

## **Committee: Cabinet**

**Date: 21st March 2022**

Wards: All Wards

## **Subject: Award of an agreement for the provision and maintenance of a Community Equipment Service via an Integrated Procurement Hub**

Lead officer: John Morgan, Interim Director Community and Housing

Lead member: Rebecca Lanning, Cabinet Member for Social Care and Public Health

Contact officer: David Slark, Contracts and Market Management Manager.

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### **Recommendations:**

- A. That Cabinet approves the award of a collaboration agreement for the provision and maintenance of a Community Equipment Service via an integrated Procurement Hub to London Borough of Croydon on a rolling basis, with the Council able to withdraw from the agreement by giving not less than six (6) months' written notice of its intention to do so to expire on 31st March in any Financial Year.
  - B. That Adult Social Care carry out an annual review of service quality as well as undertaking a full value for money exercise every 3 years to ensure that the service continues to offer Best Value.
  - C. That the Director of Community and Housing be given delegated authority, in consultation with the Cabinet Member for Adult Social Care and Health, to agree to the continuation of the collaboration agreement following the completion of each annual review and triennial value for money exercise.
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## **1. Purpose of Report and Executive Summary**

- 1.1 The purpose of this report is to seek the approval of Cabinet to award a collaboration agreement. for the provision and maintenance of a Community Equipment Service via an integrated Procurement Hub to London Borough of Croydon on a rolling basis, with Council able to withdraw from the agreement by giving not less than six (6) months' written notice of its intention to do so to expire on 31st March in any Financial Year
- 1.2 This report details the commissioning process undertaken and the decisions taken and makes a recommendation that Cabinet agree to the recommendations detailed above.

## **2 DETAILS**

- 2.1 The Council are the lead commissioner for the service, with the CCG also accessing the service

2.2 The London Borough of Merton and the Clinical Commissioning Group (CCG) have a range of statutory duties to provide Community Equipment to support disabled, vulnerable and older people and children live as independently as possible in their own homes.

2.3 The service provides a broad range of aids to daily living (such as commodes, perching stools, profile beds and hoists) to support people to live in the community enabling them to optimise their independence .key elements of the service are:

- The supply, servicing, maintaining and repair of all Community Equipment.
- The provision of on-site technical advice, working with practitioners/clinicians, attending joint visits and advising clinicians on minor adaptations and technicalities around Community Equipment;
- The recycling of Community Equipment, including cleaning and refurbishment
- The collection of Community Equipment when no longer required by the customer;

2.4 Before a decision was taken to recommend entering into a collaboration agreement with the London Borough of Croydon, the Council undertook a benchmarking exercise to determine whether this approach demonstrated value for money.

## 2.5 **Benchmarking Process**

2.5.1 The current community equipment market only has a small number of commercial providers, with most of these services being accessed via framework agreements (the main exception being the service provided via London Borough of Croydon).

2.5.2 The Adult Social Care Commissioning team contacted the framework host boroughs and providers set out in Appendix A to invite them to be part of a benchmarking exercise to determine whether entering into a Collaboration Agreement with the London Borough of Croydon would be the most effective and efficient way of continuing to meet customer' equipment supply needs, giving the best overall value for money.

2.5.3 The five invited providers were requested to complete a Benchmarking Questionnaire. The Benchmarking Questionnaire required them to submit quotations of the following:

- i. Twenty units each of the twenty most popular equipment items supplied to our service users in the year 2020/21 including next working day delivery costs.
- ii. Twenty units each of the ten most popular equipment items collected for repair from our service users in the year 2020/21 (including collection, repair and next working day delivery charges).

## 2.6 **Benchmarking Evaluation:**

2.6.1 Only four questionnaires were returned although two of them were deemed to be non-compliant as they had not submitted quotations for 20 units of each of the ten most popular equipment items collected for repair. One provider did not return a Benchmarking Questionnaire as they could not identify a suitable framework that would meet our needs.

Details of the benchmarking analysis of the compliant questionnaires (including providers invited to quote and the questions asked) can be found in Appendix A of this report.

2.6.2 The benchmarking analysis (which included analysis of equipment and delivery costs & additional one off call off fees with alternative providers to the London Borough of Croydon via framework agreements) clearly showed that the London Borough of Croydon demonstrated the best overall value for money based on the purchase of the 20 units of each of 20 specified most popular equipment items and 20 units of each 10 specified most popular equipment items collected for repair/minor adaptations.

2.6.3 Soft market intelligence undertaken (as set out in appendix A) as part of the benchmarking also indicates that the recommendation proposed in this report would provide better value for money than from other frameworks for a number of reasons including the following:-

- Accessing Croydon Community Equipment Service is cheaper based on the outcome of the benchmarking exercise. In addition, no fees are charged for partnering with other borough members under London Borough of Croydon Equipment Service unlike other frameworks.
- No TUPE or redundancy costs involved for the Council's continued use of the Hub.

## 2.7 Other benefits of the London Borough of Croydon service:

- Offers an efficient and cost effective mechanism for supporting independent living, developing new solutions for service users
- There are on-going benefits from the purchasing power of the Integrated Procurement Hub (economies of scale), driven through the use of London Borough of Croydon's Dynamic Purchasing System.
- Legacy equipment can be purchased by the Integrated Procurement Hub as part of non-catalogue equipment.
- Maximises re-use of non-catalogue equipment and the reuse of equipment no longer required by a customer by sharing between Authorities to be reissued to another customer (subject to a safety check and deep clean in line with infection control procedures), keeping costs down.

