

<b>DECISION-MAKER:</b>		<b>CABINET COUNCIL</b>	
<b>SUBJECT:</b>		<b>RE-PROCUREMENT OF THE JOINT EQUIPMENT STORE</b>	
<b>DATE OF DECISION:</b>		<b>16 JULY 2019 17 JULY 2019</b>	
<b>REPORT OF:</b>		<b>CABINET MEMBER FOR ADULT CARE</b>	
<b><u>CONTACT DETAILS</u></b>			
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<b>STATEMENT OF CONFIDENTIALITY</b>	
Not applicable	
<b>BRIEF SUMMARY</b>	
This report provides an overview of the proposed Joint Equipment Store re-procurement process, the overarching model, associated timescales, potential costs and risks. The current contract ceases in June 2020 and the established model is felt to be successful from both a service user and prescriber perspective.	
<b>RECOMMENDATIONS:</b>	
<b>Cabinet</b>	
(i)	Subject to the decision of Council at recommendation (i) below, to delegate authority to the Director of Integration and Quality, following consultation with the Cabinet Member for Adult Care to undertake the re-procurement of a Joint Equipment Store provision for Southampton City up to and including conduct of the procurement process, selection and approval of preferred bidder and entering into the relevant contract(s) / agreements (s) together with any other action necessary to give effect to the re-procurement on the terms set out in this report.
<b>Council</b>	
(i)	To authorise expenditure from within the existing Integrated Commissioning Unit budget envelope to meet the costs of the contract. The City Council Joint Equipment Store budget for the contract in 2019/20 is £1.59M.
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The provision of community equipment to support people to remain as independent as possible for as long as possible is both a statutory requirement and important in delivering key strategic system priorities for example hospital discharge and avoidance, a reduction in the use of residential care and a reduced reliance on homecare provision.
2.	The Council commissions this service jointly with the Southampton City Clinical Commissioning Group (SCCCG) via a Section 75 Partnership Agreement and pooled fund, with the Council acting as lead commissioner. The current contract has been operating for 7 years and comes to an end in June 2020. There is therefore a need to re-procure a service that meets the requirement to provide community equipment.
3.	The current model has proved successful with both prescribers and patients/clients and

	affords the flexibility and responsiveness required to meet people's needs in a timely fashion. We are therefore proposing a "like for like" service to maintain the level of service currently provided with opportunities within the life of the contract to investigate initiatives that are emerging nationally that could further build on the flexibility and current specification to become more efficient and person centred in the future.
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## **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

4.	The current contract ceases in June 2020 and as the Council has a statutory duty to provide community equipment under the Council's Contract Procedure Rules a re-procurement process is required. It is known that there is a market for this service with at least 3 other community equipment providers in the local area.
5.	Several options were considered for procurement: <ul style="list-style-type: none"> <li>• A like for like service contract with an expectation built in to the service specification that any future provider will work with the Council and the SCCCG and other partners to continue to develop the service jointly and incorporate any emerging best practice/innovation that further improves the user experience and value for money, including increased joint working with other services (preferred option)</li> <li>• A more integrated service offer from the outset to include wheelchairs and other elements related to home improvement and adaptations.</li> <li>• The development of an "In House" Joint Equipment Store.</li> </ul>
6.	The second of these two options, whilst it offers the greatest opportunity for providing a fully integrated service and one stop shop from the outset, was rejected because it is not practically achievable at this stage. The wheelchair service is being retendered by the SCCCG and West Hampshire CCG to a later timescale (April 2021). West Hampshire CCG is also not at a point of needing to retender its joint equipment service. Best practice around integration of housing/equipment related services is still emerging nationally. Further work would need to be done in scoping a fully integrated service to include elements of housing adaptations which is not possible within the timescales required for the Joint Equipment Service re-procurement.
7.	The third option, the development of an "in house" service, has been rejected on the basis that it would not provide the economies of scale required to make this a viable option. The equipment service needs to update, maintain, store, fit, track and recycle stock in line with legislation which requires specialist decontamination equipment and appropriate maintenance. Specialist equipment providers that cover multiple areas are constantly renewing stock and economies of scale allow them to manage the associated costs and risks in a way that would be difficult to match internally.
8.	The first option is considered the preferred option because it allows for a service model which has been proven to be effective to be re-procured in the required timeframe whilst also enabling future developments to be incorporated during the lifetime of the contract.

