

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 14th June 2016

Report of: Director Adult Social Care
and Chief Operating Officer, Peter Bates

Subject/Title: Cheshire East Council Community Equipment Service Framework

Portfolio Holder: Cllr. Janet Clowes – Portfolio Holder for Adult Care and Integration

1.0 Report Summary

Community Equipment – Adult Equipment Procurement Framework

- 1.1 This Council is committed to providing a range of excellent local care and support services for the residents of Cheshire East, building on our commitments to ensure residents are supported to live well for longer, and to remain as independent as possible. The Council is fully aware of its responsibilities to its citizens, and is committed to addressing both current and future needs in its planning, to ensure sustainable adult care and support services.
- 1.2 The community equipment service model, which provides fast access to high quality equipment, is vital to supporting independence. A new framework for adult equipment is about to be procured, as authorised by Cabinet of 3rd February 2015. This will ensure that the Council is compliant to EU rules. However there are a number of other Local Authorities in the North West and London who have expressed an interest in purchasing from this new, innovative framework. So this paper is seeking authorisation for other local authorities to join the framework which will increase the overall total contract value of the framework above that which was approved by Cabinet in February 2015.
- 1.3 The Council is committed to being a leader across the region to promote best practice, efficiency and economy. This is an opportunity for the Council to promote its reputation in that respect by establishing the new framework in a way that allows other Local Authorities and other bodies to join in future. This would require those agencies to pay a fee to join that would cover the administrative costs incurred.
- 1.4 The Council already leads and delivers the community equipment service on behalf of a local partnership. This paper does not propose expanding that

partnership; any new Local Authority or other body would purchase directly from the CEC framework using its own ordering system.

- 1.5 In order to enable the Council to provide this valuable contribution to efficiency, the new adult framework procurement would have to include the total potential value of spend. The framework will be for a 4 year period.
- 1.6 The current maximum value of spend as approved by Cabinet of 3rd February 2015 is for a maximum spend of £15 million. Several other councils and bodies from the North West and some London Boroughs have asked to be named on the OJEU notice. Based on those requests the total potential spend over 4 years brings the estimated value of the framework to a maximum of £80million. The total maximum value of spend over four years would therefore be recommended to be £80 million to ensure that there is no risk that these limits are exceeded.

2.0 Recommendations

- 2.1 That Cabinet approve the principle that other Local Authorities and other bodies may join the framework, approved at Cabinet on 3rd February 2015.
- 2.2 That Cabinet delegate authority to Director of Adult Social Care to approve other local authorities and other bodies joining the framework subject to the total value of spend of this procurement exercise not exceeding £80 million over 4 years.
- 2.3 That CEC continue to quantify and report the efficiency benefits and value for money to the health and social care system of this framework.

3.0 Reasons for Recommendations

- 3.1 The publication of the framework with additional agencies would further raise the positive profile of the Council as a leader of innovation, efficiency and collaboration.
- 3.2 The procurement of a framework which allows for the potential increase in users of the framework, could improve the prospect of improved unit costs, and greater efficiency. The framework will include a means of gaining a rebate from suppliers if volumes increase substantially over certain levels. It will also be innovative in that it will bring together equipment lead authorities across the northwest, something which has been seen for some time as an opportunity. This initiative should promote increased efficiency and innovation in equipment provision, which has become more and more vital in the drive to maintain people in their home environment for as long as possible.
- 3.3 The levels of spend approved by the Council need to be high enough to ensure there is no risk that the framework becomes non-compliant to EU rules because the value of the framework has been exceeded.

4.0 Wards and Local Ward Members Affected

4.1 All Wards and All members

5.0 Policy Implications

5.1 None

6.0 Financial Implications

6.1 No additional Council budget will be required for the increase in numbers of users of the framework. The admission of additional Authorities to the framework could reduce the overall unit cost of equipment if spend increases substantially. There will be multiple providers on the framework, discounts will be applied if a given level of spend with an individual provider is exceeded; this level is based on historical spend patterns.

6.2 The framework will continue the current achievement of speedy delivery to the customer's home in order to facilitate rapid discharge from hospital. This ensures maximum cost-effectiveness for the health and social care system by reducing hospital beds days. The current savings per annum as shown on the Community Equipment performance dashboard is £499,200. This is based on 1248 bed days saved by facilitating timely hospital discharge, a saving of £499,200 based on 3 days saved per discharge at £400 per day (Data.gov.uk)

6.3 Administration and monitoring costs would be charged to the additional Authorities.

6.4 There is no obligation for this Authority or any other user of the framework to purchase equipment and other services through the framework agreements.

7.0 Legal Implications

7.1 A framework agreement enables the need for a particular service to be met for a set period of time, in order to obviate the need to undertake a wide competitive process in relation to each individual procurement. It complies with EU requirements and the Council's rules. Suppliers can be appointed directly based on the pricing and/or other information established in the original tender process or if the price cannot be directly determined or in order to ensure best value a mini-competition can be held between the suppliers appointed to the framework in order to make an award.

7.4 The Public Contracts Regulations 2015 allow local authorities to enter into framework agreements with a number of service providers, following a competitive tendering process, and to thereafter select from those service providers to provide particular services, as and when required for a maximum period of four years.

7.5 The Legal Service is not in a position to comment on best value to the Council approaching the procurement in this manner and looks to colleagues in the Finance and Procurement Services to provide guidance on the approach to procurement that would provide best value to the Council.

- 7.6 In addition to meeting the partnership's requirements, the service intend to make the framework available to other contracting bodies. In order to do so those authorities will need to be named in the notice published in the Official Journal of the European Union (OJEU Notice) and an estimate of the total value of the spend of all participating bodies will need to be provided. Only those bodies that are named in the OJEU Notice at the time of publication will be able to use the agreement. The Council will need to monitor the spend of all those bodies using the framework over the lifetime of the framework to ensure that the total value set out in the OJEU Notice is not exceeded.
- 7.7 The other authorities (participating bodies) will need to enter into an Access Agreement with the Council and then enter into separate agreements with each provider on each of the Lots that they intend to use (as there will be more than one provider on each lot).
- 7.8 The Council has not allowed other authorities to access to its framework agreements before and so consideration will need to be given to the management of participating bodies' use of the agreement. This will involve monitoring and reporting requirements and consideration as to how the Council will deal with queries (about the use of the framework) and possible complaints (possibly from suppliers who feel they have not been dealt with fairly in mini-competitions). Documents will be drafted to include indemnities and disclaimers to protect the Council.

8.0 Risk Management

- 8.1 There is an opportunity to raise the positive profile of the Council as leader of innovation, efficiency and collaboration.
- 8.2 There is a risk that the administration of the framework with additional agencies will generate additional clerical work. This risk has been mitigated by the requirement of a joining fee that any new agency would have to pay to cover the costs of the additional work.
- 8.3 There is a risk that the level of spending could be exceeded making the Council non-compliant with EU rules. This has been mitigated by the requirement that the detailed monitoring of spend is done within CEC and that monitoring cost is covered within the joining fee. The spend trajectory will be analysed quarterly to ensure the Council has an early warning of any risk of overspend.

9.0 Access to Information

Background papers relating to this report can be inspected by contacting the report writer:

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