

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting: 3rd March 2015
Report of: Director Adult Social Care and Independent Living –
Brenda Smith
Subject/Title: Community Equipment Service - Provision of Larger
Equipment
Portfolio Holder: Councillor Janet Clowes, Care and Health in the Community

1.0 Report Summary

Community Equipment – provision of larger re-usable equipment

- 1.1 The Cheshire Community Equipment Service has a long track record of providing equipment in an innovative and cost efficient way. Cheshire has been the National lead for this model of provision since 2008. It provides a service which allows the purchase of equipment to enable people of all ages and their carers to remain in their homes safely. The provision of equipment makes a significant contribution to promoting independence, facilitating hospital discharge and avoiding admission to hospital or care homes. This report is to ensure that larger items of equipment can be purchased effectively and to ensure compliance with EU procurement regulations.
- 1.2 The Community Equipment Service is a partnership of six organisations and is hosted by Cheshire East Council. The partners are Cheshire West and Chester Council, Eastern Cheshire Clinical Commissioning Group, West Cheshire Clinical Commissioning Group, South Cheshire Clinical Commissioning Group and Vale Royal Clinical Commissioning Group. The benefit of the service being hosted by the Council rather than the NHS is that Councils can claim back VAT, thus making the service more cost effective.
- 1.3 It is proposed to procure two frameworks, one for adult equipment and a second for children's equipment suppliers. These frameworks will enable the purchase of the larger items of equipment such as profiling beds, hoists, and complex children's chairs. Frameworks offer better value and efficient use of limited resources as they are more flexible than fixed contracts, and allow for urgent provision and greater choice.
- 1.4 The aggregate value of the Community Equipment Services requirement is such that the purchase of equipment must be done following a tendering process in order to comply with EU and National Regulations. It is proposed that the Council enter into framework agreements with several suppliers from April 2015 for 4 years. The total value of the frameworks would be adults - £15m and children - £5m.

The Council's contribution to the overall budget required by the partnership for equipment is agreed annually through the Adult Social Care budget setting process. The Cheshire East Council budget requirement (both adult and children's equipment) in 14/15 is £312K. There is no anticipation of a significant rise to this contribution over the length of the frameworks.

The total budget for the six way partnership for equipment is £1.4m. Over the Four-year framework this would be a potential spend of £5.6m.

The frameworks will allow other authorities to join agreements over time, hence the higher levels of potential spend stated above.

- 1.5 One framework will be to enable the purchase of adult equipment. This framework will have the potential of additional authorities joining it, in order to widen the procurement footprint and increase spending power.
The second framework will be to enable the purchase of children's equipment, and will be procured jointly with Blackpool Borough Council, as Blackpool are at a similar stage in their procurement of children's equipment, and are keen to work with Cheshire to achieve a better value framework with a larger procurement footprint. This framework will also have the potential of additional authorities joining to increase purchasing power and seek increased value for money.
Alternatively, all the requirements to be included as separate Lots within one framework agreement.
- 1.6 The EU Regulations define a framework agreement as "an agreement or other arrangement between one or more contracting authorities and one or more economic operators, which establishes the terms under which the economic operator will enter into one or more contracts with a contracting authority in the period during which the framework applies".
- 1.7 Equipment such as profiling beds will be called off the framework as and when required. The use of more than one supplier for specific items of equipment ensures ensure availability at all times and the ability for the service to respond to urgent demand.

2.0 Recommendations

- 2.1 That Cabinet approve the procurement of equipment for adult and children via either one overarching framework agreement or two framework agreements (the final decision as to how many agreements to be delegated as per 2.2 below).
- 2.2 That Cabinet delegate authority to Director of Adult Social Care and Independent Living to approve the number of framework agreements to be procured, and determine the suppliers admitted to the framework agreement/s, following a legally compliant procurement exercise, and to subsequently enter into framework agreements with each supplier.

3.0 Reasons for Recommendations

- 3.1 A framework agreement will remove the need to undertake a competitive process in relation to each individual item required. A fast and efficient response can be provided as equipment can be called off from suppliers almost immediately.
- 3.2 The framework agreement will support the Council to maintain the quality of equipment provision through a sustainable equipment supplier market. All suppliers will be signed up to the terms and conditions of the framework agreement and any provider who does not meet the required standards will be removed from the framework agreement.
- 3.3 The establishment of the framework agreements will ensure that the Council complies with the Public Contracts Regulations 2006 and the Council's Finance and Contract Procedure Rules.

4.0 Wards and Local Ward Members Affected

- 4.1 All Wards and All members

5.0 Policy Implications

- 5.1 The provision of equipment enables Adult Social Care and Independent Living to deliver the council outcomes 1 and 5 identified in the 3 year Plan.

Outcome 1: Our Local Communities are Strong and Supportive
Outcome 5: Local People Live Well and for Longer

6.0 Financial Implications

- 6.1 The framework will be used to purchase services for people identified as having a need following an assessment. No additional budget will be required for the transfer of services to a framework agreement.
- 6.2 There is no obligation for the Authority to purchase equipment and other services through the framework agreements.

7.0 Legal Implications

- 7.1 The Council collaborates in provision of the Community Equipment Services of which it is lead authority and manager of the service on behalf of itself, Cheshire West and Chester Council, Eastern Cheshire Clinical Commissioning Group West Cheshire Clinical Commissioning Group, South Cheshire Clinical Commissioning Group and Vale Royal Clinical Commissioning Group. It will be procuring the equipment for the Community Equipment Services in order to fulfil this role. A Memorandum of Understanding to govern the parties' relationship and responsibilities has been entered into until the end of March 2017. This memorandum gives Cheshire East Council host authority status and sets out the model of service provision and each partner's financial contribution to the pooled budget.

- 7.2 The aggregate value of the requirement for community equipment is such that these services must be procured in accordance with EU and National Legislation (so as to comply with the Council's Finance and Contract Procedure Rules) and engage in a competitive tender exercise.
- 7.3 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 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. As the current Memorandum of Understanding between the Council, Cheshire West and Chester Council, Eastern Cheshire Clinical Commissioning Group West Cheshire Clinical Commissioning Group, South Cheshire Clinical Commissioning Group and Vale Royal Clinical Commissioning Group is due to end in 2 years consideration could be given to entering into agreements for less than the four year maximum (or for a shorter term with the option to extend) or which are capable of early termination.
- 7.5 The proposal is for two framework agreements accessible by other local authorities. Consideration could also be given to a single framework agreement for community equipment with the requirement for children's equipment included as a separate Lot within that framework. This would not disadvantage Blackpool Borough Council who will be able to access both adult and children's community equipment in the same way. Consideration should be given to any ongoing administration and management costs associated with the framework/s being open to other Councils and the need to pass back costs to those Councils.
- 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 The Public Services Social Value Act 2012 applies to framework agreements. It requires the Council to:
- consider how what is proposed to be procured might improve the social economic and environmental well-being of the relevant area
 - how, in conducting a procurement process it may act with a view to securing that improvement whether to undertake a consultation on this matter.

8.0 Risk Management

- 8.1 The services provided enable the Council to fulfil its statutory duty under the Health & Social Care Act.
- 8.2 There is no obligation for the Authority to purchase equipment via the framework agreement.
- 8.3 As suppliers are signed up to the framework agreement it will be more efficient for the Authority to monitor the suppliers holding a contract.
- 8.4 An EIA has been completed in respect of this proposal.

9.0 Access to Information

The following background papers relating to this report can be inspected by contacting the report writer:

- a) The Community equipment Service Memorandum of Understanding
2014-17
- b) Equality Impact Assessment Report

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