

North Somerset Council

REPORT TO THE EXECUTIVE

DATE OF MEETING: 19 MARCH 2019

SUBJECT OF REPORT: COMMISSIONING PLAN APPROVAL - COMMUNITY EQUIPMENT SERVICE

TOWN OR PARISH: NORTH SOMERSET COUNCIL

OFFICER/MEMBER PRESENTING: DAWN PAYNE – EXECUTIVE MEMBER ADULT SOCIAL CARE & JAN BARBER – EXECUTIVE MEMBER FOR CHILDREN & YOUNG PEOPLES SERVICES

KEY DECISION: YES

RECOMMENDATIONS

It is requested that the commissioning plan is approved to proceed with the procurement of the Community Equipment Services contract with the following partners:

- North Somerset Council
- South Gloucestershire Council
- Bristol City Council
- BNSSG Clinical Commissioning Group

It is requested that the current contract with Medequip Assistive Technology Ltd is extended till 30 September 2020. Under the contract standing orders this is a director's decision, but it is included here as it is a prerequisite for this commissioning plan.

1. SUMMARY OF REPORT

The report relates to the commissioning of North Somerset Council's Community Equipment Service; the initial term of the contract with Medequip Assistive Technology Ltd ends on 30 September 2019. This service provides essential equipment to support daily living in homes, schools and care settings in the North Somerset geographical area. We are seeking to commission the Community Equipment Service with the newly formed BSSNG CCG, South Gloucestershire Council and Bristol City Council to provide a consistent service across the area.

The plan is to tender a five-year contract with up to two-year extension period, the estimated cost to North Somerset across the term of the contract will be £4,277,567. The total value of the contract will be circa £42million. Although the decision on which agency will procure the contract has not been made yet. North Somerset Council is seeking reassurances around the potential implications of the proposed joint commission, as the current model for delivery has

been successful in North Somerset, with excellent financial and recycling performance. We are requesting that the Executive approves a contract extension until 30 September 2020 and for us to proceed in developing a procurement plan with our strategic partners, subject to these assurances.

2. POLICY

This procurement will support the council regarding the ambitions for health and wellbeing in the district and will:

- Enable residents to make healthy choices and promote active lifestyles which reduce ill-health and increase independence.;
- Support families to give their children the best start in life;
- Commission or provide quality health and care services, which deliver dignity, safety and choice.

The procurement aligns with People and Communities directorate statement as it will support the directorate to provide:

- Support to vulnerable adults to live independently;
- Promote and support independence by enabling children, young people and their families to improve their own lives.

The procurement will support the vision for adult social care as it enables the provision of equipment to North Somerset to enhance the strengths-based approach

3. DETAILS

The Community Equipment Service has existed as a joint service for North Somerset Council and the Clinical Commissioning Group since 2003/04. The service assists children and adults to remain in their own homes, at school and in care homes through provision of essential equipment. The service provider manages, maintains and delivers equipment for the people of North Somerset. Equipment will range from a grab rail to support someone up the stairs, to a specialist chairs to support our most disabled children in the district. Many of our care plans include the provision of equipment and it is an essential service for the council to deliver its statutory duties.

There is a strong legal framework that dictates what equipment health and social care needs to provide. Legislation focuses on equipment that reduces the need for care and preserves a person's health throughout their life course. London ADASS had produced a report on the [legal framework of equipment provision](#).

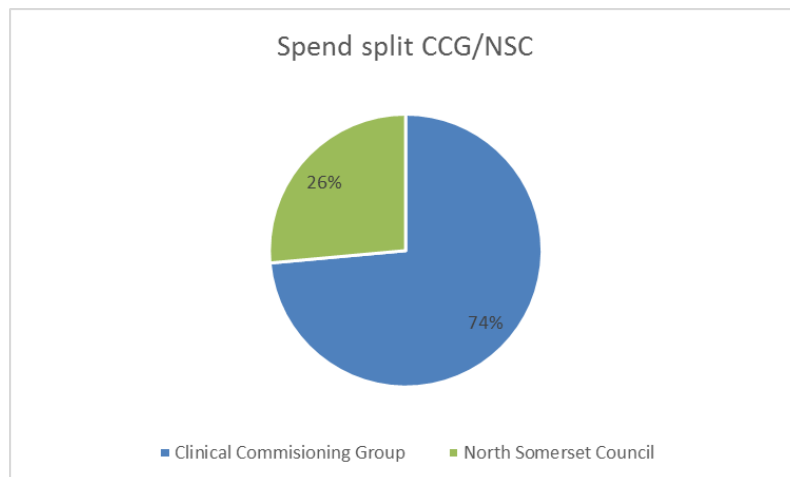
As the CCG now covers a geographical area of Bristol, South Gloucestershire and North Somerset, it is our strategic intention to run the procurement together with the following partners:

- North Somerset Council
- South Gloucestershire Council
- Bristol City Council
- BNSSG Clinical Commissioning Group.

