

<b>Subject:</b>	<b>Integrated Community Equipment Service</b>		
<b>Date of Meeting:</b>	<b>23<sup>rd</sup> September 2013</b>		
<b>Report of:</b>	<b>Executive Director of Adult Services</b>		
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<b>Ward(s) affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE**

**NOTE:** This report was originally published as a Part Two item as it contained exempt information as defined in paragraphs 1 and 4 of schedule 12A, Part 1 to the Local Government Act 1972. The Committee agreed that the report could now be published as staff have been consulted on the proposals contained in the report.

**1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report sets out options for the future delivery of equipment services currently provided by the Integrated Community Equipment Service.
- 1.2 The Integrated Community Equipment Service (ICES) is commissioned jointly between BHCC and Brighton & Hove Clinical Commissioning Group. The service has been provided via a Section 75 agreement with Sussex Community NHS Trust since 2004.
- 1.3 Sussex Community NHS Trust manages the integrated service, delivering daily living and community health equipment and minor adaptations to adults and children who meet the accessibility criteria for the service.
- 1.4 The service is located at the Belgrave Centre in Portslade (BHCC owned building), with a satellite store based at Brighton General Hospital.

**2. RECOMMENDATIONS:**

- 2.1 That Committee agree to Option 4 in this report: To enable ASC to formally approach West Sussex County Council (WSCC) to discuss the feasibility of working in collaboration to tender for a new service model for the provision of community equipment services.
- 2.2 That subject to WSCC agreeing to a joint tender, the Committee agrees to delegate authority to the Executive Director of Adult Services to award a contract to the successful bidder following the completion of the procurement process.
- 2.3 That in the event of the Committee deciding to adopt Option 3 (in house tender for new ICES service), the Committee agrees to delegate authority to the

Executive Director of Adult Services to award a contract to the successful bidder following the completion of the procurement process

- 2.4 That until such time as a new contract is awarded, the Committee agrees that their services shall continue to be delivered by with Sussex Community NHS Trust (SCT), and that commissioners will work with SCT to develop the requirements of the existing service specification.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 ICES procure, provide, deliver, fit, collect, 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. The following equipment is provided for adults and children:

- Home nursing and daily living equipment
- Minor adaptations
- Sensory (hearing and visual) aids
- Communication aids
- Electronic assistive technologies

- 3.2 Under a Section 75 agreement, Brighton and Hove Clinical Commissioning Group (CCG) and Brighton and Hove City Council (BHCC) jointly commission and fund Sussex Community NHS Trust (SCT) to provide the service.

- 3.3 ICES provide equipment to Sussex Community Trust services, Adult Social Care services, Children's services, Sussex Partnership Foundation Trust services and Brighton & Sussex University Hospital Trust services.

- 3.4 There is a section 75 provider agreement between BHCC and SCT regarding staff and buildings:
- ICES have been located in premises attached to the Belgrave day centre in Portslade for several years. The Council own and maintain the building.
  - There are a total of 25 staff who work in ICES: 15 SCT staff and 10 BHCC staff.
  - The service is managed by SCT.

### **3.5 Budget**

The ability to recycle equipment is a major factor related to managing the current equipment budget, as is the increasing demand for daily living equipment as an increasing number of people are supported within the community.

- 3.5.1 The current Service Specification was developed in 2012/13, and has been refreshed for 2013/14. The service is currently improving with regard to their performance data and there is positive feedback from both staff that access the support of ICES, and customer satisfaction is reported as high.
- 3.5.2 The equipment budget for ICES was overspent in 2012/13. The BHCC budget overspent by £70,000, and the SCT budget by £100,000. It was initially identified that the discrepancies within the account data related to the fact that the formula

developed to calculate actual spend and predict the recycling rate was over ambitious. The initial recycling rate was defined at 30%.

3.5.3 Further analysis of the spend and activity for 2012/13 and 2013/14, is currently being completed by SCT. The current hypothesis is that the increased expenditure by roughly a third compared 2011/12 relates to the following:

- the increasing number of people being supported within the community with complex needs;
- Increase on the number of people supported by Short Term Services at home ( as opposed to bed based services)

3.5.4 The data to support these potential reasons is still under analysis. Further work is required by commissioners and managers in SCT to produce performance and financial information to produce an improvement plan to ensure the budget is managed more effectively.

3.5.5 The forecast spend for 2013/14 is £67k over budget (for BHCC) at August 2013. A mitigation plan is under discussion with SCT.

### 3.6 **Building Issues**

There have been a number of on going issues which relate to the building that ICES currently work from:

3.6.1 The building is too small for the storage of equipment, and ICES have to store equipment at Brighton General Hospital.

