

From: Dan Watkins, Cabinet Member for Adult Social Care and Public Health
Richard Smith, Corporate Director Adult Social Care and Health

To: Adult Social Care Cabinet Committee – 13 September 2023

Subject: **Community Equipment Service**

Decision Number: **23/00078**

Classification: Unrestricted

Past Pathway of report: N/A

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary: The paper updates on the work completed since the previous paper was brought to Cabinet Committee in September 2022. Following the decision to devise and procure a new service model for the provision of community equipment (Decision 22/0081), the council has led programme of procurement activities to prepare for the commissioning of a new service. Extensive engagement and co-design work has taken place with people who draw on care and support, including those with lived experience; prescribers of such equipment in health and social care professions and the market. This has informed the design of a new model for a Community Equipment Service.

Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (attached as Appendix A) to:

- a) **APPROVE** the revised model for the Community Equipment Service and the arrangements to secure the appropriate contract for a period of five years from 1 April 2024 to 31 March 2029, with the option for a contract extension of a further two years from 1 April 2029 to 31 March 2031;
- b) **DELEGATE** authority to the Corporate Director Adult Social Care and Health, to finalise terms of and award contracts to the successful provider and to approve, in consultation with the Cabinet Member for Adult Social Care and Public Health and the Corporate Director Finance, the exercise of any extensions permitted within the agreed contracts; and
- c) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to entering into contracts and other legal agreements, as required to implement the decision.

1. Introduction

- 1.1 The current Integrated Community Equipment Service is jointly funded by Kent County Council (KCC) and the NHS Kent and Medway Integrated Care Board. The contract covers the purchase, delivery and repairs/servicing of equipment into people's homes. The service enables people to live more independently for longer and supports timely discharge from hospital.
- 1.2 All items of equipment are loaned to people and when no longer needed are collected. Where possible items are recycled and reused. A range of credits are received by KCC, on some items of reused equipment.
- 1.3 Following decision 22/0081 taken in September 2022 and the associated extension of the contract, and in partnership with the NHS Kent and Medway Integrated Care Board, KCC has led on a programme of activity to commission a revised Community Equipment Service that would meet the needs of local populations, promote choice and retain equity of provision.
- 1.4 The activity was designed to ensure that the new service aligns to the design principles of Making a Difference Everyday: Our Strategy for Adult Social Care 2022 to 2027, including the council's ambitions on choice and self-directed support.
- 1.5 The new service model will further align to the priorities of 'Framing Kent's Future – Our Council Strategy 2022 – 2026' and will: -
 - a. Narrow the gaps in outcomes between different parts of Kent with a particular focus on providing the right type of equipment to improve life in deprived communities.
 - b. Harness digital connectivity to ensure people are aware of all their options and have access to all the equipment and services they need and want.
 - c. Contribute to the Net Zero targets, by exploring options to reduce the carbon footprint of the service.
 - d. Manage future demand and resource challenges facing the service to ensure it continues to support people to lead the lives they want to live in the future.

2. Background

- 2.1 Following Decision 22/0081, a comprehensive communication and engagement plan was implemented and a programme of targeted activities and events to support the co-design began in January 2023 continuing to May 2023.
- 2.2 A broad range of stakeholders was invited to participate including people with lived experience, prescribers of the service and associated professionals, the public and the market. The activities included face-to-face events, such as workshops, existing forums and also surveys.

- 2.3 The council was supported by Healthwatch to ensure the views of seldom heard communities were represented and included in the co-design.
- 2.4 Key learning points for the new service were taken from the engagement activities, including:-
- Empowering people who draw on care and support by improving choice about how they can access equipment.
 - Improving sustainability and enabling more recycling
 - Ensuring equity of provision across the county,
 - Retaining delivery targets that are working well.
- 2.5 The draft specification was shared with participants of the engagement activities for comment.
- 2.6 Learning derived from the engagement activities has had a direct impact on shaping the new model, the associated commissioning processes and documents including the Equality Impact Assessment; these include new service specification, the evaluation of all bids and the performance measures that will be tracked and developed throughout the lifetime of the contract.
- 2.7 Further detail about the engagement activity is contained within Appendix 1