The current community equipment contract with Medequip Assistive Technology Limited commenced on 1 October 2014. The initial term of the contract ends on 30 September 2019, but this will be extended by a period of one year until 30 September 2020 to align with our partners' procurement timelines.

This contract is subject to a section 75 agreement, within the North Somerset contract we contribute the amount that is directly linked to what our professionals prescribe.

In 2017/18 the annual value of the contract was £1,781,003, with North Somerset Council contributing £503,284 or 26% to this budget. This contribution pays for community equipment prescribed for Adult Social Services, Children's Social Service and Children's Education. Other local authorities like Bristol City Council have an arrangement where they pay for all equipment provided of a certain type e.g. the council provides seating and the CCG provides beds. This leads to a Local Authority contribution to the budget of about 50%.



This is a demand-led contract and so is subject to fluctuation depending on the needs of the people in the community. In 2017/18 the contract completed 20,362 activities, made up of delivery, servicing, repair, minor works and collections. On average we recouped 78% of spend on equipment by recycling returned stock. In 2017/18 our net spend on equipment was £946,010 with the highest spends being on beds, seating and wheeled commodes.

Currently there is a community equipment store run by Medequip Assistive Technology Ltd on the Weston Industrial Estate; this employs people from the local community who will be eligible for TUPE transfer.

Contract Structure

- The estimated contract value for the life of the contract is £42 million, of this the North Somerset contribution to the contract is estimated to be £4.3 million. The term of the proposed contract is five years with an option to extend for a further two years in one-year increments.
- The initial term of the contract will be for 60 months.

- There will be an option of two extension periods of up to 24 months.
- There is a six-month termination period without cause in the contract.
- The estimated contract value per year is £6 million a year with North Somerset's contribution being £550,000 – £650,000 although purchasing against these contracts is not guaranteed or committed at this level subject to the annual review, this will be demand led and consideration be given to the council's medium-term financial plan and overall affordability gap.

Outline timeline

It is not clear at this stage which agency will lead on the procurement, but it is likely to be a local authority due to VAT exemption. Below is an indicative timeline:

- The preparation of the specification and ITT documents will be completed by the May 2019;
- The procurement process commences through advertising the opportunity on the Jun-2019;
- The successful supplier will be notified on the w/c 9 Sept 2019;
- The service will start on the 1 September 2020.

4. CONSULTATION

The contract manager has consulted with all the main partners who use the contract about the joint procurement, how the contract is working and what needs to be include in any specification. These partners include:

- North Somerset Council, adults and childrens service leads.
- Avon and Wiltshire Mental Health Partnership NHS Trust
- North Somerset Community Partnership Trust
- Weston General Hospital
- North Somerset Care Homes

This is to ensure that the current Community Equipment Service is fit for purpose and to support the specification. Some key themes have come out that will be considered when developing the specification:

- Greater support for complex equipment refurbishment and reissue.
- An equipment store within easy reach of the main staff offices;
- Focus on ensuring good recycling levels;
- More consistent offer across the Bristol, South Gloucestershire and North Somerset areas;
- More information to support clinical decision making.

The contract manager is going to the Older People's Champions Group on 25 March 2018 and the Disability Access Group to consult with people about their views on the Community Equipment Service, which will inform the procurement plan.

The commissioning team that will be managing the procurement will be made up of representatives from:

- North Somerset Council
- Bristol City Council
- South Gloucestershire Council
- Local Community health partners
- Local Hospitals
- BNSSG CCG.

These representatives will consult with their individual organisations about the specification and tender process as this is developed.

5. FINANCIAL IMPLICATIONS

It is intended that the procurement will be cost neutral. North Somerset Council currently contributes circa £550,000 per annum to the Integrated Community Equipment Service. Assuming a rate of 3% inflation costs are shown on the table below.

