

## Notice of KEY Executive Decision

This Executive Decision Report is part exempt and Appendix A is not available for public inspection as it contains exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to information relating to the financial or business affairs of any particular person (including the authority holding that information), and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

<b>Subject Heading:</b>	Award of Contract to <b>Appello Smart Living Solutions</b> for Digital Telecare Equipment
<b>Decision Maker:</b>	Neil Stubbings- Strategic Director of Place <a href="mailto:Neil.Stubbings@havering.gov.uk">Neil.Stubbings@havering.gov.uk</a>
<b>Cabinet Member:</b>	Councillor Paul McGeary. <a href="mailto:CouncillorPaul.McGeary@havering.gov.uk">CouncillorPaul.McGeary@havering.gov.uk</a>
<b>SLT Lead:</b>	Neil Stubbings- Strategic Director of Place <a href="mailto:Neil.Stubbings@havering.gov.uk">Neil.Stubbings@havering.gov.uk</a>
<b>Report Author and contact details:</b>	Lee Price - 01708 432281 <a href="mailto:lee.price@havering.gov.uk">lee.price@havering.gov.uk</a>
<b>Policy context:</b>	Place - The places and communities we live in affect health and wellbeing in many other ways, for both good and ill. Access to good quality housing is an important determinant of population health and ensuring resident's needs are being met. People will be helped to live independent, socially connected and healthier lives. Award of this contract also supports the Council to provide services which are value for money, whilst supporting the most vulnerable members of the community in Havering.

## Key Executive Decision

<b>Financial summary:</b>	This report is a proposal for the Council to award a contract to Appello Smart Living Solutions for provision of a digital telecare service, provision of telecare equipment and a maintenance contract to the value of £2,344,701 The final expenditure on the contract will be determined by both market conditions at the time of awarding the contract and the total number of clients that require the service.
<b>Reason decision is Key</b>	This is a Key Decision which relates to: <b>Part (a) Expenditure of £500,000 or more. The value of this contract award, is expected to be £2,344,701</b>
<b>Date notice given of intended decision:</b>	28.06.2023
<b>Relevant OSC:</b>	Place
<b>Is it an urgent decision?</b>	No
<b>Is this decision exempt from being called-in?</b>	No

### **The subject matter of this report deals with the following Council Objectives**

People - Things that matter for residents

Place - A great place to live, work and enjoy

Resources - A well run Council that delivers for People and Place.

<p>Part A – Report seeking decision <b>DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION</b></p> <p>For the reasons set out within the report, it is recommended that the Strategic Director of Place awards a contract to Appello Smart Living Solutions at value of £2,344,700.74 for the supply, installation and maintenance of a digital telecare service and maintenance service in Havering for a term of 4 years, contract to commence not before March 2024.</p>
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<p><b>AUTHORITY UNDER WHICH DECISION IS MADE</b></p> <p><b><i>Constitution Part 3 Section 3.3 Powers of Members of the Senior Leadership Team Contract Powers</i></b> <b><i>(b) To award all contracts with a total contract value of between £500,000 and £5,000,000 other than contracts covered by Contract procedure Rule 16.3.</i></b></p>
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**STATEMENT OF THE REASONS FOR THE DECISION**

**Background**

Telecare is the term used to describe social alarms and radio triggers that assist vulnerable people to live independently in their own homes. Examples of Telecare triggers would be falls detectors that alert a monitoring centre automatically if a person has a fall.

In Havering, there are around 2765 remote service users under a mix of adult social care services and self-funders. Each service user is a vulnerable person with the vast majority being elderly people. Service users are supplied with a range of sensors and or pendants in response to their specific needs. The devices may take the form of pendants that people can wear, or sensors such as door and bed sensors that are installed into their home.

The Council partners with Newham Network, a service to supply the central monitoring alarm receiving centre. Call handlers in the alarm receiving centre respond to calls originating from the telecare equipment and speak directly to the service user raising the alarm. The call handler will follow a process to ensure a service user gets the correct response and actions such as contacting a family member or requesting emergency services.

In addition to the remote service users, the council have a further 523 service users currently residing in 14 sheltered housing sites that also use a pull cord activation system which is different to the remote sites. Additional functionality for the system includes door entry, fire alarm and lift control interfaces. All calls are handled in the same way by the alarm receiving centre.