## **DETAIL (Including consultation carried out)**

### **Background**

9.	The Joint Equipment Store is currently provided by Millbrook Healthcare as part of a joint contract between Southampton City Council, Southampton City CCG, Portsmouth City Council and Portsmouth City CCG. Although it is a shared contract, both Cities manage their relationship with the provider separately at an operational level. The total value of the Southampton contract is £11.1M, through the potential life of the contract (including extension options,) with a funding split of 49.7% CCG and 50.3% Council.
10.	The Joint Equipment Store operates a central store and a number of "sub-stores" within

	<p>the Southampton City boundary providing equipment to both children and adults that helps them to remain as independent as possible within the community.</p> <p>The main functions undertaken are:-</p> <ul style="list-style-type: none"> <li>• To be able to respond to assessed need within predetermined timescales based on the prescriber’s assessment. There are a range of delivery and pick up options currently that include within 3 hours for the most urgent, “same day” for emergencies and within 5 or 7 days for the least urgent routine deliveries.</li> <li>• To ensure that a catalogue of predetermined equipment is available for community prescribers. The Joint Equipment Store is currently accessed by 61 teams made up of 881 prescribers/trusted assessors who are authorized to order equipment. The largest team is the acute hospital at University Hospital Southampton Trust with 152 prescribers; the rest are a mixture of health and social care therapists, community nurses and social workers who order directly through an online system stating the required timescales.</li> <li>• To deliver and install equipment using qualified technicians including the provision of an urgent delivery function.</li> <li>• To provide a retail, assessment, training and demonstration facility using appropriately trained staff to facilitate direct contact from members of the public and prescribers</li> <li>• To ensure bar coding, cataloguing and full traceability of all equipment including non-stock and bespoke equipment</li> <li>• To undertake the repair, adjustment, maintenance, cleaning and decontamination of equipment maintaining statutory compliance.</li> <li>• To undertake the collection of equipment in a timely fashion to ensure it is available for reuse, the target being 95% of equipment collection timescales being met for all requested collections.</li> </ul>
11.	<p>The timely provision of equipment underpins a number of strategic priorities including:-</p> <ul style="list-style-type: none"> <li>• The reduction in the numbers of Delayed Transfers of Care (DToC) from hospital and supporting the “Discharge to Assess” approach for complex patients.</li> <li>• Reducing the numbers of people entering residential care by supporting them to remain in their own homes for longer.</li> <li>• Reducing reliance on homecare</li> <li>• Falls prevention</li> </ul>
12.	<p>The timely provision of equipment has a role in preventing long term disability through the early management of conditions that, if left unchecked, would leave the person with a greater level of disability than necessary and consequently requiring a greater level of future care.</p>
<b><u>Performance of Current Service Model</u></b>	
13.	<p>Performance of the current service under the current specification is positive with over 99% of deliveries reaching the client on time, good recycling rates and very high service user and prescriber satisfaction rates (with 74.4% of 288 service users responding rating the service as excellent and 24.1 % either good or very good; further details can be found at Appendix 1 and 2.</p>
14.	<p>In terms of overall activity, whereas the actual number of orders has remained broadly consistent over the years, there has been an increase in complexity.</p> <p>An analysis of comparable usage for period April - March 2017/18 and April to March 2018/19 came to the conclusion below.</p> <ul style="list-style-type: none"> <li>• The number of orders the service delivers has remained consistent (only up by</li> </ul>

	<p>3%).</p> <ul style="list-style-type: none"> <li>• However the special equipment spend was up by 15.5%.</li> <li>• There was an overall increase of 6.5% in the number of items being provided indicating that more equipment is being provided per individual.</li> <li>• The costs of equipment for patients leaving hospital has increased by over 19% and the number of hoists/manual handling lifting equipment has doubled in the 2018/19 period.</li> <li>• Total spend increased in 2018/19 by £0.16M (up by 7%).</li> </ul>
15.	<p><b><u>Future Re-procurement</u></b></p> <p><b>The key milestones for the re-procurement process are set out below:-</b></p> <ul style="list-style-type: none"> <li>• Mid-July 2019 - Approvals by Cabinet and Full Council.</li> <li>• Mid July 2019 - Consultation/Stakeholder engagement/market development</li> <li>• Mid-August 2019 – Finalise Tender Documentation</li> <li>• End November 2019 – Commence tender process</li> <li>• End January 2020 – Award contract</li> <li>• Early February 2020 – begin mobilisation to implement from 1 July 2020.</li> </ul>
16.	<p>Similar to the procurement for the previous contract, it is proposed that Southampton jointly tenders the service with Portsmouth City Council and Portsmouth City CCG. The benefits of a joint tender are threefold:</p> <ul style="list-style-type: none"> <li>- A larger tender is likely to receive more interest from the market</li> <li>- A larger tender is more likely to deliver better economies of scale and therefore better quality and value for money for the Council and CCG</li> <li>- There is a risk that, with both Southampton and Portsmouth needing to re-procure at the same time, if the tender is not joint it could severely limit interest from the market for either city.</li> </ul>
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Revenue</u></b>	
17.	The 2018/19 expenditure for the Joint Equipment Store was £1.61M (SCC £0.81M and SCCC G £0.80M) of which the fixed costs were £0.52M.
18.	The 2019/20 budget is £1.59M (SCC £0.80M and SCCC G £0.79M).
19.	<p>The demand for community equipment is likely to continue growing in line with:</p> <ul style="list-style-type: none"> <li>• Demographic trends characterised by increasing numbers of older individuals, particularly those aged over 75</li> <li>• Increasing numbers of individuals with complex needs living in the community</li> <li>• Increasing number of young individuals with complex disabilities reaching adulthood and living within the community</li> <li>• Improvements in elective and non-elective care reducing mortality and the length of stay in the acute sector</li> <li>• Focus on timely hospital discharge</li> </ul>

