

**Report to:** **SINGLE COMMISSIONING BOARD**

**Date:** 1 November 2016

**Officer of Single Commissioning Board** Clare Watson, Director of Commissioning

**Subject:** **INTEGRATED COMMUNITY EQUIPMENT SERVICE (ICES)**

**Report Summary:** The Integrated Community Equipment Service (ICES) supplies equipment to Tameside and Glossop residents prescribed by occupational therapists, physiotherapists and community nurses. The service operates a store of equipment that is supplied directly to service user's homes and to peripheral stores for use by prescribers. The service also collects and recycles equipment no longer required.

The ICES is provided under contract by Ross Auto Engineering Limited trading as Rosscare (Rosscare) and the current contract will conclude on 30 September 2017 necessitating a procurement exercise to ensure a new service is in place from this date.

Rochdale and Oldham Boroughs, who currently use the same provider as us, have expressed an interest in a joint procurement exercise.

A minor adaptations service, providing grab rails, stair rails and key safes, will conclude on 31 December 2016. The service could easily be integrated into the ICES service as it is provided for the same client group and specified by the same practitioners. To integrate the service permission is sought to extend the contract for up to 3 months to facilitate consultation under TUPE and to make a direct award to Rosscare for the minor adaptations service, co-terminus with the ICES contract and for the service to be incorporated within the ICES when reprocured.

**Recommendations:** The Single Commissioning Board are asked to:-

- (1) review the report and approve -
  - a. Continued allocation of finance of £1.7 million for the combined ICES and minor adaptations service;
  - b. Approve a joint procurement with other local commissioners for a contract of 3+2 years;
  - c. The required waivers and authorisation to proceed with the proposals as detailed;
- (2) Note that further discussions are to be held with commissioners and Tameside and Glossop Integrated Care NHS FT to propose the transfer of the future contract (2017-20) to TGICFT (to include transfer of the remaining budget and all contract / performance management responsibilities).

**Financial Implications:** Finance group believe that the current £1.7m allocation should be reviewed to assess if any efficiencies or savings can be applied. That said we also recognise that investment in community and community equipment is an important part of the out of hospital strategy and could help enable savings in the acute sector,

**(Authorised by the statutory Section 151 Officer & Chief Finance Officer)**

therefore are supportive of the procurement in general terms.

We recommend the service specification needs to be reviewed to ensure consistency with the aims and objectives of the neighbourhoods.

An alternative approach to the one outlined in the paper might be to consider merging the ICES and the wheelchair services into a single procurement exercise to drive economies of scale. Involving partner organisation in neighbouring localities might also align to this strategy.

**Legal Implications:  
(Authorised by the Borough  
Solicitor)**

The Council is obliged to follow its own procurement standing orders which include provision to both extend a contract and to make a direct award where it can be demonstrated that to do so will achieve Best Value and is in accordance with the Procurement Rules.

The report details that to integrate the adaptations service within the wider ICES specification will result in a better service to service users. It would not be unreasonable or unlawful to approve the recommendations.

**How do proposals align with  
Health & Wellbeing Strategy?**

The proposals align with the Developing Well, Living Well, Ageing Well and Dying Well programmes for action

Provision of equipment and minor adaptations (grab rails) facilitates hospital discharge, prevents admission into hospital, and enables the maintaining of independence for adults and children.

**How do proposals align with  
Locality Plan?**

The service is consistent with the following priority transformation programmes:

- Healthy Lives (early intervention and prevention)
- Enabling self-care
- Locality-based services
- Urgent Integrated Care Services
- Planned care services

**How do proposals align with  
the Commissioning  
Strategy?**

The service contributes to the Commissioning Strategy by:

- Empowering citizens and communities
- Commission for the 'whole person'
- Create a proactive and holistic population health system
- Take a 'place-based' commissioning approach to improving health, wealth and wellbeing
- Target commissioning resources effectively

**Recommendations / views of  
the Professional Reference  
Group:**

The report was presented to the Professional Reference Group on 12 October 2016 who agreed with the report.

**Public and Patient  
Implications:**

There is a statutory duty to provide equipment where there is an assessed need.