3. The Preferred Model

- 3.1 Market engagement revealed a number of potential models for the new service. These were discussed with prescribers and people who draw on care and support including those with lived experience of equipment services.
- 3.2 The preferred model remains a loan and recycle model which includes the following additional benefits:
- a) An enhanced (85%) credit model providing better value for the council.
 - b) Increased recycling throughout the life of the contract, linked with Waste Management Services.
 - c) A range of options to promote self-directed support.
 - d) A greater choice in delivery and collection times
 - e) Improved equity of service access.
 - f) Contract duration of five years with the option to extend for a further two years subject to satisfactory performance.
 - g) A partnership approach to support adaptability, innovation and collaboration.
 - h) A mix of payment methods to the provider to support adaptability.
 - i) The same choice of stock to reduce prescribing of expensive “specials”.
- 3.3 The revised model will deliver a comprehensive suite of outcomes at individual, organisational and system level whilst ensuring flexibility to meet changes to the health and social care landscape with no detriment to people who draw on care

and support. The specification for the new model has no reduction in service or eligibility.

3.4 A summary of the outcomes to be delivered is given in Appendix 2

4. Other Service Models Considered

4.1 A summary of the other models considered is provided below.

Option	Description	Reasons for Adopting This	Reasons for Not Adopting This
1. Purchase Model	Purchase all equipment as new and do not recycle.	Cost savings would be made from a negated need to collect and maintain equipment.	<ul style="list-style-type: none"> a. This is not in line with Net 0 ambition. Kent's contribution to mining for raw materials would increase (mining for raw materials is the largest contributory factor to global warming). b. Providers could be incentivised to recycle but commissioners would miss credit opportunity and the associated savings. c. Costs of raw materials and freightage is still unstable and new equipment costs could increase beyond expectations. Providers would build in a price contingency to cover their own risk. d. The savings made from reduced deliveries would not offset the increased costs and missed credits from recycling.
2. Hub and Spoke	To have 1 or 2 warehouse hubs and smaller units linked to pharmacies and supermarkets to support faster deliveries via a "click and collect" service.	<ul style="list-style-type: none"> a. Cost savings would be harnessed from reduced logistics (deliveries) as people would be encouraged to collect their own equipment at a time convenient to them. b. This supports greater choice. 	<ul style="list-style-type: none"> a. Costs of additional overheads and staff would be greater than the cost savings made from reduced mileage. b. People who use the service are predominantly frail and/or disabled so unlikely to be able to "click and collect" their own equipment. c. Most equipment requires fitting and training on correct usage for safety reasons. This model therefore carries a clinical risk.
3. Reduced Catalogue Range	<p>Remove items from the catalogue below an agreed price range.</p> <p>Remove some high-cost items in line with the changes made by other authorities (eg riser recliner chairs).</p> <p>Underpin the reduced catalogue with digital signposting to self-purchase.</p>	<ul style="list-style-type: none"> a. This would align to MADE digital and self-directed support commissioning intentions and supports choice. b. Immediate savings would be made as certain equipment would not be available through this contract. 	<ul style="list-style-type: none"> a. Some people who have had clinical assessment and deemed to require equipment for safety reasons, may choose not to purchase equipment at all and just "get by without". There is a clinical risk. b. Prescribers have a duty of care and, to meet their clinical obligations in line with the Care Act, would order necessary equipment as a special if it wasn't on the catalogue and therefore available as stock. Specials cost more and take longer to deliver. c. Other councils who have reduced their catalogue are reporting delayed discharges as a direct result of ineffective community equipment services.
4. Block contract with a reduced overall financial envelope	Commission the whole service as a block contract to include deliveries, equipment, fitting, training etc.	Immediate savings would be made if the service was contracted within a smaller financial envelope.	<ul style="list-style-type: none"> a. To make a profit and reduce their financial risk from fluctuations in demand, providers would offer a higher costing model and reduce the quality-of-service to fit within the financial envelope. b. This model stifles adaptability for change and innovation and is a risk to service quality.

4.2 None of the above models deliver the against the requirements for both financial and environmental stability and choice for people who draw on care and support, as the selected model does, and were therefore rejected.

5. Route to Market

5.1 The council is using the nationally available and PCR (2015) compliant Kent Commercial Services Framework. Four of the largest providers of community equipment are on the Framework.

5.2 The contract will be awarded in October 2023, allowing for a five month mobilisation period in order that the new service is operational by 1 April 2024, as required.

6. Financial Implications

- 6.1 This is a demand-led service and activity can fluctuate. The total value for the length of the five-year contract term will be up to £82.5m, increasing to £115.5m if the two-year extension option is implemented.
- 6.2 Financial modelling shows that should all targets on recycling and self-purchase be achieved, the contract could make savings of circa £7m over its initial five-year term, when compared to forecast costs of the current model over the same timeframe. Savings could continue to be made over any extension period applied.

