

READING BOROUGH COUNCIL

REPORT BY EXECUTIVE DIRECTOR OF ADULT CARE AND HEALTH SERVICES

TO:	POLICY COMMITTEE		
DATE:	21 SEPTEMBER 2022		
TITLE:	DACHS - BERKSHIRE COMMUNITY EQUIPMENT SERVICE JOINT PROCUREMENT		
LEAD COUNCILLOR:	CLLR ENNIS	PORTFOLIO:	ADULT SOCIAL CARE AND HEALTH
SERVICE:	DACHS COMMISSIONING	WARDS:	BOROUGHWIDE
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1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The current Berkshire Community Equipment Service (BCES) contract provides equipment and TECH products to support people to live as independently as possible at home. The current contract is held between Nottingham Rehabilitation Service Healthcare (now known as Healthcare Pro) and the lead authority (West Berkshire Council) who act on behalf of the BCES Partnership which is made up of all six Berkshire Unitary Authorities and the NHS Buckinghamshire, Oxfordshire and Berkshire West Integrated Care Board, and NHS Frimley Integrated Care Board (the NHS ICB's covering West & East of Berkshire respectively for the purposes of this contract). The current 5-year contract commenced on 1st April 2017 and was extended in 2022 for a further 2 years to 31st March 2024. There is no further contract extension available.
- 1.2 This report proposes that Reading Borough Council join the Berkshire Community Equipment Service (BCES) Partnership commissioning process with West Berkshire Council as the lead authority to commission a new service in line with the end of the current contract. The procurement process will commence from September 2022 and all existing partners are seeking approval to enter into the joint procurement.
- 1.3 It is proposed that the partnership enter into a new contract for an initial term of 5-years from 1st April 2024 -31st March 2029 with the ability to extend for another 2-years to 31st March 2031, equalling a total of 7 years. The actual budget for Reading for 2022/23 is £0.822m. The budget for 2023/24 has yet to be agreed, but would assume some level of growth, which will cover the proposed contract spend. The proposed contract would be for 7-years with an estimated 3% annual increase, resulting in total spend of £6.486 million for the life of the contract.
- 1.4 The Berkshire Community Equipment service has been provided for over 7-years and is well embedded in professional practice across Berkshire, in both Health and Social Care partners. The service and the provision of equipment plays a

significant role in keeping people safe and provides assurance to carers thus enabling independent living in people's own homes and reduces the impact on other more costly care services such as hospital admission, care home or domiciliary care provision.

2. RECOMMENDED ACTION

- 2.1 That Policy Committee agree to the recommendation that the Council enter into a joint procurement, led by West Berkshire for the provision of a County wide Community Equipment service on behalf of the Berkshire Community Equipment Partnership to go live on 1 April 2024, with a maximum total cost to the Council of £6.486m for a maximum term of 7 years (5 years with the option to extend for up to 2 years);**
- 2.2 That Policy Committee grant delegated authority to the Executive Director of Social Care and Health, in consultation with the Lead Councillor for Adult Social Care, Director of Finance and Assistant Director of Legal & Democratic Services to enter into a contract with West Berkshire Council for the provision of Equipment services post Procurement.**

3. POLICY CONTEXT

- 3.1 Local authorities have a statutory duty under the Care Act 2014 and the Children and Families Act 2014, to meet the assessed Adult Social Care eligible needs of residents. This includes children, older people, people with physical or learning disabilities, mental health issues, sensory impairment, and other groups. The provision of equipment, disability aids, and adaptations is a recognised way of supporting people to meet these needs. An equipment service supports the delivery of the Care Act 2014 outcomes through the supply of community equipment for long- and short-term care in the community, and for the prevention of hospital admission and timely discharge of hospital admissions. It supports rehabilitation and reablement patient pathways. Outcomes are achieved by providing equipment and tech solutions and/or minor adaptations to individual's so that they can remain in a familiar, safe and secure home environment. This enables individuals to stay at home and to live independently and prevent potentially more expensive long-term care in care home settings.**