The equipment is currently operating on the original analogue format which is now in need of replacement. BT previously announced that between 2019 and 2025, all telecommunication systems will transition from analogue to the new digital format. This means that all existing analogue services and equipment will be phased out.

The Council set up an internal panel over 2 years ago, which has been working with stakeholders and specialists to ensure that Havering are responding to the rapid changes in digital technology. The panel remains in place to approve the procurement specification and ensure value for money throughout the tender process to award the contract. The panel will continue to monitor the contract after its award using its representatives from the council's various stakeholders in finance, telecare and out of hours, sheltered housing, fire safety, major works team and the assistant director of housing operations.

The Havering Digital Telecare Solutions have a number of objectives in time for the digital and analogue switch which includes: -

- The provision of integrated digital telecare support packages
- Improving choice and flexibility enabling older and vulnerable people to live Independently and with dignity
- Reducing the need for residential/nursing care
- Unlocking resources across the public sector and redirecting them elsewhere
- Reduced acute hospital admissions
- Reduced falls and accidents in the home
- Increased support for hospital discharge and intermediate care services
- Contribution to the development of a range of preventative services

Specifically, this procurement seeks to deliver the following for the service: -

- To provide a supplier and process that is compliant with procurement protocols.
- To identify the supplier that will provide best value for public funds.

## **Key Executive Decision**

- To ensure that equipment provided by the successful supplier is technically compatible with existing peripheral devices and the control centre call handling systems already in place.
- To provide a high quality sustainable, long term digital telecare solution

This procurement has been divided into 2 requirements to be provided by 1 supplier: -

### **Requirement 1**

- Supply of up to 3100 new digital telecare solutions equipment.
- Installation of digital telecare equipment across Havering approximately 2765 remote sites over a 2-year period.
- This will include all cabling requirements and Wi-Fi solutions with installation of replacement solutions for the existing equipment and systems.

### **Requirement 2**

- Supply of digital telecare solution equipment to 14 sheltered housing blocks in Havering. Poplar Street includes 38 sheltered bungalows.
- Installation of integrated digital telecare solutions ensuring interface with other sheltered housing systems covering 523 units in Havering. This will include all cabling requirements and Wi-Fi solutions with installation of replacement solutions for the existing pull cords, existing equipment and systems.
- Provide a 4-year maintenance and support contract, with an initial warranty which will become effective after year 1 and will cover year 2-4.

The Council has used the ESPO Framework Telecare and Telehealth Products and Services Lot 2. 19 suppliers were included in Lot 2 and selected for the opportunity to tender for the contract based on their experience and services which closely match the requirements listed above.

The outcome for the procurement process and panel scoring has resulted in Appello Smart Living Solutions being the most economically advantageous tender therefore, the overall preferred partner for their submission to meet Requirement 1&2 for the provision of Digital Telecare equipment and maintenance as outlined.

A key decision is therefore respectfully requested to award the contract to Appello Smart Living Solutions, for the installation of digital telecare equipment into the Council's sheltered housing, remote homes in the community, and for the maintenance service. The Appello overall contract price is £2,344,701.

In Havering there are around 2765 remote service users under a mix of adult social care services and self-funders and a further 523 service users residing in 14 sheltered housing units that currently use the telecare service and system. Each of the service users is a vulnerable person with the vast majority being elderly people.

By 2025, the current analogue system for alerting the Newham Network Call centre will be switched over to a digital system. By not responding to this requirement and making changes to the existing equipment, there would be a risk to the most vulnerable people in our communities that rely on the alarm call system for keeping them safe and able to live independently.

Therefore, the Council is required to procure a contractor that is able to replace all of the existing analogue equipment with digital equipment in time for the switchover.

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Appello will be providing a maintenance contract for the sheltered housing service after the initial 1 year manufacturer's warranty ends until the duration of the contract.

#### **OTHER OPTIONS CONSIDERED AND REJECTED**

##### **Option 1. Do Nothing**

The panel have reviewed the option for keeping the existing equipment without replacing anything. However, this is not a feasible option as the current analogue system will not be compatible for the switchover of Virgin and BT in 2025. This is a risk to the residents in sheltered accommodation and the community, as well as the reputation of the council.

