



Mayor and Cabinet

Permission to direct award to Medequip Assistive Technology Limited until 31 March 2024

Date: 21 June 2023

Key decision: Yes.

Class: Part 1

Ward(s) affected: All Wards

Contributors: Executive Director, Community Services, Director of Law & Corporate Governance, Executive Director for Corporate Resources

Outline and recommendations

1.0 Purpose of the report

The purpose of this report is to seek agreement from Mayor and Cabinet:

- To use the Kent framework agreement
- To make a direct award in accordance with the framework agreement

This will enable officers to undertake a comprehensive review of options available in relation to the reprocurement of the Integrated Community Equipment Service. The findings from this comprehensive review will be included in a permission to procure report that will be presented to Mayor and Cabinet in July 2023.

This comprehensive review was delayed due to the decision of the High Court to suspend award of contract to Nottingham Rehab Centre Limited¹ following a challenge by Medequip Assistive Technology Limited. The suspension was lifted on 22 December 2022 with details of the framework agreement shared with Lewisham Council officers in January 2023. The time lost due to the suspension means that Lewisham officers have been unable to undertake a comprehensive review of options and then recommend to Mayor and Cabinet the preferred option within this financial year (2022/23).

2.0 Recommendation

It is recommended that Mayor and Cabinet approve the decision:

- To use the Kent framework agreement

¹ Trading as NRS Healthcare Ltd

- To make a direct award in accordance with the framework agreement

This will enable officers to undertake a comprehensive review of the procurement options available in reprocurring this contract. A permission to procure paper will be brought to Mayor and Cabinet in July 2023 following the comprehensive review

3.0 Summary

- 3.1 In February 2012, Mayor and Cabinet agreed for the London Borough of Lewisham to join the London Community Equipment Consortium (the Consortium), hosted by the London Borough of Hammersmith and Fulham. Since 2018, Westminster City Council has taken over the hosting of the Consortium.

Until the 31 March 2023, the Consortium operated a single framework agreement with Medequip Assistive Technology Limited, with whom each Consortium member local authority had a call-off contract. This framework agreement had been in place since 2017 with Medequip Assistive Technology Limited and was due to end on 31 March 2021. On 24 March 2021 Mayor and Cabinet approved a two-year extension up until 31 March 2023. Medequip Assistive Technology Limited was also the provider of services under predecessor agreements which had been in place since 2009. The earlier agreements were smaller in scale with the first involving seven boroughs and they expanded in extent as more boroughs joined the Consortium.

- 3.2 The reprourement of the Integrated Community Equipment Service (ICES) contract was conducted in the name of the Royal Borough of Kensington and Chelsea (RBKC) with Westminster City Council (WCC) acting as co-lead with RBKC for the purposes of the Consortium. The Invitation to Tender (ITT) was published on the 09 May 2022 with closing submission date of the 04 July 2022. Two tender responses were received by the submission deadline. The initial 7-week tender period was extended by 7 working days following tender amendments to the contract and specification document.
- 3.3 The evaluation panel consisted of current Consortium members from 21 London Boroughs, IT experts and included a Responsible Procurement manager to ensure the quality questions could be evaluated with the correct expertise. Individual evaluations were conducted by evaluation panel members, followed by moderation meetings to reach consensus scores.
- 3.4 Based on the most economically advantageous tender, it was recommended that Nottingham Rehab Centre Ltd was awarded the contract for the provision of Integrated Community Equipment Services for the London Consortium for a period of 5 years with the option to extend for a further 2 years. The estimated total net value of the London Consortium framework contract for the period of 5 + 2 years, is £360m for the full proposed contract period based on current expenditure (including the extension options) for all Consortium Boroughs. The decision was approved by Westminster City Council on the 05 September 2022 with a contract mobilisation period of six months.
- 3.5 Medequip Assistive Technology Limited was told that it was the unsuccessful tenderer on 5th September 2022 and commenced proceedings on 23rd September 2022. This resulted in a suspension of contract mobilisation which was lifted on the 22 December 2022 following a High Court decision.
- 3.6 The contract award notice to Nottingham Rehab Centre Ltd was published on the 08 February 2023. The delay as a result of the suspension has impacted on Lewisham Council officers undertaking a comprehensive review of the options available in relation to the reprourement of Integrated Community Equipment Service and then

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presenting those findings to Mayor and Cabinet via a permission to procure report before the current framework expired on the 31 March 2023.