3.6.2 There are a number of security issues at the current building.

3.6.3 The building has a number of maintenance issues which affect its ability to manage good infection control, predominately this relates to the roof. In addition to the roof, there is a need for the walls and floor surface to be completely replaced in order to be raised to a hygienic standard. However this can only be done once the roof is completed and would result in the need to empty the building for several weeks.

3.6.4 SCT has a business continuity plan for short term issues, but does not have an alternative building for storing all the current equipment and completing the “deep cleans” for the recycling of equipment.

3.6.5 The overall estimated budget needed to update the building is **£193,000**.

3.6.6 The BHCC Asset Management Surveyor has stated that there isn't a current risk of the building collapsing, but that without investing in the refurbishment the fabric of the building will continue to be damaged resulting in the cost of the works increasing.

3.6.7 Additionally currently there are concerns regarding the hygiene standards, due to the walls and floors of the building, and this impact on the recycling rates.

- 3.6.8 Overall the current building, even if refurbished, is not of a suitable size or condition to provide the long term premises for the ICES to deliver an effective and regulation compliant service.
- 3.6.9 SCT feel there are real issues with continuing to maintain the service within the current location. The current contract provides for a six month notice period and can cease any time after that. SCT has stated that they fully support the Commissioners to identify alternative solutions to the provision of community equipment.

### 3.7 Involvement of Sussex Community Trust

- 3.7.1 Commissioners in the CCG and Adult Social Care have been working with Sussex Community NHS Trust to develop this report to Adult Care & Health Committee. SCT have had discussions at their Executive Leadership Board with regard to the issues facing ICES. SCT have actively contributed to the options described in this paper.

### 3.8 Initial Scoping Exercise

- 3.8.1 An initial scoping exercise was completed, by the ASC Commissioner, to explore potential options with regard to alternative service provision for ICES. This identified a range of approaches across the local authorities within the Southern region. Additionally it showed that some areas are achieving much higher recycling rates, over 70% in some areas, as opposed to 30% in Brighton & Hove.
- 3.8.2 As a result of this work it was identified that WSCC are considering entering a procurement for their Community Equipment Service, and that this maybe an opportunity for joint working. There have been some initial informal discussions regarding this option.
- 3.8.3 Members will be updated on the outcome of these discussions.

## 4. OPTIONS FOR THE FUTURE OF THE SERVICE

### 4.1 Option 1

***Maintain the current service and refurbish the building*** – continue with the current contract, with SCT providing the service from the current ICES building. This will mean that BHCC would have to continue to “patch up” the building and accept the risks related to hygiene. These risks relate not only to the new equipment that is stored at the building, but the recycled equipment that is “deep cleaned” on the premises.

#### **Implications:**

- This option does not address the on going issues related to the fabric of the current building.
- The council do not have the capital funding available (£193k) to refurbish the building.

- Even if the decision was made to make some improvements, the building would still not be entirely fit for purpose (i.e. not enough storage space etc).
- This option would also involve the service be shut for at least 6 weeks and, at present there is no contingency for shutting service for that period of time.

#### 4.2 Option 2

**Identify an alternative building** – continue to contract with SCT but within a new building, which is fit for purpose in terms of hygiene standards, as well as size.

##### Implications:

- An alternative building would need to be commercially rented (no current BHCC stock that is appropriate) – this could result in a “warehouse” being rented.
- Such a building would need to be internally designed to meet the needs of the service – repairs area, storage, office staff, and the “deep clean” area.
- There would be the initial costs of setting up the building and the on going costs: Estimated cost of an appropriate size warehouse within Brighton and Hove from £65,000 - £80,000 PA, or out of Brighton and Hove from £20,000 - £35,000 in Newhaven, with an additionally estimated budget of between £50,000 and £80,000 to make the building fully functioning.

#### 4.3 Option 3

**Tender for a new ICES service** - complete a tender procurement exercise. There is an expectation that the tender would take up to 12 months, and a further 6 months for the new service to commence.

##### Implications:

- A tender would test the local market (price and provision) and provide security regarding the service provision for a number of years.
- A tender for the new service would specify that the provider would have to provide their own premises that would meet requirements
- BHCC and SCT staff working in ICES will see their employment potentially transfer under TUPE from the council to the new provider (Transfer of Undertaking – Protection of Employment). This is addressed in the legal implications paragraph below.
- Breadth of potential tender would have to be clarified in terms of what would be included in the specification.
- The recycle rate for equipment would be higher as a new provider would have the specialist resources to met this target
- Considerable time would be required to commission & procure a new service.

#### 4.4 Option 4:

**ASC to formally approach West Sussex County Council to discuss the feasibility of working in collaboration to tender for a new service model for the provision of equipment services.**

West Sussex County Council working with SCT will be taking a decision to WSCC Cabinet in Dec'13 to seek permission to commence a procurement process for Community Equipment Services. Brighton & Hove City Council, as lead commissioner on behalf of B&H CCG, could potentially join this tender process for community equipment services for the city.

