

Wiltshire Council

Cabinet

19 July 2016

Subject: Extension of Integrated Community Equipment Service Contract and Pooled Budget Arrangement

Cabinet Member: Cllr Jerry Wickham - Cabinet Lead Member for Health (including Public Health) and Adult Social Care

Key Decision: Yes

Executive Summary

This paper sets out a proposal for the consideration of the Cabinet regarding the extension of the current Integrated Community Equipment and Support Service Contract (ICESS).

ICESS is a joint service for Health and Social Care in Wiltshire and is constituted as a Health Act (2006) Section 75 partnership between Wiltshire Clinical Commissioning Group and Wiltshire Council.

The ICESS contract has an important role in enabling people to remain in their own homes and links with Help to Live at Home and Call Centre Response Services providing:

- Provision of community products and equipment
- Telecare and Telehealth (installation and maintenance)
- Provision of aids, adaptations and home improvement services
- Delivery of continence products
- Retail outlets/Demonstration Facility
- Home improvements and handyperson service
- Dynamic pressure care

ICESS is currently delivered through a commercial contract with Medequip, who is the leading provider of outsourced Community Equipment Services (CES) in the UK and holds 35 Community Equipment Services contracts nationwide. They procured equipment worth in excess of £45 million in 2015 and are in a position to pass on the benefits of their economies of scale to customers.

The current ICESS (Integrated Community Equipment Support Service) contract is a five year contract which ends in February 2017, with a notice period required from September 2016. There is an opportunity to extend the contract for a further 2 years.

Proposal(s)

It is proposed that the current ICESS contract with Medequip and nominal

pooled budget arrangements are extended for two years, as provisioned for within current contract arrangements.

This proposal has been submitted to the Joint Commissioning Board in May 2016 and the JCB agreed to recommend an extension to the current contract to February 2019.

It is proposed that there is a delegation to the Assistant Director and the Cabinet Member to establish the exact savings and efficiencies arising from joint working with the provider and then secure these savings through agreed targeted changes in practice and delivery.

Reason for Proposal(s)

The core reasons for seeking a contract extension are:

- The contract was originally awarded after a competitive tender through the OJEU
- There are a limited number of large providers in the market for equipment and within such a limited market procuring a lower value contract will be unlikely
- Commissioners from both Wiltshire Council and Wiltshire CCG understand that there are opportunities to reconfigure service provision facilitating greater efficiency from the provider.
- The current provider is meeting all the necessary performance metrics, is an active and collaborative partner and is keen to explore areas where operational efficiencies can be identified and implemented in order to reduce costs and improve the quality of service delivery
- The current provider is delivering a high quality service which is backed up by reviews from service users and Wiltshire and Swindon User Network (WSUN) audit
- Medequip is the largest UK Community Equipment Service provider and currently holds contracts with 35 organisations having won another 4 contracts in 2015. Medequip have been delivering the contract in Wiltshire for the past 17 years. At the present time, given the size of the organisation and their local knowledge, it is unlikely that another provider could match the best practice opportunities and low equipment costs available through Medequip

The two year extension period will be utilised fully by commissioners from both the CCG and Wiltshire Council to inform a comprehensive tender process for the future of this critical frontline service.

Carolyn Godfrey
Corporate Director

Wiltshire Council

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Purpose of Report

1. This report sets out a proposal for the consideration of the Cabinet regarding extension of the current Integrated Community Equipment and Support Service contract with Medequip for the period of two years. The report also proposes the continuation of current pooled budget arrangements between Wiltshire Clinical Commissioning Group and Wiltshire Council.
2. The report is required in advance of procurement activity to utilise the extension provision within the current contract.

