

Cabinet Report

Date of Meeting: 10 September 2019

Report Title: Commissioning of Community Equipment Services

Portfolio Holder: Cllr Laura Jeuda, Adult Social Care and Health

Senior Officer: Mark Palethorpe, Acting Executive Director People

1. Report Summary

- 1.1. The Council has a statutory requirement to offer Community Equipment to individuals with social care needs to support them to be safe at home and where possible independent. As such, it facilitates effective hospital discharge and support for intermediate care, reduces risk of falls at home, and can reduce the risk of further deterioration in an individual's condition leading to entry into residential or hospital based care. This report sets out recommendations for how this type of support should be commissioned in the future in a way which seeks to maximise quality of provision and support for service users and patients.
- 1.2 Provision of an effective and quality Community Equipment service addresses Outcome 5 of the Corporate Objective "People Live Well and For Longer" as well as Outcome 6: "A Responsible, Effective & Efficient Organisation". In addition it addresses the principles detailed in the Council's commissioning plan of focusing on early help and prevention, to reduce the risk of problems developing; and to put in place a new service which fits in with the requirements of community equipment prescribers, service users (including children and young people) and carers. This will reduce demand and allow us to support those with greatest need.

The commissioning question we have posed is:

"How can we fulfil our statutory requirement in relation to Community Equipment whilst ensuring the service is high quality and value for money with a strong emphasis on prevention?"

2. Recommendations

That Cabinet:

- 2.1 Endorses the proposal contained in this report and delegates authority to the Executive Director (People) to enter into a Memorandum of Understanding and S75 Agreement with South Cheshire Clinical Commissioning Group, Eastern Cheshire Clinical Commissioning Group, Vale Royal Clinical Commissioning Group, West Cheshire Clinical Commissioning Group (or any organisation(s) that succeed them) and Cheshire West and Chester Council to establish an aligned budget and underpin governance of a jointly provided service and to determine the final terms of the Memorandum of Understanding and Section 75 Agreement following negotiations.
- 2.2 Approves the procurement of a contract for Community Equipment Services following completion of a consultation process and informed by a review of the findings
- 2.3 Delegates authority to the Executive Director (People) to award a contract to a supplier of Community Equipment Services.

3. Reasons for Recommendations

- 3.1. Cheshire East Council's approach to the delivery of Community Equipment is currently failing to address local need due to fundamental issues with its design. These include: excessive costs for equipment; multiple deliveries required to a person's home instead of just a single delivery; and inadequate recycling rates for equipment. Inefficiencies in the model also mean that the service's carbon footprint is excessive due to the need for multiple deliveries, and the inability to recycle simple living aids.
- 3.2 The adoption of an alternative model of delivery in which a single provider delivers equipment services and is responsible for all administrative functions is proposed and would enable the creation of a modern efficient service, which addresses the calls for change which have been made by stakeholders such as from health and social care. This is a model also advocated by local Clinical Commissioning Groups.
- 3.3 The current Community Equipment Service is used by over 500 prescribers from social care and health, with the latter working interchangeably with patients based in Cheshire West. As such, it is more practical to have a single system across the two locations requiring procurement in partnership with Cheshire West and Chester. Furthermore, this approach will offer economies of scale, allowing us to provide a more effective service for residents.
- 3.4 Delivery of the proposed model would be outcome based, with emphasis on preventing or delaying the development of care and health needs. This

would assist people to maintain/ reach their optimal level of independence, supporting their wellbeing.

4. Other Options Considered

- 4.1. *Keeping the existing service* - This would mean that the Council continued with a hybrid model for the provision of community equipment with a Council administrative team managing the provision of equipment through liaison with a number of contracted community equipment providers. Supply of simple living aids would also continue to occur by retailers. This would retain the inadequacies of the model, including that service users/carers have to receive multiple deliveries from a number of providers, and that prices are uncompetitive reducing what can be achieved with the overall budget. Additionally, recycling of simple living aids does not take place.
- 4.2 *Modifying the existing approach* - This would involve procuring a new framework of equipment suppliers and retaining the retail model, with the aim of achieving stronger value and less duplication of equipment provision. However, the problems with the model would be retained (as outlined in 4.1) and it is unclear if pricing could be improved due to the Council's lack of purchasing power. There would also be no opportunity to explore a joint service with Cheshire West and Chester as their service is delivered by an independent sector provider.

