

<b>Contains Confidential or Exempt Information</b>	No
<b>Title</b>	Community Equipment Service Call Off Extension
<b>Responsible Officer(s)</b>	Executive Director for Children, Adults & Public Health
<b>Author(s)</b>	Val Wilson Independent Living Commissioner
<b>Portfolio(s)</b>	Cllr Rai, Portfolio Holder Adults and Public Health
<b>For Consideration By</b>	Cabinet
<b>Date to be Considered</b>	16 March 2021
<b>Implementation Date if Not Called In</b>	29 March 2021
<b>Affected Wards</b>	All
<b>Keywords/Index</b>	Community equipment; aids to daily living

**Purpose of Report:**

This report seeks authorisation for the London Borough of Ealing to extend the call off contract made between the Council and Medequip Assistive Technology Limited dated 1st April 2017 (“the Call Off Contract”) for Community Equipment as part of the London Community Equipment Consortium on behalf of the Council and the Ealing Clinical Commissioning Group to commence on 1<sup>st</sup> April 2022 for a period of one year. In 2019 an Officer Decision was taken to extend the contract from April 2021 to March 2022.

The report seeks delegated authority to the Executive Director Children, Adults & Public Health to decide whether to join the for re-procurement from April 2023 as part of the London Consortium and delegated authority to call off from the framework.

**1. Recommendations**

- 1.1 Cabinet approves the extension for the Call-Off Contract for Community Equipment Services as part of the London Consortium to 31st March 2023 from 1st April 2022 with no change in conditions other than the 1.7% inflation uplift on activity charges (applied from April 2021). Annual cost to Ealing is estimated at £10,242 which will be budgeted for via the 50:50 split between the CCG and the Local Authority (£5,121 per year added to each contribution).
- 1.2 Cabinet delegates authority to Executive Director Children, Adults & Public Health to make the decision by end of November 2021 whether to participate in the Consortium procurement for a new community equipment from April 2023 and further delegates authority to Executive Director

Children, Adults & Public Health to make a call off from the framework in accordance with its rules.

## **2. Reason for Decision and Options Considered**

- 2.1. The London Borough of Ealing is part of the London-wide consortium delivering Community Equipment services via a contract with Medequip, as one of 21 London boroughs.
- 2.2. Ealing joined the consortium from 1st April 2017 following Cabinet authorisation for the London Borough of Ealing to call off from the single supplier framework on behalf of the Council and the Ealing Clinical Commissioning Group for a period of four years plus two years extension option.
- 2.3. In 2019 an Officer's decision was taken to extend the contract from April 2021 to March 2022.
- 2.4. The current framework has delivered a high quality service since 2017 and the member authorities have benefited from having a Consortium team to manage the contract and negotiate with the service provider in relation to any required changes or contract variations.
- 2.5. The London Consortium has taken a majority decision to extend the contract for the final available year to 31<sup>st</sup> March 2023 and will commence re-procurement to be completed for a new contract to be in place from 1<sup>st</sup> April 2023.
- 2.6. Ealing Council, and the Ealing Clinical Commissioning Group, must decide:
  - by April 2021, whether to remain with the Consortium for the extension period to 31<sup>st</sup> March 2023
  - by November 2021, whether to take part in re-procurement of the framework with the London Consortium.

## **3. Key Implications**

- 3.1. The Consortium timetable for decision-making requires notice to be served by April 2021 if members wish to withdraw. If Ealing were to withdraw from the Consortium the Council and CCG would need to procure an alternative service by April 2022. (Annex 1: Decision Tree). Any gap in service would cause considerable distress to Ealing residents and create pressures on health and social care services.
- 3.2. The London Community Equipment Consortium has brought together 21 local authorities and CCGs to establish this framework which achieves greater value for money from collaborative procurement and increased buying power.