- 2.8 Officers in the Community and Housing Department, in conjunction with Commercial Services, will carry out an annual service review to ensure that the service is continuing to provide a quality service to customers. The key information that will be used to inform this decision will be
- Customer surveys carried out by the Council and London Borough of Croydon to identify areas for improvement, with appropriate steps taken by the provider (in conjunction with the London Borough of Merton) to improve the quality of service further.
  - Annual performance assessed against a number of Key Performance Indicators as set out in the agreement (including: deliveries, collections, repairs and planned maintenance)
  - London Borough of Croydon monitoring the service through their own quality management and monitoring system (this will include analysis & investigation of complaints, identifying any areas for improvement).
- 2.9 In addition to the annual review detailed above, officers in the Community and Housing Department will also undertake a triennial value for money review to establish whether the collaboration agreement continues to offer Best Value. The methodology for this triennial review will be equivalent to that used for the benchmarking review detailed at 2.5 and 2.6 above. As for the annual reviews of service quality, the triennial value for money review will be undertaken in conjunction with Commercial Services.

### **3. ALTERNATIVE OPTIONS**

3.1 Option 1 Undertake a procurement process: Whilst the Council could undertake its own procurement process for this service, we would not secure the on-going benefits of the purchasing power of the integrated procurement hub. In addition, we would not be able to maximise the use of reusing equipment between different authorities. This would not be a financially viable option.

3.2 Option 2 Join one of the existing equipment frameworks: This option would give cheaper equipment costs than the Council could source through its own procurement process. However, as the benchmarking exercise has shown it would not provide as competitive prices as via the recommended option. In addition, there are also costs associated with joining a framework as mentioned in Section 2.6.2 above which have to be factored into such a decision. This would not be a viable option

### **4. CONSULTATION UNDERTAKEN OR PROPOSED**

The following key stakeholders were consulted at various stages throughout process:

**Internal:**

Adult Social Care Commissioning Team  
Commercial Services Team  
Community & Housing Operational Procurement Group

Legal Services  
Corporate Accountancy Team

**External:**

Equipment Providers:  
London Borough of Redbridge (host borough for integrated equipment service framework)  
Tower Hamlets (Party to London Community Equipment Consortium framework)  
London Borough of Croydon  
Millbrook  
NRS Healthcare  
Medequip

## **5. TIMETABLE**

Upon approval the Council will enter into the collaboration agreement to commence from 1<sup>st</sup> April 2022

## **6. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

- i. The budget is a pooled budget between London Borough of Merton and the Clinical Commissioning Group (CCG), with the Council contributing 51% & the CCG 49%. The CCG also increase contribution via the Better Care Fund where necessary
- ii. The annual budget in 2021/22 is £1,430,000. This is split as follows:

£330,000 –London Borough of Merton  
£312,000 –CCG  
£788,000 –Better Care Funding

## **7. LEGAL AND STATUTORY IMPLICATIONS**

- 7.1 Officers are recommending approval to award a collaboration agreement for the provision and maintenance of a Community Equipment Service via an Integrated Procurement Hub to the London Borough of Croydon. This agreement will facilitate the continuance of the current service. It is also recommended to delegate authority to the Director of Community and Housing, in consultation with the Cabinet Member for Adult Social Care and Health, to continue with the agreement.
- 7.2 The Council's Contract Standing Orders (CSOs), 1.9, and Appendix 7 are relevant. The Council is permitted to enter into joint procurement arrangements, partnership agreements or shared services with other parties, including other councils, if such arrangements would, (among amongst others) offer best value. The benchmarking analysis undertaken by officers evidenced that procuring the required services in collaboration with other councils via the Hub is the preferred option to deliver best value.
- 7.3 Moreover, the proposed award is made pursuant to Regulation 12(7) of the Public Contracts Regulations (PCR 2015) which permits public sector bodies to

enter into shared services arrangements to pool knowledge, skills and resources in the development or delivery of services.

7.4 Section 9E (2) (b) (v) Local Government Act 2000 permits the executive to arrange for the discharge of any of its functions by an officer of the Council.

7.5 Accordingly, it would be lawful to approve the above recommendations.

## **8. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

- i. The service will be required to continue to comply with current equalities, diversity and human rights legislation as well as Council Policy with regard to equalities, diversity and human rights.

## **9. CRIME AND DISORDER IMPLICATIONS**

- i. There are no specific implications affecting this tender.

## **10. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1 Prior to award of the agreement, the Council will review the London Borough of Croydon's Health and Safety Policy to ensure compliance with all statutory regulations in all matters related to the service.

10.2 The service provided by London Borough of Croydon has continued to run smoothly meeting our customer assessed needs. Our customers have raised no significant concerns relating to service delivery

10.3 The Council will ensure compliance to the service requirements and specification and collaboration agreement through the use of its robust monitoring procedure for the service. This will use at least the following methods:

- Monthly review meetings between the Council, London Borough of Croydon and the CCG throughout the duration of the agreement.
- The London Borough of Croydon monitoring the service through their own quality management and monitoring systems.
- Monthly performance assessed against Key Performance Indicators

## **11. APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- Appendix A (Commercially Sensitive Information)

## **12. BACKGROUND PAPERS**

- i. The Council's Contract Standing Orders
- ii. The Council's Procurement Strategy