5. Background

- 5.1 Cheshire East Council has a statutory requirement for equipment provision under Provision of Community Equipment and Minor Adaptations Regulations 2014 and the Care Act 2014. The latter includes a key duty to prevent or delay the development of needs for care and support as well as emphasising the importance of participation in the community.
- 5.2 There are a number of aims relating to this provision, including:
- Facilitating the independence of service users including completion of daily living tasks and integration of people, children and young people into the community;
 - Enhancing comfort for service users and reducing pain related to a condition;
 - Assisting with care delivered by formal and informal carers;
 - Reducing risk of accidents such as falls.
- 5.3 Community Equipment items range from walkers, raised toilet seats and commodes which are currently provided through accredited retailers, up to larger items such as profiling beds and hoists, which are currently delivered and collected by suppliers. These are prescribed by a range of professionals including Occupational Therapists both within the Council and in Health. This provision is for children, young people and adults.

- 5.4 Cheshire East Council currently has an agreement to provide equipment in Cheshire East not just in relation to its own service users, but also to patients of Eastern Cheshire, South Cheshire and Vale Royal Clinical Commissioning Groups. This partnership was founded in 2008 and has functioned according to a Memorandum of Understanding. As part of this, there is also an aligned budget arrangement (using a Section 75 Agreement).
- 5.5 The current service has been configured so that equipment can be obtained via two main routes;
- prescription from an approved retailer in the community for simple aids to daily living which cost less than £100 in value (8,297 prescriptions issued in 2017-18);
 - and for more complex equipment by direct delivery, installation and demonstration via contracted equipment providers (using a framework agreement). An internal staff team coordinate this supply.
- 5.6 The prescription system aims to permit flexibility by allowing service users/carers to collect equipment themselves, and where this is not possible to fund delivery from the retailer. But its chief drawback is that it does not permit equipment to be recycled. This is critical given that spend is 31% of overall equipment costs or £357K (2018-19). 21 retailers are currently used by the service. 6 of these are situated within Cheshire East. No formal contracts are required with this arrangement.
- 5.7 Cheshire East Council procured a Framework for complex equipment suppliers which started on 1st April 2017 and is for four years. This involves 8 contracted companies supplying equipment over 8 equipment categories such as mobile hoists and slings. These suppliers are responsible for delivering, maintaining, removing and storing equipment. This work takes place in conjunction with an internal administrative team who coordinate processes. As such, they act as the link between prescribers and suppliers.
- 5.8 The current framework approach has not achieved value for money for the Council and Partners with equipment costs high in comparison to other areas. A key reason for this is that the majority of other Councils have their service provided independently. As such, there were not sufficient additional Council's willing to use the framework, meaning lack of purchasing power.

In 2018/19 the partnership was overspent by approximately 16%:

	Contribution (£000s)	Expenditure (£000s)	Overspend (£000s)
Cheshire East	407	420	13
Eastern CCG	337	415	78
South CCG	258	338	80
Vale Royal CCG	174	195	21
Total	1,176	1,368	192