- 3.3. The London Consortium carried out an options appraisal before establishing the Framework for Independent Community Equipment Services in 2017 and again when the first year's extension was agreed in 2019. Options for a range of procurement options were examined. The options at this stage remain the same, and the agreement with Medequip will be unchanged for 2022 – 2023.
- 3.4. The following high-level options could be available to each London Consortium member:
- a) Extend the existing community equipment contract with Medequip for a period of one year from 2022 - 2023
  - b) Access a community equipment framework set up by another organisation
  - c) Set up and/or work with other authorities to set up and use a new London Consortium community equipment framework
  - d) Join an existing shared service arrangement for community equipment
  - e) Set up and/or work with other authorities to set up and use an entirely new shared service arrangement
  - f) Go out to tender for an individual outsourced community equipment contract
  - g) Bring community equipment services back in house on an individual authority basis, either as an internal department or as a local authority trading company
  - h) Some combination of these / mixed options
- 3.5. The additional one year extension to 2023 provides more time to consider these as a borough (to November 2021). Most of these options are not viable to establish in the time available before re-procurement in 2022. Some options, such as accessing a framework agreement for equipment goods only, do not offer a full solution.
- 3.6. The ability to call off from the Framework managed by the Consortium in 2017 and the first one year extension to 2022 were considered to be the most cost effective options, with proven cost benefits including economies of scale achievable from joint commissioning by multiple authorities.
- 3.7. Identified benefits to continue as a Consortium member are:
- Buying power: the Consortium is the largest community equipment consortium in the UK and Europe
  - Support from the Consortium Team who undertake high level negotiations, contract management support, quality assurance, development of the Consortium Catalogue and access to Equipment Review Groups, service specification and policy development, Consortium wide data analysis, escalation route for issues
  - Shared Specials. Bespoke special items that are no longer required are collected and added to stock. These items are visible to all consortium members and can be shared for a minimal charge of £10.

(The owning local authority retains discretion to refuse to share certain refurbished specials)

- Sharing of best practice and training across boroughs
  - Learning from pilots run in other boroughs e.g. delivery speeds pilot to reduce use of emergency tariff
  - Clinical advice for prescribers
- 3.8. If Ealing chooses to take part, the next procurement exercise and contract mobilisation process will be managed by the Consortium, sharing and therefore reducing costs between 21 boroughs.
- 3.9. During the Covid-19 Pandemic, the Consortium has been the main point of contact between boroughs and Medequip, issuing regular communication updates and resolving issues. The Consortium Team negotiated the supplier support relief package between Medequip and London ADASS and then monitored and calculated the monthly contributions from boroughs. They maintained business continuity with Medequip to minimise service disruption to boroughs and supported sourcing PPE.
- 3.10. The Consortium Team has developed its own Brexit risk log and are working with Medequip in developing an Equipment Business Continuity Plan that will sit alongside the operational BCP. The Equipment BCP includes a review of Medequip's supply chain resilience and its mitigations, which will then be overlaid with the clinical risk assessment of key items of equipment and close technical equivalents and the clinical mitigations that will be used.
- 3.11. Nationally, there is a reluctance to bring Community Equipment Services back in-house during the ongoing period of austerity, combined with the unknown environment due to Covid-19 and post Brexit. Those authorities who still have in-house services are considering their options as to whether to outsource partially or move to a fully managed service.
- 3.12. In NW London, Harrow CCG and Local Authority considered last year whether a regional procurement would be viable, across NW London. Their analysis led them to decide to remain as members of the London Consortium, due to better buying power, back office support for contract management and procurement, and a wider knowledge base and experience.

## **4. Financial**

### **Financial impact on the budget**

- 4.1. The community equipment service is demand led. It is commissioned by the Council on behalf of itself and Ealing CCG, with the costs split 50/50. The prices agreed in the framework relate to the actual price of equipment and the cost of delivery and collection ('activity tariffs'). The total cost of the contract during the one year extension has been estimated based on

activity over the past four years, and taking into account the impact of the Covid-19 pandemic.

- 4.2. The contract value for the extension period is estimated at £3.100m. This is based on activity between April 2020 and December 2020. 12.3% of this relates to children’s equipment
- 4.3. There is no change in conditions or cost for the additional extension period to the contract. There is however, an inflationary uplift of 1.7% on activity totalling £10,242 applied to both 2021/22 and 2022/23. This is budgeted for through the 50:50 contributions from the local authority and the CCG.
- 4.4. Increases in the purchase price of lead equipment products may occur on some items as a result of shortages in raw materials such as currently being seen in foam and steel due to factory closures where there have been Covid outbreaks and the impact of planning for Brexit. The Consortium Clinical Lead and the Catalogue Management Group review and risk assess close technical equivalent products as an alternative solution and only where there is no alternative, would the price increase be accepted.
- 4.5. Any increase in costs can be offset in improving collection rates as boroughs receive back 90% of the equipment value (at the new higher cost) when it is collected and recycled. A cost avoidance Action Plan for Community equipment is being developed and will be managed by the service and the prescribers group, extending the work achieved to date to deliver the previous year’s FE saving on community equipment spend.
- 4.6. Council revenue funding is made up of Adults’ Services budget, plus income from the NHS via S256 of £0.922m which is a recurrent revenue stream.
- 4.7. The Future Ealing has approved a capital programme which includes the following allocations for the next 2 years under the Health, Independence and Efficiency programme.