**Quality Implications:**

Tameside Metropolitan Borough Council is subject to the duty of Best Value under the Local Government Act 1999, which requires

it to achieve continuous improvement in the delivery of its functions, having regard to a combination of economy, efficiency and effectiveness. Any procurement exercise will be awarded on the basis of the most economically advantageous tender that balances the cost and quality advantages of tender submissions.

**How do the proposals help to reduce health inequalities?**

The proposal to continue commissioning an Integrated Community Equipment service including minor adaptations will target resources to those in need of equipment to enable them to live independently at home.

**What are the Equality and Diversity implications?**

The proposal will not affect protected characteristic group(s) within the Equality Act.

The service will be available to Children and Adults with an assessed need regardless of ethnicity, gender, sexual orientation, religious belief, gender re assignment, pregnancy/maternity, marriage/ civil and partnership.

**What are the safeguarding implications?**

None

**What are the Information Governance implications? Has a privacy impact assessment been conducted?**

Information governance is a core element of all contracts. The necessary protocols for the safe transfer and keeping of confidential information are maintained at all times by both purchaser and provider.

**Risk Management:**

If collaborative arrangements are entered into to jointly procure a service an agreement will be entered into by all participating Local Authorities detailing their responsibilities including the lead Authority to use a fully compliant OJEU process to procure any contracts.

**Access to Information :**

The background papers relating to this report can be inspected by contacting

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## 1. BACKGROUND

1.1 This report sets out the following proposals:

- To procure a new contract for the Integrated Community Equipment Service (ICES);
- To include minor adaptations within the current ICES service;
- To allocate an ongoing budget of £1.5m for ICES plus £200k for minor adaptations;
- To enter into collaborative procurement arrangements with Oldham and Rochdale;
- To enter into a joint procurement for 3 +2 years;
- To sign off required waivers and authority to proceed;
- To investigate the transfer of future commissioning of ICES (including management, delivery and provision) from 1 October 2017 – 30 September 2020 to the ICO.

### **Integrated Community Equipment Service**

1.2 Tameside Metropolitan Borough Council (TMBC) are the lead commissioner for the Integrated Community Equipment Service (ICES) in a joint funding arrangement between Tameside MBC, NHS Tameside and Glossop CCG (TG CCG) and Derbyshire County Council (DCC) utilising a pooled budget under a Section 75 Partnership Agreement using Health Act Flexibilities.

1.3 The ICES service is currently provided by Rosscare under a contract that commenced on 1 October 2010 following a competitive tender. The contract had an initial five year duration with an allowable extension of two years which has been utilised. The contract will end on 30 September 2017.

1.4 The ICES service supplies equipment prescribed by occupational therapists, physiotherapists, community nurses and other authorised prescribers. The service operates a store of equipment that is supplied directly to service user's homes and to peripheral stores for use by prescribers. The service also collects and recycles equipment no longer required. Appendix two summarises contract activity.

1.5 The provision of community equipment supports children and adults who require assistance to perform essential activities of daily living. The provision supports hospital avoidance and discharge, and can reduce the need for social care support by enabling individuals and their carers to better manage their conditions and maintain their independence within the community.

1.6 Community equipment provision includes items such as adjustable electric beds and pressure care mattresses, hoists, commodes etc. The equipment is provided free to the service user and is prescribed by a health or social care professional. There is a statutory entitlement to community equipment.

1.7 The ICES pooled budget arrangements include the provision of an ICES coordinator, employed by TMBC, to oversee the day to day management of the contract and service, ensure all orders are authorised, set up the specials panel and arrange mandatory and essential training. The cost of this post is £41,710.

1.8 The current partnership funding arrangements for ICES are based on historic use of the service:

- TMBC - 30.5%
- TG CCG - 65.5%
- DCC - 4%

1.9 ICES Contract spend for 2015/16 was £1,487,000 and activity and spend levels for 2016/17 are at similar levels. The Council and CCG funding for this activity now sits within the Single Commissioning joint/aligned budget. The partnership budget for 2016/17, including contributions from all three commissioning organisations is £1.6m.