- 5.9 The existing model also has other flaws: if a service user has a requirement for a number of items these may be delivered by separate suppliers increasing inconvenience. Additionally, the model requires suppliers to individually manage processes such as storage and decontamination, building in inefficiency to processes. Terms and conditions allow the Council to end the framework contracts with 3 months notice and procure a new provider.
- 5.10 Detailed discussions have been held with Eastern Cheshire, South Cheshire and Vale Royal Clinical Commissioning Groups who have made it clear that change is required. This was underlined by extensive engagement has taken place with services, teams and prescribers in Social Care and Health over the current model which have highlighted concerns. These include: deliveries are not timely; it is difficult to access equipment out of hours; the process for obtaining equipment is overly time-consuming; there is wastage in the system as recovery can make equipment items quickly redundant.
- 5.11 Procurement of a single provider of the full service for retail and complex items offers the opportunity to better meet prescriber and service user need. It is planned that this contract would be for 3 years with scope for extensions for a further two year period. However, final details would be dependent on discussions with Cheshire West and Chester. This also includes a decision over who would act as lead commissioner. A key requirement would be to have a new Memorandum of Understanding in place with relevant parties (including CCGs and potentially Cheshire West and Chester Council). This would also include a new Section 75 agreement. Consultation would also be conducted with the public and professionals over the approach.
- 5.12 This is likely to mean; a new IT system provided by the equipment supplier; a single storage location for equipment within Cheshire East, together with smaller stores strategically placed to allow hospitals to access kit quickly; a review of the existing equipment catalogue to ensure that it meets the needs of prescribers and service users. Additionally, work will take place to minimise over prescribing of equipment. The Audit Commission have previously produced a report which shows how efficiency could be

achieved under a single provider model¹. This includes: use of delivery rounds, use of effective tracking systems, cost formula to drive recycling of items, reminders to service users when equipment loan is longer than expected. The revised approach would apply these recommendations which are standard in the provider market.

- 5.13 In addition to this, commissioning of the service will consider social value and therefore wider benefits to society and the environment in service delivery (as well as the minimisation of any harm). This will take place through a specific social value question included in the tender process together with contract management of activities that the provider has committed to. Key opportunities include use of a local workforce, employee development, use of volunteers etc.

6. Implications of the Recommendations

6.1. Legal Implications

- 6.1.1 Cheshire East Council has a duty under Section 1 of the Care Act 2014 to promote the wellbeing of adults in need and carers. The wellbeing principle applies in all cases where a local authority is carrying out a care and support function, or making a decision, in relation to a person.

- 6.1.2 'Wellbeing' is a broad concept and includes the following principles amongst others, of which the provision of community equipment can be applied:

- personal dignity (including treatment of the individual with respect)
- physical and mental health and emotional wellbeing
- control by the individual over day-to-day life (including over care and support provided and the way it is provided)
- participation in work, education, training or recreation
- social and economic wellbeing
- domestic, family and personal
- suitability of living accommodation

- 6.1.3 Section 2 of the Care Act 2014 places a duty on Cheshire East Council to provide, arrange or otherwise identify services, facilities and resources to prevent, delay or reduce the needs of adults for care and support in the local area.

- 6.1.4 The Care and Support Statutory Guidance gives examples of what local authorities could do to meet this duty, which includes the provision of

¹ Fully Equipped, the provision of equipment to older or disabled people by the NHS and social services in England and Wales, Audit Commission

community equipment services and adaptations.

- 6.1.5 Transfer of Undertakings (TUPE) is likely to apply to the procurement of a single external provider with the result that Choicequip staff (who are assigned and essentially dedicated to the current service) will transfer their employment from the Council to a new provider on their existing terms and condition of employment.
- 6.1.6 The Council will need to ensure Transfer of Undertakings information and consultation obligations are complied with and that meaningful consultation takes place with affected staff (with trade union involvement) in good time before any transfer to avoid potential claims. Best Value pension protection will also need to be considered with any successful bidder.
- 6.1.7 It is intended that the Council will collaborate with health partners and potentially with Cheshire West and Chester Council in the provision of a joint service. A Memorandum of Understanding and Section 75 Agreement should be negotiated and entered into between the parties in order to set out the terms of the co-operations including governance, liabilities, and the aligned budget arrangements.
- 6.1.8 Any re-procurement of these services will need to be undertaken in accordance with the Council's Contract Procedure Rules and the Public Contracts Regulations 2015. Ongoing legal support will be given to ensure the Council meets requirements in this regard.

