

9 October 2019		ITEM: 12
Cabinet		
Integrated Community Equipment Service		
Wards and communities affected: All	Key Decision: Key	
Report of: Councillor Sue Little, Portfolio Holder Adult and Children's Social Care		
Accountable Assistant Director: Les Billingham, Interim Assistant Director, Adults Social Care and Community Development		
Accountable Director: Roger Harris, Corporate Director for Adults, Housing and Health and Interim Director for Children's Services		
This report is Public		

Executive Summary

The purpose of this report is to request that Cabinet agree that Thurrock Council continue to be part of the Section 101 and Section 75 agreement with the Commissioning Partnership which includes Essex County Council, Mid Essex Clinical Commissioning Group, Basildon and Brentwood Clinical Commissioning Group, Thurrock Clinical Commissioning Group, East Suffolk and North Essex NHS Foundation Trust, Mid Essex Hospital Trust, Castlepoint and Rochford Clinical Commissioning Group (CCG) and Essex Partnership University Trust (EPUT) to commission Integrated Community Equipment.

The report details the importance of supplying Integrated Community Equipment and the options that have been explored before seeking approval from Cabinet to continue with the current arrangement to commission the service. The report also provides detail of the discussions Thurrock Council has had with partners for potential future procurement delivery.

1. Recommendation(s)

Cabinet are asked to:

- 1.1 Agree that Thurrock Council enters into a Section 101 and Section 75 agreement with the Commissioning Partnership to procure an Integrated Community Equipment contract.**
- 1.2 Agree to delegate the award of the contract to the Corporate Director of Adults, Housing and Health and Interim Director for Children's Services, in consultation with the relevant Portfolio Holder.**

2. Introduction and Background

- 2.1 The Integrated Community Equipment Contract has been delivered by Essex Cares Limited through a partnership arrangement with Essex County Council, Thurrock Council, Mid Essex CCG, Basildon and Brentwood CCG. Thurrock CCG, East Suffolk and North Essex Foundation Trust, Mid Essex Hospital Trust, Castlepoint and Rochford CCG and EPUT.
- 2.2 Essex Cares Limited was established in 2009 as a Local Authority Trading Company of Essex County Council. For the past five years Thurrock Council, under a Section 101 of the Local Government Act 2000 and a Section 75 Agreement together with the commissioning partners have held a contract with Essex Cares Limited to source, supply, install and maintain Community Equipment.
- 2.3 Thurrock Council has a duty to provide Community Equipment to support residents in Thurrock who are eligible under the Care Act 2014 and the Children and Families Act 2014 .Community Equipment provides functional support to assist with care delivery and promotes independence. Examples of equipment could include a commode, a grab rail or a hoist. Items of equipment support both vulnerable children and adults within Thurrock.
- 2.4 Adult Social Care adopts a strength based approach focusing on an individual's own strengths and capabilities connecting them to support from friends, family, and the community. The ethos of this approach is providing the right care at the right time in the right pace. Items of equipment such as grab rails, kitchen trolleys, kettle tippers, none slip mats and moving and handling equipment support independence and resilience within a strength based approach. This enables people to remain at home in the heart of their communities delaying the need for care and focusing on their own strengths and abilities. Once equipment is no longer required, where possible items are collected cleaned and reused for other residents.
- 2.5 The Community Equipment Contract does not include specialist Pressure Area Care equipment. Pressure Area Care assistance is the responsibility of Health partners. Examples of pressure area care equipment include pressure mattresses and cushions. This part of the contract has been awarded directly to the Talley Group Ltd by the relevant Health providers from April 2019, this is out of scope of the Integrated Community Equipment contract. The service is commissioned on behalf of the Health partners by Essex County Council through a Section 75 Agreement.
- 2.6 The overall annual contract with Essex Cares Limited for all partners in 2019/20 is £12,260,149. Thurrock Council contribute £578,412. In 2017/18 the contract partnership delivered 157,000 items for 53,430 customers of which 6,545 items were delivered to 1,719 residents in Thurrock.

2.7 Thurrock Council is a member of the commissioning Governance Board and collaborates with other partners to monitor contract delivery focusing on service improvements, innovative practice and ensuring best practice.

3. Issues, Options and Analysis of Options

3.1 Community equipment is a key component of Adult Social Care's support offer to vulnerable residents who are eligible under the Care Act 2014. It can enable Service Users to maximise independence preventing and delaying the need for care and support. In addition, it can support complex care requirements for Service Users who are non-weight bearing with items to help with their moving and handling.

3.2 Each item of equipment provided within this contract enables the Council to promote autonomy and a good quality of life for those who use it. For example, a perching stool promotes independence and dignity while potentially preventing the requirement of a formal statutory service alleviating pressure on the homecare market and the safety of the carers. The perching stool itself can help prevent a potential fall, making savings to the wider health and social care system.

3.3 The service also provides equipment to eligible children either within their home or as part of their Special Education Needs assessment within an education environment supporting children to maximise their potential and ability to learn.

