



Although a formal committee of the city council, the Health & Wellbeing Board has a remit which includes matters relating to the Clinical Commissioning Group (CCG), the Local Safeguarding Board for Children and Health Watch. Papers come from a variety of sources. The format for Health & Wellbeing Board papers is consequently different from papers submitted to the city council for exclusive city council business.

1. Formal details of the paper

1.1. Integrated Community Equipment Service

1.2 This paper is to be made available to the general public.

1.3 9th September 2014.

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2. Decisions, recommendations and any options

2.1 The report sets out future commissioning options for the Integrated Community Equipment Service (ICES) in Brighton & Hove.

2.2 The Health & Wellbeing Board are asked to recommend to Policy & Resources Committee that the Council and the CCG enter into a contract with the equipment provider selected by West Sussex County Council (WSCC) as set out in Option 1 below in 2.6.

Key findings

2.3 The equipment service is commissioned jointly between Brighton & Hove City Council (B&HCC) and the Clinical Commissioning Group

(CCG). The service has been provided via a Section 75 agreement with Sussex Community Trust (SCT) since 2004.

- 2.4 SCT have given notice on the contract and will cease to provide the service on 30th September 2015 or an earlier date if agreed by all parties.
- 2.5 It is essential that the provision of an equipment service continue in the city and that it is provided within the existing budget. The following options have been considered as alternatives to current provision:

Option 1

- 2.6 Enter into a contract with the successful West Sussex provider
 - 2.6.1 West Sussex have invested considerably to ensure that they procure an efficient, modern equipment service. Their ICES has been contracted to an external contractor since 2005 and this contract expires in March 2015. They have entered into a competitive dialogue process to gain from the expertise of the market and achieve a contract that meets all of their current and future requirements.
 - 2.6.2 As well as saving time and resources by not carrying out a procurement exercise Brighton & Hove would gain from the experience that West Sussex have in procuring a second generation ICES and from the efficiencies to be gained from sharing the procurement and delivery of equipment across geographical areas.
 - 2.6.3 The West Sussex procurement acknowledges that the levels of activity have been increasing and that to generate efficiency savings suppliers must improve recycling, collections, deliveries, introduce new technology and improve access to the service thereby supporting more users without a commensurate increase in resources. The successful provider must provide evidence of how they will do this whilst submitting the most economically advantageous tender that balances technical and quality requirements against commercial elements.
 - 2.6.4 West Sussex have produced a detailed specification that meets the requirements of Brighton and Hove and will supply the quality of management information needed to enable strategic planning. The specification has been informed by customers and West Sussex held events with the general public, service users and

special interest groups to identify exactly what customers want and need. There will need to be some local variation and this can be negotiated with the successful provider.

2.6.5 West Sussex are awarding the contract in October 2014 with a start date of 1st April 2015. If the incumbent provider is not successful the new provider will need to concentrate on transferring the West Sussex service before taking on the Brighton & Hove service but West Sussex have indicated that a start date of 1st October 2015 is achievable.

Option 2

2.7 Use the Eastern Shires Purchasing Organisation to select a provider

2.7.1 The Eastern Shires Purchasing Organisation (ESPO) are a local authority purchasing and supply consortium jointly owned by 7 local authorities. They are currently in the process of developing a range of specifications for community equipment solutions with one of these being a fully managed service. These specifications will be published and procurement frameworks established by the end of 2014

2.7.2 The advantage of this approach to Brighton & Hove is that ESPO will pre-qualify organisations so that time and resources are saved at this stage in the procurement. A mini-competition would then take place between providers on the relevant framework and they would be evaluated against a local specification in regard to quality and price.

2.7.3 It is not known at this stage what the exact specifications will look like but the Council is in dialogue with ESPO regarding these. It is also unclear what organisations will join the framework and it may be that they are not organisations working in bordering authorities so sharing across borders and the efficiencies that this may bring cannot be guaranteed with this option.

2.8 Discussions about whether a local base is required would take place with the successful provider and the base may not necessarily be within the Brighton & Hove border. Satellite facilities would be required locally as well as a facility for customers and prescribers to collect and return equipment.

Alternative options

2.9 There are 2 alternative options but after careful consideration they were excluded for the reasons set out below:

2.9.1 **Tender locally for the service:** This would be costly and time intensive and given that compliant tendering processes have already been undertaken by West Sussex, such a process was considered to be unnecessary.