6.2. Finance Implications

- 6.2.1 The budget for the Community Equipment store is within the Peoples Commissioning Team Plan. The recommission of the Community Equipment Service has been included in the 2019-22 business planning proposals. As such the base budget available for Cheshire East's contribution has reduced by £50k in 2019/20 and will reduce again in 2020/21.

Budget Year	Cheshire East CES Budget (£000s)
2018/19	£407
2019/20	£357
2020/21	£307

- 6.2.2 In recent years demand has exceeded budgeted resource and the shortfalls have been met by each partner, Cheshire East Council's overspend was £13k in 2018/19. Therefore, the saving required through the recommission actually needs to exceed the £100k saving by 2020/21.
- 6.2.3 The proposed contract length is 3 years with options to extend for two

further years.

- 6.2.4 Timely and effective provision of equipment can often result in better and less costly social care solutions. In the event that costs of the new contract exceeds budget resource further evidence will be required to justify that the new contract will result in greater value for money for Cheshire East residents through reduced care costs.

6.3 Policy Implications

- 6.3.1 The procurement of the service is aligned both with the Council's Commissioning Plan 'People Live for Longer' and Market Position Statement.

6.4 Equality Implications

- 6.4.1 An initial Equality Impact Assessment has been drafted which will be refined during the course of this project.

6.5 Human Resources Implications

- 6.5.1 Transfer of Undertakings (TUPE) may apply for staff from the Community Equipment Service. This would cost up to approximately £150k per annum. The budget available to fund a recommission would depend on the proposed impact on these contracts.
- 6.5.2 These costs or any voluntary redundancy, transfer of undertakings or pension implications will need to be included in the modelling and met within the financial envelope as detailed above.
- 6.5.3 HR and Legal will continue to be engaged with to ensure that implications for staff are considered and that they are supported through the process.

6.6 Risk Management Implications

- 6.6.1 Ensuring that re-commissioning (including service re-design, re-procurement, and award) is delivered to time, within the agreed financial envelope and delivers a high quality provider of community equipment services that serve to enable users to maximise their independence
- 6.6.2 If a service is not procured, it would mean that we would be unable to support people with care needs with Community Equipment to high quality standards, and as such would not be able to fulfil our obligations to attain best value for the Local Authority and Partners.

6.7. Rural Communities Implications

- 6.7.1 Community Equipment must be made available in a timely manner to

people with health or care needs whether they might be in the Borough. This particularly includes rural locations where alternative support is more limited.

6.8 Implications for Children & Young People/ Cared for Children

- 6.8.1 As part of the review, the community equipment needs of Children and Young People will be explored including efficiencies from providing support to schools within the Borough.

6.9 Public Health Implications

- 6.9.1 Community Equipment is key to addressing people's immediate health needs but also serves a preventative function, for instance, in terms of reducing the risk of accidents such as falls. Furthermore, it can enable individuals to participate more readily in their local area thus assisting with their emotional health and wellbeing by supporting them to access community based assets.

6.10 Climate Change Implications

- 6.10.1 The recommended model will achieve greater environmental sustainability through the use of route optimisation for the distribution of equipment and greater recycling of equipment. It is also the intention to explore the option of the use of green vehicles for deliveries.

7 Ward Members Affected

- 7.1. All Wards

8 Consultation & Engagement

- 8.1. Consultation will take place in order to understand local need in further detail. If the recommendation is agreed, this will take place in October and may include an online and postal survey. This will inform the future service direction including the service specification. We would also ensure involvement in procurement activities and ongoing evaluation of service provision.

9 Access to Information

- 9.1. The following documents have been key to project development:
- Joint Strategic Needs Assessment
 - People Live Well for Longer Commissioning Plan
 - Cheshire East Council Corporate Plan

10 Contact Information

- 10.1. Any questions relating to this report should be directed to the following officer:

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