative evidence to be submitted on a monthly basis, along with regular contract compliance review meetings. There are measures within the contract to address any potential performance and contractual issues.

**6. Evaluation of alternative option(s):**

- 6.1 Not to progress the procurement strategy is not an option as the Birmingham Community Equipment Loan Service meets both a BCC and NHS statutory responsibility.
- 6.2 To procure the service on an age group or geographic basis. This was not considered a viable option as this could fragment the service creating inconsistencies across the city and potentially be more costly with a range of overheads.
- 6.3 There is not an in-house service which is able to deliver this service.

**7. Reasons for Decision(s):**

- 7.1 To enable Birmingham City Council to act as the Lead Commissioner for the Birmingham Community Equipment Loan Service (BCELS).
- 7.2 To implement the strategy and commence procurement activity for the Birmingham Community Equipment Loan Service in accordance with the requirement and approach set out in Section 5.2 onwards.

**Signatures**

**Date**

Cllr Paulette Hamilton  
Cabinet Member for  
Health and Social Care

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Cllr Brett O'Reilly  
Cabinet Member for  
Finance and Resources

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Graeme Betts  
Corporate Director  
Adult Social Care and Health



27.09.2018

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**List of Background Documents used to compile this Report:**

- 1. Birmingham Community Equipment Loan Service (BCELS) Commissioning Strategy

**List of Appendices accompanying this Report (if any):**

- 1. BCELS Commissioning Strategy
- 2. Equality Analysis
- 3. Procurement Options Appraisal Report
- 4. Prescriber Survey
- 5. Citizen Survey