4. THE PROPOSAL

Current Position

- 4.1 The Berkshire Community Equipment Contract (BCES) is a partnership which is made up of all six Berkshire Unitary Authorities and the NHS Buckinghamshire, Oxfordshire and Berkshire West ICB, and NHS Frimley ICB (the NHS ICB's covering West & East of Berkshire respectively). The BCES Partnership operates by combining joint purchasing power to deliver a cost-effective and quality equipment service. West Berkshire Council is the lead authority and the current service provider is Nottingham Rehabilitation Supplies (NRS) Healthcare (known as Healthcare Pro). The current contract ends on 31 March 2024.**
- 4.2 NRS Healthcare provide, deliver, install, collect, repair and recycle a wide range of equipment ranging from low level items such as bath boards and walking**

frames, to complex items such as hoists, turning aids, specialist seating, TEC (Technology Enabled Care) and sensory needs equipment. The range provided is dynamic and is always under review to ensure it remains fit for purpose and keeps up with the market. In addition, there is the provision of a Pathfinder Service (phone access to TEC advice, a Trusted Assessor service (carry out assessment for low tech and equipment needs in own home) and an Occupational Therapist Assessment Service (for complex cases, assessment at home, follow up review phone/on person). In the last financial year £907K cost avoidance was achieved across the Berkshire contract through effective use of recycling used equipment and the 'Share Our Specials'¹ facility (between Berkshire and Buckinghamshire This increased people's independence and enabled people to stay in their own homes for longer by maximising the use of equipment and Reading's recycling rate increased from 34% in 20/21 to 37% in 2021/22.

- 4.3 The BCES service and contract has been designed to keep pace with Government initiatives and any new legislation, demographic changes and budgetary pressures. It is aimed to:
- Be responsive to meet the growing demand for community equipment solutions in line with increasing numbers of older people and people with complex needs living in the community; particularly those aged over 75; and increasing numbers of young people with complex disabilities reaching adulthood
 - Provide solutions to reduce the length of stay in an acute hospital; enable people to live in supported housing with TEC solutions; and support end of life care through equipment solutions
- 4.4 The objectives of the equipment service are to provide cost effectiveness and value for money on equipment purchases through collective buying power achieved through a joint partnership and to deliver a high recycling rate; high levels of customer satisfaction; maintain an exemplary safety record with health and safety policies in place and implemented; timely and effective deliveries and collections; a person-centred approach with regular stakeholder feedback and consultation systems and staff training.
- 4.5 The contract operates a robust governance model and is overseen by a Steering Group where all partners are represented. Furthermore an Operations Group meets to discuss equipment and evaluates new items for core stock including occupational therapists representatives from partners. Monthly reports are sent to Steering Group members and budget leads. To manage the budget on all levels there is a list of approved prescribers at different levels to ensure control of spend and clinical sign off on so the budget can be managed on all levels.

Options Appraisal

4.6 Option 1

To enter into a joint procurement for an equipment service with all 6 Berkshire Community Equipment Service Partners local authorities alongside the 2

¹ Share our Specials is an agreement between Buckinghamshire and Berkshire whereby NRS Healthcare allows both counties can see and order from cross county list of free, used specialist equipment. Berkshire has benefitted significantly from this arrangement and has accessed many products from the Bucks depot that would otherwise have had to be purchased as new specials. Not only does this reduce waster but it is estimated in the last year, that the Council avoided costs in the region of £211K as a result.

Integrated Care Boards covering these areas under a Section 75 agreement, with West Berkshire Council as lead contracting and procurement authority.

Advantages:

- Shared costs with other local authorities for an equipment service e.g., transport, staffing, office/building space for storage/maintenance and disposal in warehousing, transport, IT system and admin support, cleansing, recycling, maintenance, disposal of damaged equipment.
- Procurement costs are shared equally across the partnership through the annual management fee. This is £10k for Reading and a more cost effective way of managing a contract compared to running and managing a procurement independently. Decisions for award and service developments are agreed at the partnership Steering Group and the recommendations will be formally agreed by the governance process within the lead contracting authority.
- A jointly procured and managed service offers increased purchasing power and economies of scale with both Health and Adult Social Care expertise and relationships across Berkshire.
- Economies of scale and expertise in developing new technology solutions and service benefits across the partnership.
- Part of a partnership wide recycling arrangement which will help meet environment and climate implications (Section 6), this will in turn have a positive impact on the budget.