2.9.2 **The Council provide the service:** This option would need considerable investment to meet the requirements of a modern, efficient service. For the last 3 years Commissioners and SCT have been working closely to develop and modernise the service, and whilst SCT and B&HCC have excellent staff who are very committed to providing a good service, the building and decontamination facilities need the investment mentioned in 3.5.2 as well as the information technology and logistics elements of the service. An IT system that would have the functionality provided by commercial equipment providers and that would meet the demands required would cost approximately £125,000 to set up with annual costs of £87,000. There would be additional costs of approximately £90,000 to implement 7 day working. SCT have decided that this type of service does not fit with their clinical care strategy and equally the delivery of equipment does not fit with the long term strategy of Adult Social Care which is to provide care services to people with the most complex needs.

3. Relevant information

3.1 The Personalisation agenda and the Transforming Community Equipment Services (TCES) programme has put users of services at the centre of decision making and prompted greater scrutiny of access to and provision of equipment. Alongside this, the demographic growth of older people and people with complex health needs and the reducing budgets in social care and increase in demand across health and social care have placed further pressure on equipment services.

3.2 The Care Act places a series of new duties and responsibilities on Local Authorities. There is a duty to work with partners to deliver integrated services and efficient working across health and social care. The numbers of people being eligible for intervention will increase. The equipment service can play a vital role. Timely provision of equipment, telecare and minor adaptations to support

preventive and reablement services is essential in the effective provision of 7 day services and the management of long term care costs. There is also a need to meet the challenge of ensuring continuity of services and equipment provision when patients and users move between services and geographical areas.

- 3.3 ICES procure, provide, deliver, fit, collect, maintain, clean and recycle equipment for Health and Social Care. The service supplies equipment and fittings to people in their own homes and/or within intermediate settings (such as care homes or nursing homes), supporting timely discharge from hospital and helping people to maintain their independence at home.
- 3.4 ICES is managed by SCT, with 7 B&HCC staff and 15 SCT staff. Of the total of 22 staff, 13 staff have permanent contracts and 8 short term contracts, with 1 vacancy.
- 3.5 There have been 2 recent reports to Adult Care & Health Committee regarding ICES in September 2013 and January 2014. The reports highlighted issues around the ICES budget, building and performance and the issues are summarised below:

Budget

3.5.1 The current budget for ICES is £1.452m, of which £805,000 (55%) is from the CCG and £647,000 (45%) from B&HCC. The budget has been overspent for each of the last 3 financial years and is forecasting an overspend of £220,000 (£190,000 for Health and £30,000 for Social Care) for 2014/15. The budget pressures have predominately been against the Health budget and SCT have reported a growth in demand of 13% which mirrors other areas. SCT have, however, not been able to accurately report spend by individual teams or areas so it has not been possible to identify the exact reasons for the spend or to enable strategic planning. There has been little scrutiny of the cost of equipment by Prescribers or ICES. A recent benchmarking exercise with other equipment suppliers has indicated that moving to alternative equipment suppliers could yield savings of up to 30% on new equipment and this is being implemented immediately.

Building

3.5.2 The ICES building in Portslade is in significant need of repair and this is having an impact on the ability of staff to provide and recycle equipment. Concerns have been raised by staff and

health and safety professionals within the Trust and the Council and another recent survey has highlighted concerns about infection control. Currently the store does not meet the SCT minimal specification for inspection and storage. The Council's Estates Team have estimated that a minimum of £193,000 is required to meet the minimum standards necessary for the building alone. This sum would not address the lack of space for equipment, the poor decontamination facilities and the lack of space and facilities for staff. SCT estimated the cost of renting an alternative building as £130,000 to set up and £280,000 ongoing costs. The building is situated within the Shoreham Harbour Development and the site is currently being evaluated to see if there is the potential to build affordable homes there.

Performance

3.5.3 Commissioners from B&HCC and the CCG have been working closely with SCT to monitor performance against the current specification and to identify how the service can meet the growing demand for equipment whilst providing an innovative, flexible, efficient model that can track and trace equipment, be provided 7 days a week and offer a framework for self-assessment and self-purchase.

SCT Clinical Care Strategy

3.5.4 SCT have made the decision that the future requirements for the service would require significant investment and transformation and that the provision of an equipment supply and distribution services does not align with their Clinical Care Strategy. They have therefore given notice on the contract but are committed to working closely with the Council to ensure that staff are supported through the change and have been co-operative in giving more than the required notice period to ensure there is time to arrange for an alternative provider.

3.6 In December 2013 West Sussex County Council received Cabinet approval to commence a competitive procurement process for an ICES. As there was some uncertainty about the performance, financial management and the future of the ICES building, Brighton & Hove's Adult Care & Health Committee agreed that Brighton & Hove could be named in the OJEU contract notice published by WSCC as an authority that could utilise the contractual arrangements that WSCC put in place. Increasingly authorities are sharing procurement processes due to the benefits to

the authorities and providers who often work across geographical boundaries.

