

**Cabinet Report**

Report of: Laraine Manley, Executive Director, Communities

Report to: Cabinet

Date: 15th October 2014

Subject: Independent Living Solutions

Author of Report: Andy Hare and Louisa Willoughby, 0114 273 6815

Key Decision: YES

Reason Key Decision: Expenditure/savings over £500,000

Affects 2 or more wards

Summary:

Independent Living Solutions is one of the projects within Sheffield's Integrated Health and Care Commissioning Programme. This programme will deliver a significant increase in joint health and care commissioning in Sheffield, which will in turn lead to increased integration of health and care services on the ground.

Within this wider programme, the Independent Living Solutions project is focussed on how we can help more Sheffield people – children, young people and adults – to live independently, safely and well, at home and in their local communities.

The first phase of the Independent Living Solutions project involves the commissioning of a new equipment service to supply or loan equipment that helps people to live more independently. This Cabinet report sets out the background to, and ambitions for, this service and seeks approval of the proposed procurement strategy.

Reasons for Recommendations:

The current contract for the supply and loan of equipment to help people live independently ends in June 2015 and we need a replacement contractual arrangement to meet our statutory duties. We also need to refresh the scope and specification of the contract so that we can:

- achieve better outcomes and increase value for money where possible
- deliver against increasing customer expectations
- future-proof the service in light of proposed changes to legislation, guidance and operational requirements e.g. the Care Act, 7-day working commitment in the NHS, the Children and Families Act.

In order to maximise the efficiency of the proposed new service the Council needs to work with the CCG.

Recommendations:

It is recommended that:

- Cabinet approves the commissioning of and procurement strategy for the redesigned equipment service.
- Cabinet delegates authority to the Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance and the Interim Director of Commercial Services to take the necessary steps to agree the pooled budget arrangements with the CCG and amend the Section 75 Agreement.
- Subject to agreement being reached with the CCG and the Section 75 Agreement being amended, Cabinet delegates authority to the Director of Commissioning (Communities) to take the necessary steps to implement the procurement strategy for the redesigned equipment service in consultation with the Interim Director of Commercial Services and the Interim Director of Legal and Governance.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance to award the contract for the redesigned equipment service.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Cabinet Member for Health, Care and Independent Living and the Cabinet Member for Children, Young People and Families, as appropriate, to take such steps as he deems appropriate to achieve the outcomes set out in this Report.

Background Papers: Sheffield Better Care Fund Summary document:

<https://www.sheffield.gov.uk/caresupport/health/health-wellbeing-board/what-the-board-does/priorities/integration.html>

Category of Report: **OPEN**

Statutory and Council Policy Checklist

Financial Implications
YES Cleared by: Ray Wright and Hugh Sherry
Legal Implications
YES Cleared by: Sarah Bennett
Equality of Opportunity Implications
YES - EIA completed. Cleared by: Phil Reid
Tackling Health Inequalities Implications
YES
Human Rights Implications
NO
Environmental and Sustainability implications
YES
Economic Impact
YES
Community Safety Implications
NO
Human Resources Implications
Not for SCC/CCG
Property Implications
NO
Area(s) Affected
All wards
Relevant Cabinet Portfolio Lead
Mary Lea and Jackie Drayton
Relevant Scrutiny Committee
Healthier Communities and Adult Social Care and Children and Young People
Is the item a matter which is reserved for approval by the City Council?
NO
Press Release
NO

REPORT TO THE CABINET MEMBER FOR HEALTH, CARE AND INDEPENDENT LIVING

INDEPENDENT LIVING SOLUTIONS: A PROPOSED APPROACH

1.0 SUMMARY

- 1.1 Independent Living Solutions (ILS) is one of the projects within Sheffield's Integrated Health and Care Commissioning Programme. This programme will deliver a significant increase in joint health and care commissioning in Sheffield, which will in turn lead to increased integration of health and care services on the ground.
- 1.2 Within this wider programme, the ILS project is focussed on how we can help more Sheffield people – children, young people and adults – to live independently, safely and well, at home and in their local communities.
- 1.3 The first phase of the ILS project involves the commissioning of a new equipment service to supply or loan equipment that helps people to live more independently. This Cabinet report sets out the background to, and ambition for, this service and seeks approvals in relation to the proposed procurement strategy.

2.0 WHAT DOES THIS MEAN FOR SHEFFIELD PEOPLE?

- 2.1 The proposed procurement will lead to an improved equipment service and a more coherent offer to support independent living. As such it will have positive impacts for Sheffield people who need the service and their carers. While the service will in the main provide practical pieces of equipment to support independence, future elements of work will recognise the social elements of disability and support the creation of wider policies around independence in Sheffield.
- 2.2 The specification for the new service will be shaped by consultation undertaken with service users, interest groups and practitioners. The new service will be more responsive to its users as the intention is that the selected provider will have an obligation to prioritise direct engagement with service users.