	<b>Year 1 (2021/22 )</b>	<b>Year 2 (2022/23 )</b>	<b>Total</b>
	<b>Capital £m</b>	<b>Capital £m</b>	<b>Capital £m</b>
Health, Independence and Efficiency	0.480	0.480	0.960

4.8. The approved budget allocated to the Community Equipment is as follows:

	2021/22	2022/23	Total
	£m	£m	£m
<b>Adults Services Revenue Budget</b>			
Integrated Community Equipment	1.070	1.070	2.140
Contribution from Ealing CCG	1.550	1.550	3.100
<b>Total Revenue Budget</b>	<b>2.620</b>	<b>2.620</b>	<b>5.240</b>
<b>Contribution from Capital</b>			
Health, Independence and Efficiency	0.480	0.480	0.960
<b>Total Contract Value</b>	<b>3.100</b>	<b>3.100</b>	<b>6.200</b>

4.9. In-year spend is now forecast at £2.8m. Additional savings above what was achieved in 2020/21 are unlikely for 2021/22 or 2022/23. The forecast savings in 2020/21 were achieved through a combination of local cost control measures, and Covid-19 affecting prescribing practice and customer choices.

4.10. At the end of 2020 activity was returning to normal for the time of year. It is likely that customers who did not take up opportunities for equipment will still require equipment in future, which may mean a backlog in demand which will need to be dealt with by prescribers.

## 5. Legal

5.1. The Community Equipment service contract contributes to the Council meeting its general duties and exercising its powers as set out in.

- a) s.2 of the Chronically Sick and Disabled Persons Act 1970, the Council have a duty to provide practical assistance and additional facilities for the greater safety, comfort or convenience of people who are assessed as needing them.
- b) Section 17 Children Act 1989 imposes a duty on the Council to safeguard and promote the welfare of children within their area who are in need; and so far as is consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs. For the purpose of facilitating the

discharge of their general duty, every local authority also has the specific duties and powers set out in Part 1 of Schedule 2 to the Act.

- c) A number of provisions of the Care Act 2014 (the 2014 Act), including:
- Section 1 To promote an individual's well-being, defined in the Act and including control by the individual over their day-to-day life.
  - Section 2, In exercising this general duty the Council must have regard to the importance of preventing or delaying the development of needs for care and support and the importance of the individual participating as fully as possible.
  - Section 3, To promote integration of care and support. The statutory guidance supporting the 2014 Act includes guidance for Council departments working more closely together and in a joined up manner.
  - Where an individual has an eligible need for care and support under the 2014 Act the Council will have a duty to ensure that a reasonable offer is made to meet that need. In cases where there is no statutory duty the Council will have a power to make a reasonable offer. S.8 of the 2014 Act provides examples of how needs may be met and this includes providing goods and facilities. The Care and Support Statutory Guidance gives examples of what local authorities could do to meet this duty, which includes the provision of equipment.
  - To establish and maintain a service for providing people in its area with information and advice relating to care and support. This service should include information about the choices and types of care and support available, choices of providers available and how to access the care and support.
  - To promote diversity and quality in the provision of services within the locality. The Council must ensure that commissioning and procurement practices deliver the services that meet the requirements of the Act.
- 5.2. The proposals in this paper do not fall within one of the prohibited delegations within s.79 of the 2014 Act.
- 5.3. Section 75 of the National Health Service Act 2006 and National Health Service Bodies and Local Authorities Partnership Regulations 2000 allows local authorities and specified NHS bodies to work jointly including having pooled budget arrangements and undertaking commissioning on each other's behalf.