Risk:

- Increased costs if not continuing with a joint commissioning approach

Option 1 is recommended

4.7 Option 2

To procure a new stand-alone equipment contract for Reading Borough Council outside of the partnership agreement

Advantages:

- Potential to secure a service that is more tailored to the specific needs of Reading service users
- No requirement to pay a Management Fee to another Local Authority

Risks:

- Cost of equipment could be higher as not buying at scale
- Inability to secure a Provider within a small market which focusses on large contracts
- Less ability to respond to local needs due to small scale of purchasing
- Issues regarding flow of equipment as hospital equipment (health colleagues) would need to be purchased from a separate provider

This option is not recommended

4.8 Option 3

Do nothing and not enter into a procurement of a new equipment service for Reading and purchase on a spot basis

Advantages:

- No foreseen advantages

Risks:

- Inability to meet the Council's statutory duty as spot purchasing may not guarantee equipment provision.
- No contract in place would mean potentially no equipment available or available in a timely manner to meet the needs of those in need and could result in increased costs to the Council through increased hospital admissions, possible delayed hospital discharges, increased falls in the home and potential increased care home costs.

This option is not recommended

4.9 Option 4

To consider commissioning a joint procurement on a larger scale with other counties including Berkshire. This was discounted due to timescales and capacity.

Advantages

- Potential economies of scale on equipment options and pricing

Risks

- Timescales of contracts not in alignment with Berkshire joint procurement start
- Capacity to explore larger joint procurement not in scope or within current joint arrangement

This option is not recommended

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The Corporate Plan's overarching vision is:

To help Reading realise its potential and to ensure that everyone who lives and works here can share the benefits of its success.

5.2 The Council's 2022-2025 Corporate Plan "Investing in Reading" priorities are focused on three inter-connected themes.

1. Healthy environment
2. Thriving neighbourhoods
3. Inclusive economy

This service supports theme 2: *Thriving Neighbourhoods*

We are prioritising the needs of the most marginalised groups and the most vulnerable adults and children in our communities. The provision of the equipment service is inclusive to all communities and individuals whose health needs would benefit from the right equipment and technology package to enable people to stay at home for longer in their own community.

5.3 This contract contributes to all of the TEAM Reading values.

It involves Health and Adult Social care working **together** to assess and meet the needs of service users to enable smooth discharge from hospital and to have the right equipment at home to enable the service user to remain living at home

independently for longer. It is an **efficient** service due to the economies of scale in the partnership in terms of provision of equipment and technology at an effective price with improved purchasing power with Health and Adult Social Care working together. It is **ambitious** as the new equipment service aims to improve on the current service provision in terms of equipment and technology to offer our service users the best quality and range of equipment, they require to meet their needs and has demonstrated this in previous years. Providing the right equipment and technology **makes a difference** to improving people's lives and well-being whilst enabling them to remain in their own home and local community.

6 ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 National and global risk assessments have consistently identified climate change and ecological degradation as two of the greatest threats to our way of life. The Council declared a Climate Emergency at its meeting on 26 February 2019 and is working towards a net zero carbon resilient Reading by 2030.
- 6.2 The Council aims to minimise the impact of any climate or environmental change wherever and whenever possible. In this example the BCES Service involves deliveries to service users across Reading, but delivery schedules are planned as much as possible to minimise journeys and duplication of routes. However, this is a responsive service to service users to enable them to be fully equipped in their home and often discharged from hospital which can require multiple deliveries due to supply of items and availability of equipment.
- 6.3 Equipment is recycled and re-used wherever possible to minimise the impact on the climate and landfill. As part of the procurement the environmental and climate impact of the service and associated measures will be explored.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 In the past year, 2021-2022, there were 160 compliments across the whole contract The NRS Client Survey saw the Berkshire depot achieve the highest percentage (87.19%) of clients who said they felt 'very satisfied' with the service they had received from NRS (10.05% were 'satisfied'). This is the highest score out of 16 contracts NRS provide around the country.
- 7.2 West Berkshire Council, as lead authority has reviewed and shared service data with commissioning partners. Information on take up of the service, service costs, recycling, training and staffing requirements is gathered and is shared through the regular Operational and Steering Group meetings as part of the governance arrangements for the contract. This will continue as part of the procurement process and the new contract.
- 7.3 As part of community engagement, service users will form part of the procurement process from September 2022 onwards and this will be coordinated by the Steering Group.

8 EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment will form part of the joint procurement exercise and West Berkshire Local Authority will carry this out on behalf of the partnership. There is no planned change to the service provided to people and

no evidence or reason to believe that any groups may be affected any differently than others.

- 8.2 The BCES service is inclusive and serves all residents within Reading. The aim of the service is to ensure that all residents and service users receive the equipment service they need to enable them to live independently and longer in their own homes.