3.0 OUTCOME AND SUSTAINABILITY

- 3.1 The ILS project and the redesigned equipment service in particular will help more people increase their independence and wellbeing leading to improved outcomes for individuals and hard, measureable reductions in the use of the formal health and care system. The impact of the project will be measured using indicators that will *include*:
 - Wellbeing and satisfaction indicators for individuals benefiting from the service
 - Net attributable reductions in the demand on social care purchasing budgets
 - Reduced hospital length of stay (and related reductions in delayed hospital

discharges)

- 3.2 The selected equipment provider will also be required to recycle equipment where possible to increase value for money. They will also be required to provide information and advice to help people help themselves including providing a route for people to buy their own equipment.

4.0 MAIN BODY OF THE REPORT

Background to ILS

- 4.1 The Council and CCG selected four main projects in December 2013 to form the Integrated Commissioning Programme. These were included within Sheffield's Better Care Fund submission to Government. One of these projects was ILS.
- 4.2 Running in parallel, the Children's Joint Commissioning Group and the Children's Health and Wellbeing Partnership Board commissioned an exercise to look at the supply of children's equipment. In June 2014, the Children's Joint Commissioning Group agreed that the work should be progressed within the Integrated Commissioning Programme to maximise the efficiencies to be gained through an integrated service for children, young people and adults.
- 4.3 The project is attempting to reimagine how more independent living can be supported in Sheffield. The first phase of this is redesigning the way that equipment and minor adaptations are provided. However, this is very much the start of a larger piece of work.

Our vision for independent living

- 4.4 Our vision for independent living in 2020 is one in which Sheffield people, including children, young people, and adults, are:
- Supported by a coherent health and care policy for independent living, agreed by a range of health and social care organisations. The implementation of this policy will enable more people to live independently in their homes and in their communities
 - Able to access the equipment, adaptations and applications they need to stay independent, safe and well. This support will be digital where possible, fit for purpose, and good quality. People will be supported to live at home and in their community - including after a spell in hospital. The right solution will be provided at the right time in the right way for the individual
 - Able to independently select and order the equipment, adaptations and applications they need. Where a formal assessment of requirements is required, this will be done in an efficient and timely manner by a trained and expert assessor – preferably in the person's own home
 - Able to use any equipment, adaptation or application for as long as it is needed. This will be enabled by pooled and shared funding for both adults and children,

and health and social care needs. The provider will focus on the individual's interest, not the interests of individual organisations. Individuals' needs will be reviewed over time to ensure that the solution offered is appropriate and effective

4.5 Underpinning all this is a desire to:

- Support people throughout their life-course to facilitate a more streamlined transition from children's and young people's services to adults' services, and between health and care services.
- Encourage independence, providing excellent information, advice and guidance that maximises independence and wellbeing. While we recognise that children do not live independently, our overall objective is to support people to live at home *independent of ongoing health and social care support.*

Phases to the ILS project

4.6 There are three main phases to this project:

1. Commissioning a new equipment service

The current contract for the supply and loan of equipment is commissioned by NHS Sheffield Clinical Commissioning Group (CCG), on behalf of the CCG and the Council. Local Authorities and specified NHS bodies are able to work jointly including having pooled budget arrangements and undertaking commissioning on each other's behalf as long as such arrangements are in accordance with Section 75 NHS Act 2006 and National Health Service Bodies and Local Authorities Partnership Regulations 2000. The current agreement between the CCG and the Council under section 75 in relation to the equipment service (the Section 75 Agreement) sets up a pooled budget and names the CCG as the lead commissioner.

The current service provider is the Sheffield Health and Social Care NHS Foundation Trust and the service is branded as SCELS (Sheffield Community Equipment Loan Service). The current contract is due to expire at the end of June 2015. The contract has a value of around £2.75m per annum; about £850,000 of this is funded by the Council.

Building on work done by Right First Time, notably to provide equipment out of hours, we want to commission a new modernised and more cost effective approach that delivers tangible benefits to people in need across the city, and aligns a number of smaller pathways across health, education and social care.

It is proposed that the new service will be commissioned by the Council on behalf of itself and the CCG. This will require amendments to the existing Section 75 Agreement. The amended section 75 agreement will also need to specify the management arrangements for the pooled budget e.g. how any underspend or overspend will be reported and managed.

2. Rethinking independent living

We will be developing our understanding and offer around independent living and what this really means and could include. This will include developing clear policies

around independent living and working with practitioners to better promote independent living across the city. In addition, phase 2 will include the selected provider of the redesigned equipment service identifying and delivering innovative and creative solutions – constantly updating their offer so as to maximise their impact.

3. Working with practitioners

We will be rethinking how assessment to support independent living can be done and by whom, how the budget can be managed with reducing resources, and how the supported living contract can be most effectively used as part of wider health and care services.

This Report concerns phase 1 of ILS - Commissioning a new equipment service. .

Phase 1 of ILS: a new equipment service

4.7 The new service will be the hub of a city wide approach to ILS. In the first instance it will replace the existing SCELS service. It will be an efficient, flexible operation which can quickly evolve and adapt to changing demands from the health and social care community – including providing expert advice to practitioners so that they can better spot opportunities to support people to live independently. The contractual arrangements will be designed around a catalogue of products and services – meaning it will be able to expand as the contract progresses.