### **Implications:**

- The advantage of this approach would be that two local authorities would be working together on a tender process rather than undertaking two separate processes, sharing the related costs and resources
- As part of the SE7 Partnership arrangements (Partnership arrangements across 7 South East Local Authorities), this joint procurement approach is advocated as a way of making more efficient use of procurement resource and offers economies of scale
- BHCC and SCT staff working in ICES will see their employment potentially transfer under TUPE from the council to the new provider (Transfer of Undertaking – Protection of Employment) as referred to previously, this is addressed in the legal implications paragraph below.
- If this option was agreed, we would have further detailed discussions with WSCC once they have agreement to go to tender, to develop further the service specification and the management arrangements between BHCC and WSCC.
- The potential joint tender process would commence post December 2013 (if WSCC Committee agree), the contract would be awarded to the new provider for a start date of April 2015.

## **5. Interim Arrangements**

- 5.1 If committee agree to Option 3 or 4 above, it is proposed that Commissioners form both the B&H CCG and the Council will work with Sussex Community NHS Trust to develop the requirements of the current service specification. This will include an increase in the recycling rate for equipment and a budget management system which will ensure accurate information for all the organisations using the service to inform a plan both to mitigate the pressures on the 2013/14 budget and to support the development of the 2014/15 budget. Until such time as a new contract is awarded, SCT will continue to deliver the service.

## **5.2 STAFF and TRADE UNION CONSULTATION**

Staff in ICES and recognised trade unions will have been briefed (13.9.13) on the content of this paper. Consultation will follow the outcome of Committee and potential tender process.

## **6. FINANCIAL & OTHER IMPLICATIONS:**

### **6.1 Financial Implications:**

ICES is managed under S75 arrangements and has a total budget of £1,420,000 for 2013/14 of which the CCG contributes £779,000 and BHCC £641,000.

Joining the West Sussex County Council's tender process (Option 4) is expected to be the most cost effective option and the economies of scale are likely to deliver savings to social care, Health and other partners in the procurement of equipment and should not require capital investment.

Options 1 and 2 will require BHCC to contribute capital refurbishment costs and/or warehousing costs. Option 3 could be considered but is unlikely to deliver the same level of efficiencies as Option 4.

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 budgetary challenges are set out in paragraph 3. These arrangements are likely to be required until April 2015.

*Finance Officer Consulted: Anne Silley*

*Date: 02/09/13*

## 6.2 Legal Implications:

The services are Part B services for the purposes of the EU Procurement Rules. As such, the Council is required to apply principles of fairness, transparency and non discrimination in the way in which it awards contracts. The rules are otherwise 'light touch'. The Council's Contract Standing Orders (CSO's) require that contracts for this type of service must be able to demonstrate obtaining value for money. It is considered that the proposals outline above comply with these requirements.

It is understood ICES has no directly appointed staff but that formally or informally staff have been seconded to it or rather than, which may have been more correct, previously transferred in under TUPE (Transfer of Undertaking - Protection of Employment Regulations). If the services to be performed by the new provider under this option were to be similar to and carried out in a similar way to the services currently carried out, then, TUPE is likely to apply to those staff.

*Lawyer Consulted: Jill Whittaker, Ian Younge and Sandra O'Brien Date 6th September 2013*

## 6.3 Equalities Implications:

An Equalities Impact Assessment (EIA) will form part of this potential procurement exercise. The EIA will draw on the equalities action plans with regard to the current ICES provision, as well as ensuring that the future development of a new model will ensure equality of access for all groups within the community as a central objective.

## 6.4 Sustainability Implications:

Through potentially joining the procurement exercise with West Sussex County Council we are aiming to share resources related to the tender process, as well as explore related economies of scale from a joint venture, and have a greater emphasis on the recycling activities with regard to a potential new model.

6.5 Crime & Disorder Implications:

There are no crime and disorder implications arising from this work.

6.6 Risk and Opportunity Management Implications:

All relevant risks will be identified and managed through the procurement process and related potential joint arrangements for scrutiny.

6.7 Public Health Implications:

The provision of community equipment is central to enabling individuals to remain in their own homes for as long as possible maintaining their health and independence. This potential joint procurement exercise will draw on the intelligence and evidence base of the Joint Strategic Needs Assessments.

6.8 Corporate / Citywide Implications:

An efficient community equipment service is essential to help support people to live healthy independent lives.

**7. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

7.1 The implications of each of the four options have been outlined earlier within the report.

**8. REASONS FOR REPORT RECOMMENDATIONS**

8.1 To inform the Committee of the issues related to the current provision of the ICES service, and to seek a decision to formally approach West Sussex County Council to explore further the potential for a joint procurement exercise.

**SUPPORTED DOCUMENTATION**

**Appendices:** None