1.10 DCC will shortly confirm their intentions around whether they will continue to co-commission the ICES service.

### **Minor Adaptations Service**

1.11 Tameside MBC commission a minor adaptations service that provides and fits –

- External grab rails
- Internal grab rails
- Stair rails (single and multi-part)
- Key safes
- Drop-down rails

1.12 The minor adaptations service was originally part of a wider Handyperson service commissioned from Age UK Tameside who subcontracted this element to New Charter Building Company (NCBC). With reductions in funding the wider Handyperson service was ceased and the contract for the minor adaptations element was novated to NCBC. The current contractual arrangements come to an end on 31 December 2016. Under the Care Act 2014 there is a statutory entitlement to minor adaptations where there is an assessed need and so there will still be a need to supply and fit rails and key safes particularly to facilitate hospital discharge. The GM Fire service will also supply and fit grab rails as part of their Safe and Well service.

1.13 The contract price for the 9 month period 1 April to 31 December 2016 for the minor adaptations service is £162,000.

## **2 CO-COMMISSIONING WITH OTHER LOCAL COMMISSIONERS**

2.1 Community Equipment services are commissioned under similar pooled budget arrangements led by other Local Authorities. Oldham has similar arrangements to Tameside using the same provider, Rosscare, with the same end date. Rochdale procured their service more recently and also have the same provider, Rosscare, with an end of the initial contract term of 30 June 2017 which they are seeking to align with our end date.

2.2 Oldham and Rochdale Local Authorities and CCGs are keen to work together with Tameside to jointly procure a new ICES service. The other commissioners are also taking the proposal through their governance processes. An indicative timetable is given at appendix one.

2.3 Approval is sought to enter into collaborative arrangements to co-commission the service with Oldham and Rochdale to procure a single service across the three Boroughs for a period of three years with an option to extend for a further two years. The contract to be based upon a similar tariff cost model to current arrangements with each party paying for the activity that it uses. The proposal will not necessitate any pooling arrangements between the Boroughs included.

2.4 Currently all local Community Equipment contracts sit within Local Authorities rather than within NHS organisations. There are concerns that if the contract sat within an NHS organisation then VAT rules for NHS organisations could mean that VAT could not be reclaimed, effectively increasing service costs by 20%. Whilst VAT can be reclaimed for services it cannot be reclaimed for purchase of equipment by NHS organisations. If the intention is to hold the contract within the ICO other commissioners may be reticent to enter into collaborative arrangements led by Tameside unless it can be determined that this arrangement won't impact upon their ability to reclaim VAT. It is therefore likely that Oldham or Rochdale will propose to lead the procurement and award of contract.

2.5 Agreement is sought to enter into joint commissioning arrangements with other Greater Manchester Local Authority and CCG partners and to enter into an agreement for one of the

participating authorities to lead the procurement and hold the contract. A formal agreement will be entered into to agree the responsibilities of each party.

- 2.6 If agreement cannot be reached on participation of Oldham and Rochdale then Tameside & Glossop will continue the procurement for the population of Tameside & Glossop only. The other areas will take forward a separate procurement exercise.
- 2.7 A joint commissioning arrangement with a single specification is likely to result in a lower cost for each party involved.

### **3 PROCUREMENT STANDING ORDER SEEKING TO WAIVE / AUTHORISATION TO PROCEED**

- 3.1 It is proposed that the minor adaptations service is included in the ICES specification. This has a number of advantages –
- Minor adaptations are prescribed by the same practitioners as the equipment provided within the ICES service so they can be incorporated into the same online ordering system reducing practitioner workload;
  - ICES services already procure and supply grab rails;
  - The proposal reduces the number of services etc. that need to visit a client;
  - The ICES service can include a trusted assessor role so that technicians delivering and installing equipment can assess for additional equipment, including grab rails, and supply / fit them during a visit;
  - The ICES service includes recycling of equipment and should increase the number of keysafes that are removed and recycled. Keysafes cost approximately £90 and traditionally recycling rates have been low.
- 3.2 It is proposed to move the responsibility for minor adaptations to Rosscare to incorporate it within the ICES service prior to the procurement of the new ICES service. Authorisation is therefore sought pursuant to Procurement Standing Order F1.4 to make a direct award to Rosscare for the minor adaptations contract at a cost of £108,000 and for the service to be incorporated within the ICES specification to achieve the advantages detailed in paragraph 3.1.
- 3.3 The Council could seek to extend the current contract with NCBC however this would fail to achieve efficiencies in the service provision due to the reduction of visits. We could retender the service however given the intention to incorporate the service within the ICES contract when reprocured, there is unlikely to be interest in a short term contract.
- 3.4 Authorisation is also sought pursuant to Procurement Standing Order F1.2 to extend the NCBC minor adaptations contract for 3 month contract at a value of £54,000 from 1 January 2017 to 31 March 2017 where there is no provision to do so in order.
- 3.5 An extension of this contract is required to enable an orderly transfer of the service into the ICES service and to enable TUPE due diligence to be taken.
- 3.6 Authorisation is sought to proceed with collaborative arrangements with Oldham and Rochdale Boroughs either as lead commissioner or with one of the other Authorities as lead commissioner.

