

Report to:	SINGLE COMMISSIONING BOARD
Date:	17 January 2017
Officer of Single Commissioning Board	Clare Watson, Director of Commissioning
Subject:	PROVISION OF THE INSPECTION, REPAIR AND MAINTENANCE OF STRAIGHT AND CURVED STAIR LIFTS, VERTICAL LIFTS, STEP LIFTS AND OVERHEAD TRACK HOISTS INSTALLED IN DOMESTIC PROPERTIES IN TAMESIDE AND OLDHAM
Report Summary:	The above service was jointly commissioned with Oldham MBC for an initial two year period from 20 January 2015 with the option to extend for up to an additional 12-months provided for within the contract.
Recommendations:	That authorisation is given to extend the contract where there is provision to do so in the contract.
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>There is annual budget provision for this contract of £120,000 within the Section 75 pooled budget. The decision making body for this fund is the Single Commissioning Board.</p> <p>Extension of this contract will enable minor faults to be repaired quickly without the need for lengthy waits for new equipment, thus supporting people to continue to live independently.</p> <p>It is expected that spend will reduce over the next financial year as equipment on the old contract fails and service users are transferred onto the new contract agreement which means that the Council do not have ongoing maintenance liabilities</p>
Legal Implications: (Authorised by the Borough Solicitor)	<p>The contract was procured in accordance with the requirements in the Procurement Standing Orders and Public Contracts Regulations 2015 and included provision to extend. It would not be unlawful to extend the contract as proposed.</p> <p>As it is envisaged this service will ultimately transfer to the Integrated Care Organisation the extension should be contingent upon the relevant novation clause be included in the draft contract document and the provider and Oldham Council advised of this intention to ensure a smooth transition at the appropriate time.</p>
How do proposals align with Health & Wellbeing Strategy?	The proposals align with the Starting Well, Developing Well and Living Well programmes for action
How do proposals align with Locality Plan?	The proposals are consistent with the Healthy Lives (early intervention and prevention) strand of the Locality Plan
How do proposals align with the Commissioning Strategy?	<p>The service contributes to the Commissioning Strategy by:</p> <ul style="list-style-type: none"> • Empowering citizens and communities; • Commission for the 'whole person'; • Create a proactive and holistic population health system.

Recommendations / views of the Professional Reference Group:	PRG approved authority to extend the contract as required.
Public and Patient Implications:	None.
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. There needs to be clear performance measures that capture the evidenced impact of the contract and also ensure it is being delivered as specified.
How do the proposals help to reduce health inequalities?	People are supported to continue living in their own homes.
What are the Equality and Diversity implications?	The proposal will not affect protected characteristic group(s) within the Equality Act.
What are the safeguarding implications?	Safeguarding will be central to this service
What are the Information Governance implications? Has a privacy impact assessment been conducted?	The necessary protocols for the safe transfer and keeping of confidential information will be maintained at all times by both purchaser and provider. The purchasers Terms and Conditions for services contains relevant clauses regarding Data Management
Risk Management:	The purchasers will work closely with the provider to manage and minimise any risk of provider failure consistent with the providers contingency plan
Access to Information :	The background papers relating to this report can be inspected by contacting Dave Wilson, Team Manager, Single Commissioning Function  Telephone: 342 3534  e-mail: dave.wilson1@tameside.gov.uk