- 5.4. Amendments to the NHS Act 2006 provided the legislative basis for the Better Care Fund, (BCF), a programme spanning both the NHS and local government which seeks to join-up health and care services, so that people can manage their own health and wellbeing, and live independently in their communities for as long as possible allowing for the mandate to NHS England to include specific requirements relating to the establishment and use of an integration fund.
- 5.5. The national conditions for the BCF in 2020-21 are that:
- Plans covering all mandatory funding contributions have been agreed by HWB areas and minimum contributions are pooled in a section 75 agreement (an agreement made under section 75 of the NHS Act 2006).
  - The contribution to social care from the CCG via the BCF is agreed and meets or exceeds the minimum expectation, as set out by NHS England in February 2020
  - Spend on CCG commissioned out of hospital services meets or exceeds the minimum ringfence
- 5.6. In February 2020, Health and Wellbeing Boards were advised that BCF policy and planning requirements would not be published during the initial response to the COVID-19 pandemic and that they should prioritise continuity of provision, social care capacity and system resilience and spend from ringfenced BCF pots based on local agreement in 2020 to 2021, pending further guidance.
- 5.7. For 2021/22 the CCG contribution to the BCF will again increase by 5.3% in line with the NHS Long Term Plan settlement. The Policy Framework and Planning Requirements will be published in early 2021.
- 5.8. The Community Equipment contract meets the national conditions set for access to the BCF
- 5.9. The lead/host authority for the framework is Royal Borough of Kensington and Chelsea, and the extension request was added to the forward plan and approved by their Cabinet with the delegated responsibility to agree the second year extension going to the Lead Member for Adult Social Care. The framework was procured through Hammersmith & Fulham under the previous tri-borough arrangements, so H&F are progressing the extension of the framework agreement through their Cabinet along with the permission to novate the framework over to RBKC.
- 5.10. S149 Equality Act 2010 requires public authorities to have due regard to:
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Act
  - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it



- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it

5.11. The relevant protected characteristics are age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex; sexual orientation. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- Remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- Take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it
- Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low

5.12. The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities. The provision of equipment which increases people's ability to live independently, and to take part in and contribute to their communities is part of the Council's and the CCG's commitment to promoting equality.

5.13 Clause 3.4 of the Call Off Contract permits extension of the Call Off Contract for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.

## **6. Value For Money**

- 6.1. The London Consortium is in a unique position to negotiate with providers, and has already come to an agreement with Medequip to maintain the conditions of the contract, with only 1.7% inflation and no other changes to costs to individual boroughs.
- 6.2. Membership of the Consortium does not impact on Ealing's ability to control spend locally, and the Consortium's size allows for savings and gainshares with the Provider to be negotiated across the contract.
- 6.3. Ealing retains control of its approach to collections, recycling, prescribing practice and to implementing speeds within prescribing. For example, Ealing was able to implement a dynamic collections policy which delivered savings during 2020.
- 6.4. Where a price increase occurs, the Consortium Clinical Lead and the Catalogue Management Group will review and risk assess close technical equivalent products as an alternative solution. Only where there is no alternative, would the price increase be accepted

- 6.5. To note, during the dip in equipment prescribing there was an increase in referrals into social care relating to falls.

## **7. Sustainability Impact Appraisal – not applicable**

## **8. Risk Management**

- 8.1. The Council has a statutory duty to ensure that the eligible need of individuals is met and to ensure this the provision of this service, with no gap between contracts, since the provision and maintenance of community equipment is critical for the care of vulnerable adults and children and delays in such provision can also impact on discharges from hospital, unnecessary admissions, preventable falls or accidents.
- 8.2. It is likely that expenditure on this service will continue to increase, since the provision of equipment is critical to the support of people in their own homes and in the community.
- 8.3. Risks of increasing activity and therefore costs are mitigated both through the Consortium oversight and ongoing work with the Provider, and through local actions such as increased collections and changes in speeds taken up.
- 8.4. There are risks associated with the delivery of this extension in relation to Global conditions relating to the Covid-19 Pandemic, and relating to Brexit. Being part of the Consortium mitigates these risks through the Provider's status within the market and ability to stockpile materials and equipment.

## **9. Community Safety**

- 9.1. The provision of a range of community equipment contributes to keeping vulnerable adults and children safe within the community.