Relevance to the Council's Business Plan

3. This proposal supports the delivery of Wiltshire Council's business plan objectives in a number of ways. In particular it supports the key priority 'to Protect those who are most Vulnerable' through countywide provision of equipment in a timely and consistent way no matter where you live in Wiltshire. The model for the delivery of services places the interest of Customers and Carers at the heart of the service. The aims of the contract continues to be to support the personalisation agenda for the whole population, encouraging independence whilst also enabling public access the support and assistance they need to enable them to remain independent and to feel safe.
4. The proposal also supports the key priority 'to support and empower communities to do more for themselves' by enabling customers who buy their own services to access appropriate support, assessment, advice and equipment to meet their practical needs.

Main Considerations for the Council

5. The Cabinet is asked to consider the following proposals:
 - Extension of the current Integrated Community Equipment Service contract with Medequip for two years from January 2017 until

January 2019, in line with extension provision of current contract arrangements.

- Continuation of the current pooled budget arrangements under Section 75 arrangements between Wiltshire Council and Wiltshire Clinical Commissioning Group to cover the contract extension period January 2017 to January 2019.
- Delegation to the Assistant Director and the Cabinet Member to establish the exact savings and efficiencies arising from joint working with the provider and securing of these savings through agreed targeted changes in practice and delivery.

Background

6. The current ICESS contract with Medequip commenced on 18 Feb 2012 and expires on 18 February 2017. There is scope to extend the contract by up to 2 years.
7. Medequip is the leading provider of outsourced Community Equipment Services (CES) in the UK and holds 35 CES contracts nationwide. They procured equipment worth in excess of £45 million in 2015 and are in a position to pass on the benefits of their economies of scale to customers.
8. The ICESS contract has an important role in enabling people to remain in their own homes and links with Help to Live at Home and Call Centre Response Services providing:
 - Provision of community products and equipment
 - Telecare and Telehealth (installation and maintenance)
 - Provision of aids, adaptations and home improvement services
 - Delivery of continence products
 - Retail outlets/Demonstration Facility
 - Home improvements and handyperson service
 - Dynamic pressure care
9. ICESS products are prescribed by Community Nurses, Occupational Therapists, and Customer Coordinators (both Health and Social Care). Continence products are prescribed by Continence Nurses and Community Nurses.
10. The main ICESS base is situated in Calne, although Medequip operates 2 other commercial outlets in Wiltshire, including the Independent Living Centre. Medequip has invested heavily in their IT and business processes and provides a comprehensive Management Information package monthly to enable performance management.
11. The current provider has presented a number of operational and financial opportunities and initiatives to help secure an extension for the full two years.

12. A decision to re-procure a service is triggered by one or more of the following:

- End of contract period
- Failure of the current provider to meet the requirements of the contract
- An expectation that a procurement process would elicit a provider that could deliver a better value service at the same or greater level of quality

13. The current contract with Medequip has not yet reached the end of its potential life and could be extended until Feb 2019. Formal approval to extend is required.

14. Medequip have utilised their experience with best practice nationally to identify a number of potential service efficiencies which would be possible through joint working between Medequip, commissioners (both Wiltshire Council and CCG) and service prescribers. Most suggestions require significant changes to operational practice (both community NHS and Council operational teams) which has meant that benefits have not been fully realised to date. Many savings would not change the costs of the Medequip contract itself, but would be on savings in other areas. Some examples are:

- Auditing Care Home equipment to ensure all unused equipment is returned; reviews in other counties have located significant levels of equipment which are re credited to the contract.
- Review and promote the use of equipment which may reduce the need for dual person home care visits, for example increasing the use of ceiling track use. The saving for this would not be reflected within the ICESS contract but would impact positively on HTLAH costs.
- Promote and facilitate an increased use of telecare.
- Introduce Trusted Assessor role to provide assessments for those customers who choose to be self-funded or who are not eligible for statutory services; promoting independence and early self-funded support.
- Introduce more robust clinical overview/authorisation for equipment and delivery. Ensuring same day and one day delivery are only used when required and that where possible stock items of equipment are appropriately ordered.

15. Commissioners from both Wiltshire Council and Wiltshire CCG understand that there are significant operational and financial opportunities to explore with the current provider. As an example, Medequip believe that by changing the practice of equipment prescribers (i.e. operational staff within Adult Care and Community NHS teams), there could be a saving on equipment costs of £200,000 per annum.