4.0 Recommendation

4.1 It is recommended that Mayor and Cabinet agree:

- To use the Kent framework agreement
- To make a direct award in accordance with the framework agreement

The estimated contract value is £2,400,000 (of which Lewisham Council contribution is £800,000 and South East London Integrated Commissioning Board, Lewisham is £1,600,000. This will be via the Integrated Community Care Equipment framework (Y21006) managed by KCS procurement services

4.2 This will enable officers to undertake a comprehensive review of the procurement options available in reprocurring this contract. A permission to procure paper will be brought to Mayor and Cabinet in July 2023 following the comprehensive review

5.0 Policy Context

5.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including the provision of disability aids and ‘community equipment’, to meet the assessed eligible needs of service users who are ordinarily resident in their area. The supply of Community Equipment is a statutory duty under:

- Care Act 2014 (Adult Social Care only)
- Chronically Sick and Disabled Persons Act 1970
- Children and Families Act 2014
- National Health Service Act 2006
- Health and Safety at Work act 1974 and Regulations

5.2 The provision of community equipment to eligible children and adults is vital in helping to achieve efficiency and cost-effectiveness across a range of other local authority and health authority services, and to help achieve local and health authority strategic objectives. 5.3 The report supports the following Corporate priorities:

- Cleaner and greener
- A strong local economy
- Open Lewisham
- Health and wellbeing

6.0 Background

6.1 Local authorities in England have a statutory duty to plan for the provision of certain home-based services, including disability aids and community equipment, to meet the assessed eligible needs of those individuals who are ordinarily resident in their area. It is an important element in supporting independence, one of the key objectives of both Lewisham Council and South East London ICB (Lewisham).

6.2 As with most other local authorities, the Council and the then Lewisham Primary Care Trust (now part of South East London ICB) set up a combined Integrated Community Equipment Services (ICES). The agreement, made under Section 256 of the NHS Act 2006, highlighted that ‘an important objective for both health and social care is to support the independence of vulnerable people in the community and to be able to manage whole system costs. The community equipment contract is an important element in delivering on that objective allowing both health and social care professionals to quickly order items for loan such as hoists, beds, commodes etc. which can support early discharge from hospital or prevent the need for a hospital admission in the first instance.

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This equipment is specially designed to assist older people and those with longer term conditions to be able to continue to perform core tasks such as washing, getting out of bed, getting upstairs etc. which otherwise might mean that they had to leave their home or rely further on increased care packages'. Most community equipment services across the country are outsourced to a private provider, with the contract held by the Council.

- 6.3 In February 2012 Mayor and Cabinet agreed that the Council should join the London Community Equipment Consortium (the Consortium), hosted by the London Borough of Hammersmith and Fulham. Since 2018, Westminster City Council has taken over the hosting of the Consortium. The Consortium is currently made up of twenty-one London Boroughs including Lewisham and is the largest community equipment consortium in the UK and potentially Europe. Each borough contributes an annual fee (Lewisham pays £9,450pa) towards the Consortium's running costs.

7.0 Options appraisal

- 7.1 There are two options available in relation to the provision of the Integrated Community Equipment Service for the next year. These include:

- One year extension with the London Consortium
- Awarding a contract direct to Medequip Assistive Technology Limited for one year via the Integrated Community Care Equipment framework agreement (Y21006). The framework agreement is managed by KCS Professional Services, on behalf of Kent County Council (KCC). The framework agreement sets out the objective conditions for making a direct award which includes the following:
 - The Supplier is able to supply the required Goods/Services within the Customers timescales
 - Continuity of existing Goods/Services from an awarded Supplier

Provided the Council can show that any one of the above objective conditions then we can make a direct award. In this case, Medequip meet both of the conditions set out above.