### **4 FINANCIAL ENVELOPE FOR NEW SERVICE**

- 4.1 There is no national tariff for equipment services and there are a range of budgets and equipment service models across England. ICES services are usually operated under a tariff

based cost model which incentivises the cost effective management of the service. Ultimately overall spend is managed by controlling eligibility and prescribing behaviour of practitioners ordering equipment from the service which are beyond the control of the service provider.

- 4.2 The cost of the ICES services has increased over previous years and currently stands at circa £1.5 million. There has been an increase in the number of items provided, an increase in specialist/bespoke items and an increase in the number of people who have never received equipment before. Ultimately the ICES service has been integral to the discharge process and has helped to ensure people are able to live in the community. Therefore the service leads to cost avoidance in other parts of the system.
- 4.3 The proposal is to procure a service with a budget of £1.7 million (£1.5m for ICES and £200,000 for handyperson services) per annum.

## **5 PROPOSALS FOR FUTURE COMMISSIONING ARRANGEMENTS**

- 5.1 Board are asked to agree to further discussions with TGICFT to propose the transfer of the budget and contract responsibilities for community equipment (2017-20) to TGICFT once a contract has been awarded to a provider to provide the service from October 2017.
- 5.2 This would include transfer of the remaining budget and all contract / performance management responsibilities.
- 5.3 The management of the service would need to be transferred across to the ICO along with the partnership budget including the funding from DCC and funding for the ICES Coordinator.
- 5.4 Once procured, TGICFT will be asked to lead the mobilisation of the replacement service which will be operational from 1st October 2017. This will require a transfer of the budget from TMBC to TGICFT (at a level of £1.7million) with a complete service specification (inclusive of eligibility criteria).
- 5.5 ICES would need to become integrated and part of the ICO from October 2017. This approach will ensure that TGICFT are involved in the design of the service to ensure that there is support to shift care from the hospital to the community and alignment with the wider Tameside & Glossop Model of Care.
- 5.6 There needs to be agreement from all parties (shadow ICO, TMBC, DCC, TG CCG) before the contract could be novated. There will also be TUPE implications for the existing management role. As the role involves managing the authorisation process to ensure that the appropriate products are supplied, this role would best fit within the ICO and would help support the performance management of the service.

## **6 RECOMMENDATIONS**

- 6.1 As stated at the front of this report.

# APPENDIX 1

## PROCUREMENT TIMESCALES

A full OJEU compliant procurement will be required. In order to complete the procurement the following timeline has been proposed.

Consultation / EIA / draft spec	September – November 2016
Authority to proceed (PRG/SCB)	January 2017
Legal agreement between participating authorities	January 2017
All tender documentation completed	February 2017
Place advert on OJEU Commence ITT	March 2017
ITT closes	April 2017
Evaluate ITT	May 2017
Governance	June 2017
Standstill and Contract Award	June 2017
Handover/mobilisation period	July 2017
Contract Start Date	1 October 2017



## APPENDIX 2

### ICES DATA

In 2015/16 the ICES service –

- Provided 27,522 pieces of equipment
  - 14,958 direct to customers
  - 12,564 to peripheral stores
- Collected 16,880 pieces of equipment for recycling
- Serviced 2047 pieces of equipment in the community
- In a typical month delivered to 541 customers of which 191 were new
- Made 7349 deliveries
- Made 5804 collections