16. Commissioners are working with Medequip and the Clinical Commissioning Group to develop a more detailed action plan which will include estimated savings, timescales for implementation and clear responsibilities for each organisation involved.

Overview and Scrutiny Engagement

17. The continence element of the contract was examined by the Health Select committee in 2015, but there has been no further involvement with the contract.

Safeguarding Implications

18. Current contract arrangements contain robust safeguarding measures (Safeguarding Adults 7.1 and Safeguarding Children 7.2). Any future agreements established with Medequip will continue to contain robust safeguarding clauses in line with best practise, Council policy and current legislation.

Public Health Implications

19. The ICESS contract brought together a number of separate contracts and as a result now provides a joined up approach to the supply of community equipment to residents of Wiltshire.
20. It plays a vital role in supporting those living independently within the community with health and mobility needs, and promotes continued independence. Through same day and next day delivery arrangements, the ICESS facilitates safe and timely hospital discharge.
21. These activities supplement public health activities and initiatives as well as priorities identified by the Better Care Plan's Prevention Board.

Procurement Implications

22. Within the current ICESS contract there is provision for an extension of two years, from January 2017 to January 2019.

Equalities Impact of the Proposal

23. By appointing a single provider to deliver this wide range of community products, services and equipment (previously delivered through a number of different contracts), the provision of service is the same countywide which provides a more accessible service for all customers across Wiltshire.
24. The service commissioned is already required to comply with all equalities legislation and best practice and is made available to everyone living within the community area.

Environmental and Climate Change Considerations

25. There are no specific environmental or climate change considerations.

Risk Assessment

Risks that may arise if the proposed decision and related work is not taken

26. If the option of extending for two years is not taken, the ICESS contract will need to be retendered and notice given to the current provider by September 2016. There is a risk that engaging in lengthy and complex re commissioning process at short notice would not elicit a provider that is in a stronger position to deliver a value led quality community equipment service but would instead distract from ensuring that the current service is delivered in an economic and effective way. This could result in the destabilisation of a critical, countywide service to health and social care service users, creating uncertainty for both customers and staff. As previously stated there are very few large providers in the market.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

27. There is a risk that the council and the CCG do not work effectively with the provider to deliver new ways of working. The council and the CCG will ensure that all stakeholders, including operational teams, implement new ways of working and this will be monitored closely.

Financial Implications

28. ICESS is a joint service for Health & Social Care in Wiltshire and is constituted as a Section 75 partnership between Wiltshire CCG and Wiltshire Council. Community NHS Services is the predominant Health “user” of this service.

29. Wiltshire Council acts as Lead Commissioner because it has flexibilities re VAT handling & cross-year funding.

30. The ICESS contract price is dependent on the actual equipment ordered within year.

31. The Joint Commissioning Board has previously agreed that ICESS should operate as a “nominal pooled” budget. That said internal financial management has retained a clear distinction of respective funding streams and respective budget managers.

32. In 2015/16 Wiltshire Council Adult Community Services spend on the contract was £1,588,686, Wiltshire Council Children’s Services spend was £232,199 and the Wiltshire Clinical Commissioning Group spend for the year was £4,139,051. The budget for 2016/17 and will be set at £1,854,070 for

Wiltshire Council and £4,178,000 for Wiltshire CCG. The contract is monitored and managed jointly between the Council and the CCG and governance is through a Section 75 Agreement between the two organisations, and monitored through the JCB for adults.

Legal Implications

33. The contract was originally awarded after a competitive tender through the OJEU. An extension period of 2 years was contained within the original contract agreement as outlined in procurement considerations.

Options Considered

34. To re-commission all of the services within the ICESS contract through a competitive process.

35. To extend the ICESS contract with current provider for two years.

Conclusions

36. Having considered the the options available both Wiltshire CCG and Wiltshire Council Commissioners conclude that an extension of the ICESS contract with the current provider would be appropriate.

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