## **10. Links to the 6 Priorities for the Borough**

- Good, genuinely Affordable Homes  
Equipment improves people's homes and their ability to live better in them, as well as making living at home accessible to more people.
- Opportunities and Living incomes  
Equipment facilitates people to take part in, and contribute to, their communities in terms of social life, employment, volunteering, education and leisure.
- A Healthy Great Place  
Community equipment helps people live a more healthy and independent life.

## **11. Equalities, Human Rights and Community Cohesion**

- 11.1. The provision of equipment is based entirely on needs, assessed by NHS and local authority professionals with the service user and carer. Prescribers ensure that people receiving equipment are given explanation

and training in how to use it.

**12. Staffing/Workforce and Accommodation implications:** Not applicable

**13. Property and Assets:** Not applicable

**14. Any other implications:** Not applicable

## 15. Consultation

- 15.1. Service users and their families, friends and carers are invited to give feedback on the service they receive. Part of the ongoing improvement work with Medequip is to make feedback and complaints mechanisms more accessible and responsive and to embed learning into the organisation.
- 15.2. Medequip undertake a customer viewpoint survey which feeds into the 'Complaints and Action Log' lessons learned process.

## 16. Timetable for Implementation

Joint Contracts Board, supported proposals	19 01 20
Cabinet decisions for extension and recommendation to re-procure with Consortium	16 03 20
Ealing CCG governance	
Executive and Innovation Committee	03 03 20 (TBC)
Finance and Performance Committee	24 02 20 e-governance
Implementation date if not called in	29 03 20
Current extension ends	31 03 22
Additional one year extension starts if agreed	01 04 22
Decision to remain with Consortium for re-procurement	30 11 21
New contract starts	01 04 23

## 17. Appendices

Annex 1: Decision Tree

## 18. Background Information

### 18.1. The Market in London

Of the 33 London Boroughs, the market is segmented in the following way:

- 21 (64% by number) have an outsourced Independent Community Equipment Service (ICES) contract with Medequip via the London Consortium
- 7 (21% by number) have an outsourced ICES contract with Millbrook
- 2 (6% by number) are operating an in-house service directly or through a trading arm of the local authority
- 3 (9% by number) were using the Croydon shared service arrangement but due to the current financial situation in Croydon it is not known if this framework will continue.

- 18.2. Due to the size of the London Consortium, Medequip is currently the dominant provider of the outsourced market in London.
- 18.3. The Governance of the Consortium
- 18.4. Operated through the Management Committee and the Board; which respectively meet on a monthly and bi-monthly basis.
- 18.5. Medequip attend both these meetings and present a quality report on performance and updates on the positive action plan as well as discussing and resolving ongoing issues.
- 18.6. The Consortium Team holds Best Practice days for Clinicians on a range of focused topics to share good practice, exchange and develop ideas and processes.
- 18.7. Several working groups have been set up, who meet on a regular basis to focus on specific areas of work to resolve issues and develop new ways of working:
- Procurement Project Group
  - Catalogue and Specials Working Group
  - Equipment Review Groups
  - I.T. Review Group
- 18.8. Performance management is carried out by the Consortium Team, with oversight from members as outlined above. It is not proposed to change KPIs for the extension period. However, the Consortium works closely with Medequip on areas of improvement, many of which have delivered for service users and reduced costs, for example through Planned Preventative Maintenance.

## Consultation

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent to consultee</b>	<b>Date response received</b>	<b>Comments appear in paragraph:</b>
<b>Internal</b>				
Kerry Stevens	Director of Adult Services	04 02 21	09 02 21	
Chuhr Nijjar	Legal Services	04 02 21	10 02 21	5. Legal
Jumoke Adebisi	Finance Manager	04 02 21	10 02 21	4. Financial
Cllr Rai	Cabinet Member for Adults Services			
<b>External</b>				
Neha Unadkat	Managing Director Ealing CCG	11 02 21	15 02 21	
Pooja Maniar	Head of Finance, Ealing and Hounslow CCG	11 02 21		

## Report History

<b>Decision type:</b>	<b>Urgency item? No</b>
Key decision	Yes
Report no.:	Report author and contact for queries:
	Val Wilson, Independent Living Commissioner <a href="mailto:wilsonv@ealing.gov.uk">wilsonv@ealing.gov.uk</a> Ext 7704