	Forecast Gross Spend	Forecast Net Spend with Current Credit Model	Target for Self Purchase	Potential Gross Spend if Self Purchase target is achieved	Potential Reduction in Gross Spend	Forecast Net spend with 85% credit model	Target for Increased recycling	Forecast Net Spend all targets are achieved	Total Potential Savings Against current model
	£000	£000		£000	£000	£000		£000	£000
Year 1 (2024/25)	£5,012.0	£ 3,705.6	6%	£4,764.8	£247.2	£2,650.5	Increase by 5%	£2,484.0	£ 1,221.6
Year 2 (2025/26)	£4,973.0	£ 3,838.4	Year 1 +2%	£4,891.2	£81.8	£2,720.8	Year 1 + 2%	£2,481.6	£ 1,356.8
Year 3 (2026/27)	£5,105.0	£ 4,001.2	Year 1 + 5%	£4,979.1	£125.9	£2,769.7	Year 1 + 5%	£2,421.8	£ 1,579.4
Year 4 (2027/28)	£5,196.6	£ 4,080.7	Year 1 + 9%	£5,025.8	£170.9	£2,795.7	Year 1 + 8%	£2,339.1	£ 1,741.6
Year 5 (2028/29)	£5,245.4	£ 4,202.6	Year 1 + 15%	£5,029.8	£215.6	£2,797.9	Year 1 + 11%	£2,235.5	£ 1,967.0
	£25,532.0	£ 19,828.5		£24,690.58	£841.39	£13,734.6		£11,962.0	£ 7,866.5

Caveat: Forecast savings from increased recycling and the promotion of self-purchase are based on the assumption that increase targets are achieved. Forecast savings also assumes the provider will not seek to increase cost elsewhere in the contract and this will be managed during procurement and throughout the life of the contract with robust contractual levers.

7. Legal implications

- 7.1 The provision of community equipment services facilitates the council's delivery of its statutory duties under the Care Act 2014.
- 7.2 Paragraph 8.14 of the Statutory Care and Support Guidance states that "local authorities may not charge for assessments, community equipment and minor adaptations, intermediate care or reablement for up to six weeks". The option of self-purchase is therefore a choice to enable people, who wish to self-purchase, to choose the right equipment safely.
- 7.3 Independent Legal advice has been sought regarding Terms and Conditions of the Framework to mitigate any procurement risks.

8. Equalities implications

- 8.1 An Equalities Impact Assessment (EQIA) was completed in January 2023 and revised in July 2023 following the initial co-design engagement events which highlighted a gap in representation from people who are not White or English speaking.
- 8.2 Additional targeted engagement events were held and learning was used to revise the EQIA and shape the model selected. The learning also informed the specification and all other tender documents. The revised EQIA is attached as Appendix 3.

9. Data Protection Implications

- 9.1 A Data Protection Impact Assessment has been completed.
- 9.2 Prospective providers have all been subjected to robust testing of their information security management policies and processes and the technical security and design of their systems in order to be added to the Framework and were found to be compliant.

10. Conclusions

- 10.1 Following the extension of the current Integrated Community Equipment Service Contract to 31 March 2024 (22/00081) a new model for the Community Equipment Service has been devised, using learning from an extensive programme of engagement with people who draw on care and support, including those with lived experience of equipment services, prescribers to the service and associated professionals, the public and the market.
- 10.2 The new service will harness innovation and improvements in choice, whilst delivering greater financial and environmental sustainability through increased recycling, an improved credit model and supporting self-purchase. There is no change to service scope or accessibility.
- 10.3 The council is using an existing Framework to select a suitable provider, with the intention to award the contract in October 2023. This timeframe will allow a suitable period for full and effective mobilisation of the new service by 1 April 2024.

11. Recommendations

Recommendations: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **ENDORSE** or make **RECOMMENDATIONS** to the Cabinet Member for Adult Social Care and Public Health on the proposed decision (attached as Appendix A) to:

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- c) **DELEGATE** authority to the Corporate Director Adult Social Care and Health to take other relevant actions, including but not limited to entering into contracts and other legal agreements, as required to implement the decision.

12. Background Documents

Integrated Community Equipment Service

[Decision - 22/00081 - Integrated Community Equipment Service \(kent.gov.uk\)](#)

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