3.4 The current contract between Essex Cares Limited and commissioning partners has worked well for the past five years. A benchmarking exercise compared future requirements with the limited competitors within the market and has illustrated that Essex Cares Limited delivers at a competitive rate nationally. Throughout the contract term the whole contract has remained within the financial threshold despite the fact that this is a cost and volume contract. .

3.5 To ensure best value for money Thurrock Council undertook an options appraisal of alternative commissioning methods to deliver the Integrated Community Equipment service. The options appraisal analysed four different possibilities;

- Collaboration with other unitary authorities
- Bringing the service in house
- A Thurrock procurement
- Continue with current partnership

3.6 The options appraisal found that due to the cost of establishing a new service (purchasing equipment, warehouse space, cleaning facilities) and the viability of the contract size, which highlight the risks within a fragile market that the most viable option was to continue the commissioning partnership with Essex County Council and Health partners. The commissioning partnership

increases buying power, stability and value for money through the contractual process.

- 3.7 The commissioning partnership have explored the option of awarding the contract to Essex Care's Ltd under the "Teckal" exemption rules.

The "Teckal" rule can be only used with a company established by a local authority or other public body, which benefits from contracts awarded by its controlling Contracting Authority without having to go through a competitive tender process.

In order to benefit from the exemptions, as well as there being no private capital participation in the company the following circumstances must exist:

- the Contracting Authority/ies must exercise a control which is similar to that which it exercises over its/their own departments – this means it/they must have a decisive influence over both strategic objectives and ability to make significant decisions about the company either itself or through another subsidiary; and
- more than 80% of the activities of the company must be carried out in the performance of tasks entrusted to it by the controlling Contracting Authority/ies.

This exemption rule allows the contracting authority, Essex County Council to contract with Essex Cares Ltd, a legally distinct entity, which the authority has established.

- 3.8 Essex County Council, on behalf of the commissioning partnership commenced negotiations with Essex Cares Ltd in June 2019 with a Heads of Terms document detailing high level requirements for the contract. This negotiation required efficiencies through exit costs and an increase in equipment refunds. In return, an investment in a new warehouse management system, sustainability payment guarantees and year on year inflation uplift discussions are to take place.

- 3.9 The commissioning partnership has proposed an overall cost model to Essex Cares Limited which is considered to be a fair contract offer comprising of the original Heads of Terms which includes;

- Length of contract
- Cost
- Quality
- Key Performance indicators

- 3.10 The commissioning partnership which is, as noted, Essex County Council, Mid Essex CCG, Basildon and Brentwood CCG, Thurrock CCG, East Suffolk and North Essex NHS Foundation Trust, Mid Essex Hospital Trust, Castlepoint and Rochford CCG and EPUT are negotiating the terms of the new contract

with Essex Cares Limited. The commissioning partners are committed to working together to secure the best contractual terms possible for the delivery of Integrated Community Equipment across the whole partnership. However, should the negotiation be unsuccessful the partnership will procure Integrated Community Equipment services. Essex County Council will lead this procurement and Thurrock will remain committed to the commissioning partnership and the outcome for a responsive community equipment service.

4. Reasons for Recommendation

- 4.1 The current contract with the provider Essex Cares Limited is coming to an end and a new contract for Integrated Community Equipment is required.

5. Consultation (including Overview and Scrutiny, if applicable)

- 5.1 N/A

6. Impact on corporate policies, priorities, performance and community impact

- 6.1 Integrated Community Equipment contracts impacts on the following Council Priority;

People – a borough where people of all ages are proud to work and play, live and stay

- 6.2 The partnership arrangement with Essex County Council and Health partners offers value for money and enables the residents of Thurrock to receive appropriate care and support.

7. Implications

7.1 Financial

Implications verified by: **Jo Freeman**
Finance Manager

The Integrated Community Equipment Contract has successfully delivered through 2018-19 a total of 6,545 pieces of equipment to 1,719 residents in Thurrock. As has been noted in the report equipment supports the strength based approach to adult social care enabling people to remain independent and stay at home longer. The supply of equipment has a positive impact on the adult social care budget by preventing the need for care, reducing the amount of care required and delaying care provision such as domiciliary and residential care.

Potential efficiencies and inflation uplifts are being discussed as part of the contract negotiations, the budget allocation for Community Integrated

Equipment has not been uplifted and the contract price of £578,412 will be included as part of the 2020-21 budget setting process.

7.2 Legal

Implications verified by: **Kevin Molloy**
Principal Solicitor

To ensure that the Council's statutory duties under the Care Act 2014 and the Children and Families Act 2014 are delivered. Legal Services will support throughout the process to ensure that the service is within the law and reduces any risk to the Council.

7.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Strategic Lead - Community Development and Equalities

Integrated Community Equipment enables some of our borough's most vulnerable residents including older people, Children in Need and people with disabilities to remain independent as possible. The vast range of equipment available supports their dignity and respect, recognising their diverse needs and offering a significant increase in choice.

7.4 Other implications (where significant) – i.e. Staff, Health, Sustainability, Crime and Disorder, or Impact on Looked After Children)

N/A

8. Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

N/A

9. Appendices to the report

N/A

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