Implications for staff

- 3.7 Commissioning the service with a new provider will result in a TUPE event (Transfer of Undertakings Protection of Employment Regulations). A TUPE event occurs where an undertaking is transferred and there is an economic entity which retains its identity. TUPE will see relevant Brighton & Hove Council and SCT staff, jobs and employment transfer to the new provider on the same terms and conditions as their current employment.
- 3.8 A well-developed market and network of providers exists for the type of service the Council seeks to provide. In addition these providers specialise in the day to day service of equipment provision and as a consequence have an extensive competitive advantage in doing so. It is considered most advantageous for Council to benefit from their specialist knowledge and expertise via contracting these services via the West Sussex Framework.

Other authorities

- 3.9 Most of the authorities in the region have contracts with the 3 main providers: Nottingham Rehab Supplies (NRS), Medequip and Millbrook Healthcare with the exception of Kent, Croydon, Merton & Sutton.

Authority	Equipment provider
West Sussex	NRS
East Sussex	Millbrook Healthcare
Surrey	Millbrook Healthcare
Portsmouth & Southampton	Millbrook Healthcare
Croydon, Merton & Sutton	Croydon Care Solutions
London boroughs	London Consortium - Medequip
Kent	Integrated LA and Health service

- 3.10 East Sussex have managed within their ICES budget and have made efficiencies through their contract. Increased demand within 2012/13 was met within the existing financial resource and customers and prescribers have reported very high levels of satisfaction with the service.

- 3.11 West Sussex also report extremely high levels of customer and prescriber satisfaction with their service. The service supports 3 times as many prescribers and customers than before and meets all of its delivery targets.

Community engagement

- 3.12 No community engagement or consultation has been carried out other than the regular service user satisfaction surveys and prescriber surveys collected by ICES.
- 3.13 Consultation will be carried out with current and potential customers to inform the specification.

Conclusions

- 3.14 As SCT have given notice on their contract to provide equipment it is vital that a new service is commissioned before the end of September 2015. Commissioners from the CCG and B&HCC have been working closely with SCT for the last 3 years to ensure that the equipment service is able to provide an efficient service within budget. Both SCT and B&HCC have identified that significant investment would be needed for either organisation to be able to provide a modern, efficient 7 day service.
- 3.15 Therefore the recommendation is that a service is commissioned externally and that B&HCC and CCG enter into a contract with the equipment provider selected by West Sussex County Council once the WSCC contract has been awarded.

4. Important considerations and implications

Legal

- 4.1 The service is commissioned in order to comply with the council's statutory obligations and as the current service provider has given notice, it is necessary for the council to enter into a new arrangement in order to ensure the continuity of the service.
- 4.2 Service is a Part B service for the purposes of the EU Procurement Rules. Given the value of the contract and the nature of the service it is considered necessary to follow a compliant route within the rules in order to let a new contract.

- 4.3 Both the WSCC and ESPO frameworks have been or are being procured in compliance with the rules, and an award of contract pursuant to either of these would be lawful.
- 4.4 Legal obligations under TUPE will need to be complied with during the course of preparing for the transfer to a new service provider.

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Finance

- 4.5 ICES is managed under Section 75 arrangements and has a total budget of £1,452,000 for 2014/15 of which the CCG contributes £805,000 and B&HCC £647,000.
- 4.6 Entering into a contract with the successful West Sussex provider is considered to be the most cost effective option and the economies of scale are likely to deliver savings to social care and health in the procurement of equipment and should not require capital investment.
- 4.7 Interim arrangements will need to be set up to ensure that the service is delivered to agreed standards and budget whilst the procurement processes are underway. The current budgetary challenges are set out in paragraph 3.5.1.

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Equalities

- 4.8 An initial Equalities Impact Assessment has been carried out to inform this report. The impact of the recommended option on users of the service and staff was considered.
- 4.9 Users of the service: The proposal will not have a negative impact on the equality strands and seeks to improve outcomes for local people by improving deliveries, collections and access to the service.

- 4.10 Staff in the service: The proposal may have an impact on staff if they are expected to work in a different location. This could have potential negative impacts for older and disabled staff if they have to travel further. It may however have a positive impact if staff have to travel less or if the environment that staff work in improves.
- 4.11 Formal staff consultation would commence once a decisions have been made about the future of the service.

Sustainability

- 4.12 The commissioned service will place particular emphasis on the recycling of equipment, the move to a more standardised product range to mitigate the cost of purchasing new standard and special equipment and the presence of a local access point for equipment to reduce the reliance on car travel.
- 4.13 The development of an efficient equipment service will help to ensure that people remain as independent as possible and in control of their lives, both of which are important elements of the Council's responsibility to promote public health.

5 Supporting documents and information

- 5.1 There are no supporting papers attributed to this report for the Board to consider.