

## Report to CABINET

# Contract extension request, provision of an Integrated Community Equipment Service

### Portfolio Holder:

Cllr Zahid Chauhan, Cabinet Member for Health and Social Care  
Cabinet

**Officer Contact:** Mark Warren, Managing Director of Community Health and Social Care Services (DASS)

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**20<sup>th</sup> September 2021**

### Reason for Decision

To seek approval to extend a contract for the provision of an Integrated Community Equipment Service. Cabinet awarded the contract on 19.06.17, to commence 1<sup>st</sup> October 2017 and expire on 30<sup>th</sup> September 2020. The contract has an option for two one-year extensions; the first of these has been utilized, and the request is to approve the second and final extension permitted under the contract.

If approved, Council officers will work with Clinical Commissioning Group colleagues, and with officers from Tameside, to jointly re-tender the provision for a new service to be in place by 1<sup>st</sup> October 2022.

### Recommendations

To extend the contract with Ross Auto Engineering Limited (trading as Ross Care) for provision of an Integrated Community Equipment Service by a further year, from 1<sup>st</sup> October 2021 to 30<sup>th</sup> September 2022.

**Contract extension request, provision of an Integrated Community Equipment Service****1 Background**

- 1.1 The request to Cabinet is to extend a contract for the provision of an Integrated Community Equipment Service (ICES). The provision, and its function within the Health and Care system, is also described. The service is currently provided under contractual arrangements which commenced 1<sup>st</sup> October 2017, with an initial term to 30th September 2021. The contract award – to Ross Auto Engineering Limited (trading as Ross Care) - was approved by Cabinet on 19.06.17 and included an option for two one-year extensions: the first of these has been utilized, and the request is to approve the second and final extension permitted under the contract, to 30th September 2022. Oldham council led on the procurement of the provision for the Council and Oldham Clinical Commissioning Group (CCG), and for Tameside Council, Tameside and Glossop CCG and Derbyshire County Council. Tameside officers confirm that they also wish the contract to be extended, and to jointly re-tender, to have a new service in place by 1<sup>st</sup> October 2022.
- 1.2 Community equipment – which includes items such as profiling beds and pressure care mattresses, hoists, commodes, – is prescribed by a range of professionals, such as occupational therapists, physiotherapists, social workers, community nurses, etc. and supplied on loan to Oldham residents who require assistance to perform essential activities of daily living. Equipment is delivered directly to the resident's home and is collected and recycled when it is no longer required by an individual. In 2019/20 the service delivered circa 22,000 items of equipment to 5,244 Oldham citizens. The current ICES contract includes provision of some Minor Adaptations, such as fitting grab rails, handrails, as these are often prescribed by the same practitioners as the ICES equipment, for the same clients.
- 1.3 The Care Act 2014 determined that community equipment must be provided free to the service user and as such no income is received to offset the costs, however investment in community equipment is an important element of keeping care closer to home and enabling cost avoidance in the wider health and social care system. The provision of community equipment helps to facilitate hospital discharge, prevent admission into hospital, and reduce the need for social care support, by enabling individuals and their carers to better manage their conditions and maintain their independence for as long as possible within the community. Strategic and financial oversight of the provision is provided by a multi-agency Community Equipment Partnership Board, and contract monitoring meetings regularly take place with the service provider (Ross Care), chaired by Oldham officers, and attended by Tameside representatives.
- 1.4 Oldham has a history of collaboration with Tameside Council & CCG for community equipment provision, as Oldham was a named party to Tameside's contract for this service when they tendered for the period 2010 - 2017. Oldham council then led on the subsequent procurement process for the Council and Oldham CCG, and for Tameside Council, Tameside and Glossop CCG and Derbyshire County Council. The parties wanted to

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continue this collaboration and jointly procure a new ICES service, as it was considered that the joint arrangement results in better value, both financially for commissioners and operationally for prescribers ordering equipment. The joint contract does not involve risks from any pooling of budgets between the boroughs, as each party only pays for the activity that it uses.

## **2 Current Position**

- 2.1 The commissioning intention of both boroughs was to jointly retender ICES with provision of Wheelchairs; the current service provider for both services, in both boroughs, is the same (Ross Care), and it was considered that joint provision of the services would preserve the (currently accidental) advantages of a single provider, present a more efficient pathway and a more holistic service. DMT/MET approved the commissioning approach, and a working group was formed of officers from both councils and CCGs to progress this. The intention was to align with the end date of the Wheelchair contracts - for a new service to be in place by 1<sup>st</sup> April 2022 - and for Tameside council to lead on the tendering of a new service. However, this has been impacted by the changes to the commissioning landscape arising from publication in February of the Health and Care White Paper, 'Integration and innovation; working together to improve health and social care for all'. One of the main changes will be the formation of Integrated Care Systems, which are expected to replace Clinical Commissioning Groups - taking over much of their roles from 1st April 2022.
- 2.2 To ensure an orderly transition from CCGs to new arrangements from April 2022, planning has begun to promote consistency in approach across Greater Manchester CCGs; this includes a set of 'contracting principles' drafted to guide GM CCGs in terms of their existing contracts and transitional arrangements. Proposals involve direct awards of contracts to existing providers for one, two or 3 years. Accordingly, the view of Oldham and Tameside CCGs is that these principles supersede earlier plans to tender the wheelchair services with ICES provision. We now propose to revert to the ICES contract end date - requiring a new service to be in place by 1<sup>st</sup> October 2022; this timescale takes account of not exacerbating the additional strains that the winter months put upon the health and care system, and on the ICES service provider, when we can delay the retender until early Spring without compromising compliance with the council's contract procedure rules. ICES providers nationally have experienced challenges due to the impact of the pandemic and of Brexit on supply chains, resulting in them needing to source alternative products/suppliers to keep services running effectively. During COVID-19 peak periods, Ross Care supported rapid discharge from hospital with rapid equipment delivery, and a similar response is likely to be required over the coming winter.
- 2.3 A recurrent allocation of £1.4m has been established within the Councils budget for some years, financed from equal contributions by the Council and Oldham CCG. However, the contract is demand-led and for several years spend has exceeded £1.5m, due to factors such as the shift to community-based provision and more people living longer with complex disabilities; last year's spend was £1,525,198. This has been managed by the ability of the council to capitalize items that we purchase costing over £1k; last year £133,050 was capitalised. The partners have considered the most appropriate contributions required in future years and the CCG have agreed to increase their contribution as analysis has shown that health uses the service significantly more than social care. The Minor Adaptations spend was £64,741.