1. INTRODUCTION

- 1.1. This contract, for the provision of the Inspection, Servicing, Maintenance and Repair of Straight and Curved Stair-lifts, Vertical Through-Floor Lifts, Step Lifts and Overhead Track Hoists installed in Domestic Properties in Tameside and Oldham, is for two years, with the option of a contract extension of a further one year.
- 1.2. Tendered in August 2014 with Tameside as the lead commissioner, the contract was awarded to City Lift Services (NW) Ltd. The contract commenced on 20 January 2015 and the initial two year period is due to end 19 January 2017.
- 1.3. Although the service was commissioned for Tameside and Oldham specifically, it is available as a framework for use by other Greater Manchester authorities and associated partners including the following councils: Manchester, Stockport, Trafford, Rochdale, Bury, Salford, Wigan, Bolton, Blackburn with Darwen, Blackpool, Cheshire East and Warrington. To date no other local authority has used the framework agreement.
- 1.4. In parallel with this procurement, a new contract for the provision (and life of client maintenance) of stair lifts, ceiling track hoists and vertical and step lifts was developed between the two authorities, with Oldham as the lead commissioner. This contract is also due for an extension and is the subject of a separate report. It is considered by both local authorities that the advantages gained through economies of scale in letting larger contracts across both areas has resulted in robust and well run contracts - to the benefit of both authorities - which will continue by extending for a further twelve months.
- 1.5. Over the lifetime of the contract to date, the number of straight and curved stair-lifts has declined as they have become economically non-viable to repair, maintain or recondition. These items are being replaced with new ones that come with a five-year manufacturer's warranty, and as a result will not be subject again to this contract.
- 1.6. Newly-installed through-floor lifts, step lifts and overhead track hoists do not come with a five-year manufacturer's warranty, but with a 12-month warranty. Once warranties on these units have expired, they become subject to this contract. However, numbers of these items of equipment are fewer than straight and curved stair-lifts, so a gradual decline of the total number of items of equipment subject to this contract was anticipated pre-tender and has been borne out in practice over the last two years.
- 1.7. It is worth noting that currently, when the units on the service and maintenance contract fail and cannot be repaired the Council puts the client through the grant process in order to approve a Disabled Facilities Grant to replace them. This replacement is done on the basis that without the unit the client will turn to Social Care for assistance and that if this does not happen then the clients' needs are no-longer being met. This effectively reduces the number of units on the service contract.
- 1.8. In the region of seventy stair-lifts have been identified as being close to the age where they are having more than three call outs per year and where the cost of repairs is increasing. These are to be replaced over the coming months. Clients will still have to go through a grant application process, but will end up on the life of client scheme.
- 1.9. Units that were installed with a five year warranty do not belong to the Council; they remain in the ownership of the client; hence, in theory, the Council has no obligation to them. The five year warranty scheme, started in 2012, was an effort to stall the increasing numbers on the service contract. However, there was always the possibility that this would leave a number of people in limbo between the legacy service contract and any new scheme and, in the eventuality that has happened for some people.

- 1.10 The service, as procured, has increased value for money, enabling scarce Disabled Facilities Grant resources to support more people with disabilities to stay living independently in their own homes. The procurement process took full account of the both council's social value approach and this is monitored as part of contract management.

2. CURRENT SITUATION

- 2.1 The contract has been performance managed regularly over the first two years in conjunction with Oldham MBC. Overall, City Lifts have performed very well for both boroughs with nothing except occasional and minor complaints about the time it sometimes can take to get an engineer to site and the length of time it can take to acquire non-stock parts.
- 2.2 City Lifts has had issues in acquiring some replacement parts from certain suppliers. They have been made to wait inordinate lengths of time for parts and there is the suspicion that were these parts being provided to the suppliers own engineers, there would be a far shorter turn-around period.
- 2.3 Overall, call-outs and repairs are falling due to the fact the stock is now in a better state of repair than at the beginning of the contract and this is resulting in fewer call-outs, thereby reducing costs.
- 2.4 Costing on this contract is per job and varies depending on the type of job: maintenance of straight and curved stair-lifts, through-floor lifts, step and platform lifts, ceiling track hoists and removal, disposal and reconditioning.
- 2.5 2015/16, spend for Tameside was £119,000 and £74,000 for Oldham. 2016/17 spend for Tameside, though not yet complete, is projected to be the same as or less than the previous year with a spend so far of £74,000; £120,000 per annum is budgeted for this service. The forecast spend for Oldham is £64,000. This is within the procured financial envelope for both authorities.

3. GROUNDS UPON WHICH AUTHORISATION TO PROCEED SOUGHT

- 3.1 Authorisation is sought to extend the contract for a period of up to twelve months from 20 January 2017.
- 3.2 Oldham MBC have indicated that they are willing to continue with the current joint working arrangements and also participate in the re-procurement of a new contract which will commence in the new financial year.
- 3.3 Of the nine submissions received when the contract was market tested late 2014, City Lift's costings were the lowest and a contract recently tendered for an identical service in Stockport, Trafford and Rochdale was let with service rates higher than those Tameside and Oldham pay on this contract now, whilst the limit for inclusive repairs is also lower with City Lifts.

4. RECOMMENDATIONS

- 4.1 As set out on the front of the report.