9. LEGAL IMPLICATIONS

- 9.1 The Council would enter into this agreement with West Berkshire Council under Section 101 of the Local Government Act 1972 which enables a local authority to enter arrangements for the discharge of its functions jointly with, or by, one or more other local authority. This is a joint agreement exclusively between multiple authorities which implements both cooperation in achieving common objectives and is governed solely by considerations relating to the public interest. As such, this contract is exempt from the need to be procured under Public Contract Regulations 2015. The arrangement is part of the Section 75 (of the National Health Service Act 2006).
- 9.2 The BCES joint procurement will comply with the Public Contract Procurement Regulations and the Council’s Contract Procedure Rules by advertising this opportunity in the open market within the allocated timescales which will be carried out by West Berkshire as lead authority for the joint procurement.
- 9.3 The Section 75 Partnership Agreement was created in response to the Transforming Community Equipment Services Programme (Department of Health 2009) and no changes are required to the Section 75 for this procurement. It enables the partner organisations to deliver the joint vision for the provision of equipment. This Agreement provides a robust framework under which the partners pool budgets for the provision of an integrated community equipment service in Berkshire to the benefit of residents living in Berkshire, and defines the legal, practical and strategic context for pooling budgets. The Partnership Councils and the Berkshire BOB ICS delegate responsibility to the lead Council for the pooled budget. The partnership Councils and the Berkshire BOB ICS delegate responsibility to the lead Council for the commissioning of an integrated community equipment service.

10. FINANCIAL IMPLICATIONS

- 10.1 The spend during the life of the current contract is outlined in the table below. This demonstrates the net spend budget increase year on year which is likely to continue going forward. As part of the contract there is a 6% management fee for all partners which for 2022/23 is £10,756.

Reading	£	£	£	£	£	£	£
	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 estimate
Net spend	£0.465m	£0.471m	£0.618m	£0.807m	£0.809m	£0.822m	£0.846m
Average net cost per service user	214.72	225.23	266.14	324.20	251.90		

No of service users served	2165	2092	2323	2488	3211		
No of equipment items delivered	7100	8807	7988	10767	12865		

10.2 Projected spend on a new contract is outlined below allowing a 3% increase year on year. Years 1-5 (core contract term) totals £4.494m and to Year 7 for the lifetime of the contract (including the extension) is £6.486m.

Year 1	Year 2	Year 3	Year 4	Year 5	Year6	Year 7
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	20230/31
£0.846m	£0.872m	£0.898m	£0.925m	£0.953m	£0.981m	£1.011m
				£4.494m		£6.486m

10.3 The current budget for Reading is £0.822m for 2022/23 and given the steady increase in demand for the service and more complex needs of service users the equipment solutions are likely to rise going forward. In addition with an estimated inflation rate of 3% on equipment costs the budget will need to increase as reflected in the above table.

10.4 Equipment costs have risen significantly in the last 18 months on average by over 3%, with some items considerably more and there has also been an increase in the complexity of needs of service users. There was an 11% increase (across the partnership) in the number of items of equipment ordered through 2021/22 compared to the previous year.

10.5 The increase in costs was largely due to various economic factors including the impact of Brexit, Covid, shipping and container costs; driver costs; port issues, costs of materials and availability e.g. steel which has driven up the cost of the equipment and impacted on the supply chain. NRS has kept the partnership fully informed on the issues and increases throughout. This is likely to continue in the foreseeable future.

10.6 The service operates an effective recycling credit model. This means that equipment no longer needed by those it was prescribed for is recycled and used again for other people. Items recycled in this way receive financial credits back to the local authority as part of the contract.

10.7 There is a base budget available within the Adult Social Care Directorate to fund Reading's share of the partnership. A budget will be needed to meet the inflationary pressures of the contract which will be built into Medium Term Financial Planning. Any impact over the agreed MTFs will need to be managed by DACHS DMT

11. BACKGROUND PAPERS

[BCES Annual report 2021/2022 \(Appendix 1\)](#)

Data sourced from:

https://reading.berkshireobservatory.co.uk/population/#/view-report/1ce1223976f94778a2a7e1d5cfa35345/____iaFirstFeature

https://reading.berkshireobservatory.co.uk/health-and-social-care/#/view-report/e997f0f5faf34fb9bf3544072b6c6fac/____iaFirstFeature