##### **Option 2. Collaborative Working**

The Council have engaged with the suppliers to ensure the current and future users for the service will be kept informed of the changes to their equipment with a consultation. However, there was a reluctance to work in partnership due to the urgency and volume of work required for installation before the switchover deadline.

##### **Option 3. Use Internal Resources**

The Council does not have the personnel to deliver this service internally.

#### **PRE-DECISION CONSULTATION**


The Services engaged with the existing customer group to ascertain whether a new contract was required and a fee. It was unanimously decided by the group that a new contract was essential but were not in favour of a charge.

#### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Lee Price

Designation: London Borough of Havering Contract Manager – Supported Housing

Signature:



Date: 29th January 2024

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

The Council has power to enter into the contracts under s111 of the Local Government Act 1972 which permits the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

The Council also has a general power of competence under Section 1 of the Localism Act 2011 to do anything an individual can do, subject to any statutory constraints on the Council's powers. None of the constraints on the Council's s.1 power are engaged by this decision.

The contract value is £2,344,701 The proposed contract value is above the applicable Public Procurement threshold for Service Contracts of £213,477 in the Public Contracts Regulations 2015 as amended ("PCR"). The award of the contract is caught by the full PCR regime and must comply with the PCR general principles of transparency, equality of treatment, non-discrimination and proportionality. The contract has been procured and awarded via the ESPO Framework Agreement 203\_21 Technology Enabled Care Products and Services, which is PCR compliant. The general principles are therefore met.

The award of the contract must also comply with the framework's internal rules. As set out in this report, officers have confirmed that these requirements have been met.

The Award of the contract must comply with Regulation 33 (7) of the PCR.

For the reason set out above, the Council may award a contract to Appello Smart Living Ltd.

### FINANCIAL IMPLICATIONS AND RISKS

In 2021 assumptions were made for determining contract value from assessing the frameworks' product catalogue, as well as actual quotes received for similar installations on similar schemes in respect of sheltered housing.

Finance team and budget holder, have confirmed that there is available Capital budget for funding this project. Revenue budget for the 2024-25 budget and onwards also have provision and will be planned for by the budget holder over the contract lifetime.

Duration of the contract will be 4 years. Year 1 will include the manufacturer's warranty for the equipment. Year 2-4 will be for maintenance and servicing of the equipment.

The contract value has been divided using the following assumptions for each requirement in the service: -

**Requirement 1** - supply and installation approximately 2765 digital telecare systems in remote sites. The overall costs include a 1 year single roaming SIM card for continued digital signal for the equipment.

**Requirement 2** - supply and installation for 14 sheltered housing schemes including the ongoing maintenance costs for the equipment to year 4 after the initial 1-year warranty expires.

The individual sheltered schemes are as follows: -

## **Key Executive Decision**

1. Bards Court
2. Beehive Court
3. Cockabourne Court
4. Charlbury Crescent
5. Cole Court
6. Cottons and Fambridge
7. Garrick House
8. Holsworthy House
9. Poplar Street
10. Ravenscourt Grove
11. Thomas Sims
12. William Tansey Smith
13. Dell Court
14. Great Charter Close

This includes 38 sheltered bungalows at Poplar Street.

The overall costs include a single roaming SIM card which is used for continued digital signal required for the equipment in the sheltered housing schemes.

The overall contract value is based on the tender submitted by Appello for the 4-year contract, including how Appello will fulfil Requirement 1 and 2.

From April 2024 there will be a small charge to community and sheltered service users of £1 per week for the telecare equipment over 5½ years to recover the cost of the equipment back to the council.

**Further financial information is referred to in the Exempt Appendix A.**

### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

*The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.*

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) 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 have protected characteristics.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

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The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

In 2021 the Council set up a panel from different departments to ensure decisions on the works and equipment would take into account protected characteristics for customers and future customers considering the service. The panel provided a customer survey to all residents which would ensure responses were utilised to provide the right service.

In order to ensure that there is equality of access to the service, it is recommended that methodologies to reach residents are accessible and targeted for population groups not aware of the services available. This is also a requirement under the Council's public sector equality duty as stipulated by the Equalities Act.