Option	Pros	Cons
Remaining in the consortium and thereby transitioning to NRS on the 01 April 2023 for one year	<ul style="list-style-type: none"> • New contract embeds strong control measures and stretch key performance indicators e.g., achievable social value targets such as an electric fleet of vehicles • Continued engagement with consortium members enables shared learning and support • Contract mobilisation is managed by the consortium who have extensive experience managing Community Equipment contracts. • Contract mobilisation is already underway with regular updates shared with consortium members • Emergency Out of Hours response times will be better as Contract will be run out of Sidcup, as opposed to Medequip Heathrow or Woodford Green. • Benefit of sharing specials, which will cease if stay with Medequip. NRS Limited are moving specials back to London, so savings will only improve in 	<ul style="list-style-type: none"> • Only 85% of existing products will be included in the 2023/24 catalogue. • Officers have not had sufficient time to review the various options available regarding the reprocurement of Integrated Community Equipment Services including the benefit of the NRS five-year contract to Lewisham residents. • Permission to award contract to NRS was unable to be presented to Mayor and Cabinet due to the delays in the London Consortium awarding the contract to NRS. This was mainly due to legal challenge by Medequip. • There is a risk of additional contract mobilisation costs e.g., handover of data from the exiting provider, parking permits for NRS drivers, possible damage claim from the incumbent • There is a reputational risk of exiting the consortium. This is being mitigated through ongoing engagement with consortium colleagues and

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Option	Pros	Cons
	<p>this area with the London Consortium. Cross Borough items issued can be maintained and serviced by one provider. Out of Boroughs will not be an issue.</p> <ul style="list-style-type: none"> • Due to the scale of the LC, NRS have in excess of 300 LC staff to call on, along with 152 full EV vehicles which will hugely reduce emissions locally in the borough & across the Consortium. In terms of capacity NRS also have a fleet of 30 diesels as a backup if required • NRS has a London Clinical Team, led by a Clinical Director. To advise and assist the Contract on aspects of Prescriber support, training and Service User Safety. 	<p>acknowledgement that two other boroughs have chosen to remain with the current provider.</p>
<p>Remaining with Medequip and thereby transitioning to Integrated Community Care Equipment framework agreement (Y21006) on the 01 April 2023 for one year</p>	<ul style="list-style-type: none"> • 100% of existing products will be included within the 2023/24 catalogue • Community equipment delivery times will be the same in 2023/24 as they were in 2022/23 • Prescribers are in favour of this option as disruption is minimised due to using the same catalogue, online ordering system and delivery time expectations. • The Integrated Community Care Equipment framework agreement (Y21006) will enable Medequip to mirror in financial year 2023/24 the activity / charging arrangements currently in place (2022/23 financial year) • The Integrated Community Care Equipment framework agreement (Y21006) will enable prescribers and approvers to use the same online system (TCES) to order equipment from the 01 April 2023, thus resulting in minimal disruption to Service Users, Prescribers and Clinicians. A robust transition plan will be coproduced to manage a phased and coordinated transition to TCES Community on 01 July 2023. • The transition to TCES Community will be undertaken by Medequip staff who have a detailed understanding of Lewisham specific issues. • A strong and effective working relationship has been established between LBL commissioners and Medequip over the last four months with an agreed and joint approach to developing data driven overview of contract activity through Medequip developing a series of Power BI dashboards. 	<ul style="list-style-type: none"> • Agreed, phased move to TCES Community will require staff to be trained on the upgraded TCES ordering system only. This will be managed in a phased and seamless way. n • Potential readmission fee if choose at a later stage to re-join the consortium. This is offset by no fee being paid in the 2023/24 financial year. • Commissioners need to strengthen working relationship with the team managing the Integrated Community Care Equipment framework agreement (Y21006). • Unclear impact on the delivery time for community equipment with the Medequip depot moving from Greenwich to Woodford Green. Medequip have assured LBL that delivery time expectations will remain as is and this will be included within the call off contract Key Performance Indicators. Options exist where we base Lewisham, including Rochester and Woodford Green, and the potential to supplement the solution with local drop off/collection and storage.