	<ul style="list-style-type: none"> <li>• Increased delivery and effectiveness of rehabilitation and reablement services</li> <li>• Expansion of supported housing (Extra Care)</li> </ul>
20.	The proposal is that the new contract is for a term of 5 years with an option for a further 2 years extension. Based on current spend the total cost for the life of the contract (including the extension period) would be approximately £11.1 million; however this will depend on how the market responds to the procurement and the outcome of the tender. It is anticipated that the SCC element of any future cost pressures during the contract period would be managed within the integrated Commissioning Unit's and Adult Social Care budget envelope.
21.	<p>The intention is to weight tendering applications based on a 60% quality versus 40% price split. Value for money will be assessed:-</p> <ul style="list-style-type: none"> <li>• Directly in terms of the provider's ability to demonstrate that they can source, deliver, maintain, and recycle equipment efficiently and effectively.</li> <li>• Indirectly by demonstrating that they recognise and are able to respond to the importance of the provision of equipment in delivering a range of key strategic priorities that improve quality and efficiency.</li> </ul>
<b><u>Property/Other</u></b>	
22.	Not Applicable
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
23.	Lead commissioning arrangement under the Section 75, National Health Service Act 2016 pooled fund held by the Council in the Integrated Commissioning Unit
<b><u>Other Legal Implications:</u></b>	
24.	The procurement process will be carried out in accordance with procurement legislation and the Council's Contract Procedure Rules to ensure the procurement process is fair, lawful and transparent.
25.	The procurement process, together with the services and goods to be delivered under the proposed contract will be required, through the contract offer and specification, to be fully compliant with the Equalities Act 2010 including the positive duty to exercise the Council's functions having regard to the need to promote equality of opportunity and eliminate discrimination and harassment for those having protected characteristics under the Equalities Act 2010. This is particularly important when considering the supply of medical aids and services to support those with physical and mental disabilities and those from communities with specific racial or theological needs to be taken into account in the provision of aids and services to them. Further details are set out in the Equality and Safety Impact assessment accompanying this report.
<b>CONFLICT OF INTEREST IMPLICATIONS</b>	
26.	Not Applicable
<b>RISK MANAGEMENT IMPLICATIONS</b>	
27.	Timescales associated with the re-procurement are challenging and a change of provider would require a complex level of mobilisation in a short period of time which could jeopardise service delivery. Potential providers would be expected to demonstrate that they could meet this challenge in their response to the tender.

28.	The timely provision of equipment is an essential element in planning to meet a number of the City's strategic priorities. Potential providers would need to be able to demonstrate in their response to the tender that they can operationally meet the timescales, catalogue expectations accessibility required by the system to meet the needs of patients/clients effectively.
29.	Portsmouth City CCG and Portsmouth City Council attend regular project meetings and have provided a governance timeline in parallel to that produced by Southampton to offer assurance that they can undertake the required activity within the agreed timescales; this includes the procurement route through their respective boards and committees.
30.	As described a number of key strategic initiatives are supported by the timely provision of community equipment; it therefore likely that if these plans are successful then the demand and consequently the cost is likely to rise. The mitigation against this is that delivering increased independence will keep people more mobile and able to self-manage in the community reducing costs elsewhere in the system for example in the provision of homecare, residential care and hospitalisation.

### **POLICY FRAMEWORK IMPLICATIONS**

31.	Southampton's Joint Equipment Store supports the delivery of outcomes in the Council Strategy (particularly the priority outcomes that "People in Southampton live safe, healthy and independent lives" and "Children get a good start in life") and CCG Operating Plan 2017-19, which in turn complement the delivery of the local HIOW STP, NHS 5 Year Forward View, Care Act 2014 and Local System Plan.
32.	Southampton's Joint Equipment Store also supports the delivery of Southampton's Health and Wellbeing Strategy 2017 - 2025 which sets out the following 4 priorities: <ul style="list-style-type: none"> <li>• People in Southampton live active, safe and independent lives and manage their own health and wellbeing</li> <li>• Inequalities in health outcomes and access to health and care services are reduced.</li> <li>• Southampton is a healthy place to live and work with strong, active communities</li> <li>• People in Southampton have improved health experiences as a result of high quality, integrated services</li> </ul>

<b>KEY DECISION?</b>	<b>Yes (for recommendation (i))</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	<b>none</b>
<u>SUPPORTING DOCUMENTATION</u>	
<b>Appendices</b>	
1.	Millbrook Healthcare Service User Feedback
2.	Millbrook Healthcare prescriber Survey Feedback
3.	ESIA

### **Documents In Members' Rooms**

1.	None
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### **Equality Impact Assessment**

<b>Do the implications/subject of the report require an Equality and</b>	<b>Yes</b>
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<b>Safety Impact Assessment (ESIA) to be carried out.</b>		
<b>Privacy Impact Assessment</b>		
<b>Do the implications/subject of the report require a Privacy Impact Assessment (PIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.	None	
2.		