Currently, a high proportion of existing service users have a disability. It will therefore be important to ensure that all individuals not only understand that the resource is available to assist as part of the installation process but also to enable individuals to understand the functionality of the new machines. Thereby, in addition to the installation aspects, additional time may need to be allocated to inform individuals and their families on its use.

It will be important for the service to be able to take into account limited previous contact with digital equipment and lower levels of digital literacy than what you would normally expect from younger age groups.

The service will also need to take into account service accessibility and language issues that may be prevalent amongst some individuals from BAME backgrounds.



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### **HEALTH AND WELLBEING IMPLICATIONS AND RISKS**

This is a positive decision to ensure the delivery, installation and ongoing maintenance of a digital telecare service. The supplier Appello is an experienced installer and provider of equipment for this market.

The process of installation of the required equipment considers the existing fabric of the building where people live. Notice of work starting, timescales and communication about how Appello will install the equipment will be part of the communication package to ensure staff and residents are aware of the changes. This process is documented and managed by the Appello Contract manager. Appello staff are employed and trained according to the roles with delivering the services. Installers will be DBS certified and trained to ensure they are competent.

Risk assessments are already in place for vulnerable customers of the services throughout the process. There will be contract meetings to ensure all issues or incidents can be identified. Therefore, the need for the equipment to be updated and installed.

The installation of the digital equipment will support residents to continue to live an independent lifestyle with the reassurance of equipment which can be used to contact emergency services if required.

Appello will be providing training for staff and residents on the new equipment and ongoing support where required.

All equipment provided to residents will meet the required standard and legislation set out in the procurement requirement. The telecare equipment must operate in digital format. BS8521-2:2020 specifies the requirements for the establishment of a common signalling protocol to ensure that social alarm systems from different manufacturers exchange essential information and controls in a compatible manner. All equipment must conform to the Telecare BS8521-2:2020 standard and are to be open protocol.

The installation to be provided and installed must also meet all relevant standards of the European EN50134 series of standards for social alarms.

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### **ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS**

*Guidance on completing this section can be found on this link:*

» *Climate Change Committee Guidance (havering.gov.uk)*

As part of the procurement process response from suppliers, Appello included a statement to support their commitment to environmental projects and practices. **Appello promotes sustainability and will help London Borough of Havering to do this same with regards to the telecare services**

#### **Commitment to environmental projects**

Appello are committed to carbon reduction and have employed an Environmental consultant to produce a Carbon Reduction Plan to offset carbon emissions. Appello has invested in R&D to make all their products more sustainable and reduce its carbon-footprint e.g., their transition to a cloud-first organisation has materially reduced their power and infrastructure requirements, as well as significantly reducing their electrical waste. Similarly, their drive towards interoperability increases the amount of re-use of other manufactures existing devices, particularly peripherals, that can be achieved.

Smart Living Solutions (SLS) are utilised by c40,000 individuals in the UK. As a result of the digital capability to identify and resolve remotely an increased amount of maintenance tasks, SLS reduces travel by engineers significantly. On average a carbon reduction of 0.07 tonnes per site is achieved through introducing SLS in comparison to a non-digital system. Across their SLS portfolio, this is approximately 35.525 tonnes of CO2 annually. This same remote diagnostics technology is incorporated into their Smart Life dispersed alarm, so that similar benefits can be derived.

#### **Commitment to Improving Environmental Practices**

Their research has indicated that per annum remote working amongst monitoring operators (c25 remote shift daily, who previously worked in office) is resulting in a reduction in carbon footprint, associated to commuting, of 41.6 tonnes of CO2 annually. Appello employs regional staff to undertake assessment and installation activities. This boosts the local economy and ensures Appello has personnel who are familiar with that geographic area and local nuances.

Appello has commenced with a project called: "Environmental impacts of digital interventions for health and wellbeing in the home" to examine the way digital interventions (i.e., digital platforms, apps, devices) in the home around health and wellbeing can be used for greater sustainability.

### **BACKGROUND PAPERS**

**None.**

### **APPENDICES**

**Exempt Appendix A – contains the financial breakdown by Appello for Requirement 1 and 2 which is sensitive information.**

**Key Executive Decision**

**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Details of decision maker**

Signed:

Name:

Position: Strategic Director of Place

Date:

**Lodging this notice**

The signed decision notice must be delivered to Democratic Services, in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_