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Option	Pros	Cons
	<ul style="list-style-type: none"> • All existing contract requirements and processes are already integrated into the Medequip Quality Management System and there are processes in place to agree any CTE changes to existing catalogue products and confirm actions on legacy products. The Integrated Community Care Equipment framework agreement (Y21006) will enable these to continue. • All equipment items are currently fully templated and recorded and all items will be moved from current Ely (Cambridge) store to be held more locally at Woodford Green (Redbridge). • The Integrated Community Care Equipment framework agreement (Y21006) will enable continued strong control of overall costs and increasing re-cycling without disruption to focus • Ordering of specials has not ceased 	

8.0. Financial implications

8.1 The annual gross budget for this service is £2.4m. It is funded from ICB, CYP and ASC budgets. This proposal does not present any significant additional risk to current estimated spend forecasts. The direct award allows for continuity of provision which is key to the preventative and transformation agenda in Lewisham council. It also allows the council to potentially source more cost efficient options for the medium to long term. The service is demand led and so there remains some risk should there be a sudden surge in demand. This however is not expected based on present demand and market analysis. Also any such risks burden will be shared across the various partners and the impact to Lewisham if any will be limited.

9.0 Legal implications

9.1 Under the Council's Contract Procedure Rules the Council may use a framework agreement set up by a public sector body where that framework agreement has been procured in accordance with the Public Contracts Regulations 2015 ("Regulations") and allows named contracting authorities to call off under the framework agreement. It appears that the framework agreement is compliant with the Regulations and allows the Council to call-off a contract.

9.2 The Council's Constitution contains requirements about how to procure and manage contracts. These are in the Contract Procedure Rules (Constitution Part IV). Some of the requirements in those Rules are based on the Public Contracts Regulations 2015 as amended by the Public Procurement (Amendment etc) (EU Exit) Regulations ("the Regulations") with which the Council must comply. Given the value of the contract the Regulations do apply.

9.3 The report proposes the establishment of a contract for 1 year. The potential value of the contract including the extension is above £500,000, which means that this is a Category A contract for the purposes of the Council's Contract Procedure Rules and one which is to be awarded by Mayor and Cabinet.

9.4 This contract has been procured as required by the Regulations and the Council's Constitution. The report explains the approach and process applied and the reasons for recommending the award of contract to Medequip under the KCS framework

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Agreement. The framework agreement set out that a direct award was allowable provided a contracting authority can meet any one of the objective criteria set out in the framework agreement. The report sets out the objective criteria that has been met and therefore that the contract may be awarded.

10.0 Equalities implications

10.1 The current provider will continue to fulfil their equalities contractual obligations for the extended one year.

11.0 Climate change and environmental implications

11.1 The current provider will continue to fulfil their climate change and environmental contractual obligations for the extended one year.

12.0 Crime and Disorder implications

12.1 There are no specific crime and disorder implications arising from this extension

13.0 Health and wellbeing implications

13.1 The current provider will continue to fulfill their contractual obligations for the extended one year by increasing Client's independence by giving them more choice and control in arranging their equipment and in support collection of equipment no longer needed by the Client.

14.0 Social Value implications

14.1 The current provider will continue to fulfil their Social Value contractual obligations for the extended one year.

15.0 Background Papers

Title of Document	Date	File Location	Contact Officer
Covid-10 Contract Related Extensions	24 March 2021	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Community Equipment Services (award call off contract)	8 February 2017	Integrated Joint Commissioning Team, 3 rd Floor Laurene House	Emma Campbell Smith
Commissioning arrangements for community equipment – Pan London Consortium	15 February 2012	Governance Team	Emma Campbell Smith

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