## **3 Options/Alternatives**

- 3.1 Not to approve the contract extension and allow the service to cease. This option is not recommended, as the provision of community equipment supports the wider health and care system by enabling people to remain at home for as long as possible, and to be

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discharged from hospital in a timely manner. Ceasing the service would impact negatively on service user's quality of life and is likely to increase costs elsewhere in the system.

- 3.2 Not to extend the current contract and to retender the provision solely for Oldham. This is not the preferred option, as the current joint arrangements with Tameside provides continued economies of scale from a contract across a larger footprint, and better value than tendering for one borough alone. Tameside agree that the preferred option is to extend by a further year and to re-tender jointly within the coming months, to have a new service in place by 1<sup>st</sup> October 2022.

#### 4 **Preferred Option**

- 4.1 To extend the contract with Ross Auto Engineering Limited (trading as Ross Care) for provision of an Integrated Community Equipment Service by a further year, from 1<sup>st</sup> October 2021 to 30th September 2022.

This is the preferred option, as this enables continuity of provision which enables cost avoidance in the wider health and social care system by keeping care closer to home and supporting timely hospital discharge.

#### 5 **Consultation**

- 5.1 Consultation has taken place with colleagues in adult social care and health, and with officers from Tameside, who support the proposals.

#### 6 **Financial Implications**

- 6.1 Approval is sought to extend the Integrated Community Equipment contract, currently delivered by Ross Care, for a further year from 1 October 2021 until 30 September 2022. A recurrent funding allocation of £1.4m has been established within the Councils budget financed from equal contributions of £0.700m by the Council and Oldham CCG. This is incorporated within the pooled budget managed under the Section 75 Agreement between the Council and the CCG and operates with a risk share arrangement

In recent years, demand has seen actual cost exceed the budget allocation. In light of this increased demand the CCG have agreed to change the share from 50/50 to 55/45 with the CCG paying the bigger part. This will increase their payment by £155k leading to a total budget of £1.555m. (Gioia Morrison, Finance Manager)

#### 7 **Legal Services Comments**

- 7.1 Legal Services supports the recommendation and affirms the comments made by Procurement. Legal Services supports the recommendation on the basis that this will be the final extension and that there will be early involvement between Procurement and the client department to ensure that a compliant procurement process is underway in a timely manner to avoid further extensions. Sukie Kaur - Solicitor

#### 8. **Co-operative Agenda**

- 8.1 These services links to Oldham's co-operative values by encouraging:
- Co-operative Services: reforming public services and encouraging innovation, leading to better outcomes and delivery.
  - Thriving Communities: nurturing and safeguarding strong neighbourhoods by ensuring that disabled people can live in the community and by promoting wellbeing and independence.

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9 **Human Resources Comments**

9.1 None

10 **Risk Assessments**

10.1 There are no risks identified from pursuing the preferred option.

11 **IT Implications**

11.1 None

12 **Property Implications**

12.1 None

13 **Procurement Implications**

13.1 Provision exists in the current contract to extend this arrangement for a final year in line with the recommendations in this report to start a new service from 01.10.2022. The Commercial Procurement Unit therefore supports the recommendations in this report as there are no additional cost has been occurred for the final year of the provision. This is a joint Contract between Oldham and Tameside Council. The Commercial Procurement Unit also recommends the following future actions:

a. Clear KPI's must be agreed with the Provider and the Commissioning Team to manages and monitors KPI's

b. The setting up of a working group involving the Procurement Team at an early stage ensuring no further requests will be made to extend this contract in the future.

c. Ensure appropriate consultation is undertaken at pre-procurement stage with the provider market. (Mohammad Sharif 23.08.2021)

14 **Environmental and Health & Safety Implications**

14.1 The service model takes account of environmental considerations, as the equipment is collected when it is no longer required by the individual and recycled for further use.

15 **Equality, community cohesion and crime implications**

15.1 The provision has a particular impact on an equality group identified by Government i.e., those who have a disability (both adults and children) who require the provision to assist them with activities of daily living.

16 **Implications for Children and Young People**

16.1 The provision also covers children; much of the provision for children is 'Specials'; items such as standing frames or molded chairs, which assists them with their development, and activities of daily living and to remain living at home, helping to maximise the use of family support and reducing the need for higher cost care.

17 **Equality Impact Assessment Completed?**

17.1 No, the recommendations support continued provision to an equality group identified by Government i.e., those who have a disability (both adults and children) who require the provision to assist them with activities of daily living.

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18     **Key Decision**

18.1    Yes

19     **Key Decision Reference**

19.1    HSC-03-21.

20     **Background Papers**

20.1    N/A

21     **Appendices**

21.1    Appendix 1, case studies (closed)

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