Financial year	North Somerset Councils Contribution (£)	Cumulative total (£)
20/21	275,000	275,000
21/22	566,500	841,500
22/23	583,495	1,424,995
23/24	601,000	2,025,995
24/25	619,030	2,645,025
25/26	637,600	3,282,625
26/27	656,728	3,939,353
27/28	338,214	4,277,567

It is estimated that the total 84-month contract will cost North Somerset Council £4,277,567.

Costs

All parties agree to share the cost of a project officer to support the procurement; North Somerset's contribution to this is £5000

Funding

This will be funded under a Section 75 agreement. This demand-led contract with each authority responsible for its over- or under-spends.

6. LEGAL POWERS AND IMPLICATIONS

The legislation that governs the prescription of equipment is different for the CCG and North Somerset Council. The table below outlines the legislation that must be considered by each agency when prescribing equipment.

North Somerset Council	Clinical Commissioning Group
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<ul style="list-style-type: none"> • The Care Act 2014 • Children Act 1989 • Chronically Sick and Disabled Persons Act 1970 • Children and Families Act 2014 	National Health Service Act 2006
<ul style="list-style-type: none"> • Health and Safety at Work Act 1974 and Regulations • Manual Handling Operations Regulations 1992 • Lifting Operations and Lifting Equipment Regulations 1998 • Provision and Use of Work Equipment Regulations 1998 	

London ADASS has produced a report on the [legal framework of equipment provision](#).

7. RISK MANAGEMENT

Risks presented by the CES procurement and transition as required will be managed by a North Somerset Council contracts manager.

The population of North Somerset is growing and in 2015 was estimated to be 209,944 people. This is predicted to grow over the next two decades, reaching 256,120 by 2039. The current cost of equipment service for North Somerset is £550,000 and this is expected to increase year on year.

If this contract is not awarded in September 2019, the council will be able to extend the Medequip contract for another year to arrange another procurement. There is a long implementation period built into this procurement in recognition of the complex and essential nature of this service.

As community equipment service is an essential provision, if a new contract is not in place by 2021 the contract with Medequip will have to be extended beyond the contract term as an exception under Contract Standing Orders.

8. EQUALITY IMPLICATIONS

Have you undertaken an Equality Impact Assessment? Yes

A Stage 1 Equalities Impact Assessment was completed. The aim is to procure the same level of service to meet health and social care statutory duties to provide equipment for the residents of North Somerset.

There will be a low positive impact for people with disabilities as having a contract that is consistent across North Somerset, Bristol and South Gloucestershire will make cross-county transfers and prescription of equipment easier.

9. CORPORATE IMPLICATIONS

The governance of the contract will be considered as part of the procurement process and this will be finalised by May 2019, for implementation by 1 September 2020. Staff will be consulted

on any changes to job requirements during the contract implementation period, September 2019 – September 2020.

10. OPTIONS CONSIDERED

The Community Equipment Service is an essential service and is required to enable us to meet our statutory duties under the Care Act 2014. The BNSSG Clinical Commissioning Group is committed to commissioning the Community Equipment Service across Bristol, South Gloucestershire and North Somerset. This will enable the contract to provide a more consistent offer across the geographical areas which will assist with cross-county transfers, especially from hospitals in this area.

As BNSSG is committed to a contract that reflects their geographic area, North Somerset Council is working alongside them to secure the best outcome for the council. We are in negotiation with BNSSG CCG about the commitments required for North Somerset Council to be involved in the procurement and these include:

- Our contribution remains a reflection of what our professionals prescribe and therefore there is no increase to our percentage contribution to the Community Equipment Service budget;
- That there will continue to be a depot within easy reach (maximum driving time to be specified) of the main local authority and health services in North Somerset;
- That there is sufficient management capacity in the service to cover the BNSSG area and no loss of service in North Somerset;
- That priority is given to maintaining current recycling rates and that the contract has a recycling model most likely to achieve this, North Somerset current recycling rates at 78% are significantly more successful than the other two authorities, which significantly reduces the cost of the contract;
- That there are mitigations for any negative impact on the local care home market.

If we chose to leave this partnership arrangement we may struggle to procure alone due to the small size of the contract, we would lose the economies of scale and the operational benefits of this services being integrated.

Therefore, due to the short timescale it is recommended that the council explores joint procurement with the BNSSG, Bristol City Council and South Gloucestershire to secure the best possible outcome.

AUTHOR

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BACKGROUND PAPERS

London ADASS has produced a report on the [legal framework of equipment provision](#).
Stage one: Equalities Impact Assessment