4.8 During summer 2014 officers spoke to a range of practitioners, service users, interest groups, as well as local authorities across the country, to get the best understanding possible about what service Sheffield needs and how it can best be provided. Officers also held a provider afternoon where a number of prospective providers, including the current holder of the contract, came to discuss various ideas.

What we want the new provider to offer

4.9 We want the provider that wins the contract to be an experienced and high quality organisation at the cutting edge of the disability equipment industry. They will:

- Be highly regarded and will meet or exceed nationally recognised standards in every aspect of their service delivery
- Have an overview of community equipment (including for children, adults, speech/language therapy and sensory impairment).
- Develop and maintain excellent operational and other links with all stakeholders, manufacturers and interested parties around the city.
- Have up to date expertise of the equipment on offer and provide accurate advice and information to professionals and members of the public.
- Procure equipment on a value for money basis using a catalogue which can change quickly and easily. The catalogue of standard equipment will be supplemented by the efficient sourcing of specialist or bespoke equipment when this is required. Bariatric equipment will be available to the same timescales to

facilitate quicker hospital discharges.

- Offer a modern and easy to use web portal for professional prescribers which will provide the information and advice needed. People will be able to use the website themselves to order and pay for equipment privately should they choose to do so. The website may include reviews on specific pieces of equipment. There will be a helpline to answer queries from prescribers and members of the public.
- Operate a system which can get equipment to people quickly – in some cases a same day delivery service to facilitate discharges from hospital or intermediate care. Prescribers will be able to select from a range of delivery times according to the circumstances. The service will be available 7 days a week with opening hours that reflect needs of customers and stakeholders. *If* required, there will be “satellite stores” around the city to enable rapid access to equipment.
- Train workers, such as drivers, to have a good awareness of the health and social care needs of customers, including basic understanding of safeguarding and signs of abuse or neglect. They will have the skills to demonstrate the equipment and to fit it where simple fixings are required (e.g. grab rails). Furniture will be moved (within health and safety parameters) to make space for the equipment. They will conduct a quick wellbeing and safety check while they are in the home and will signpost or refer people to other sources of help where appropriate. The delivery service will also collect equipment which is no longer required or not being used.
- Refer back to a relevant agency where a review or reassessment of a person’s needs is indicated.
- Offer an accessible demonstration facility where people can try out equipment or be trained how to use it.
- Track equipment using an up to date database which will allow the equipment issued to an individual to be quickly identified. The service will let prescribers know the status of their order and where required will notify them when equipment has been delivered. Where necessary, the service will arrange joint visits to service users’ homes.
- Recover equipment promptly when required and proactively where equipment is not being used or has been duplicated. Equipment will be cleaned, repaired and re-issued unless this is not cost effective.
- Continuously monitor its own performance and operate a proactive quality assurance system to ensure the delivery of robust performance data to commissioners.
- Run a series of reference groups for service users and practitioners which will allow continuous assessment of its performance from a customer perspective and prompt changes to the service as appropriate.

Procurement Strategy

The procurement stage of the process will be managed by Commercial Services

4.10 within Sheffield City Council. Market analysis and discussions with other local authorities suggest that there are likely to be about 5 or 6 bids; hence, a one stage process is preferred (as opposed to a two stage process involving a pre-tender pre-qualification questionnaire). An Invitation to Tender will be issued nationally in mid-November and the contract award process will be completed by the end of February 2015. This gives us around 3-4 months to manage the transition and implement the new contract. The new contract will run for three years with an option to extend for a further two, subject to the usual conditions which include provider performance.

Legal implications

4.11 The Council has a number of powers and duties that are relevant to the provision of an equipment service as proposed in this Report:

- Section 2 Chronically Sick and Disabled Persons Act 1970 imposes a duty on local authorities to provide practical assistance and additional facilities for the greater safety, comfort or convenience of people who are assessed as needing them.
- Section 29 of the National Assistance Act 1948 gives local authorities
 - the power, with the approval of the Secretary of State; and
 - the duty, to the extent that the Secretary of State may direct, in relation to persons ordinarily resident in the area of the local authority

to make arrangements for promoting the welfare of persons aged eighteen or over who are blind, deaf or dumb, or who suffer from mental disorder of any description or who are substantially and permanently handicapped by illness, injury, or congenital deformity or such other disabilities as may be prescribed.

- Section 17 Children Act 1989 imposes a duty on local authorities to safeguard and promote the welfare of children within their area who are in need; and so far as is consistent with that duty, to promote the upbringing of such children by their families, by providing a range and level of services appropriate to those children's needs. For the purpose of facilitating the discharge of their general duty, every local authority also has the specific duties and powers set out in [Part 1 of Schedule 2](#) to the Act.
- Section 75 NHS Act 2006 and National Health Service Bodies and Local Authorities Partnership Regulations 2000 allows local authorities and specified NHS bodies to work jointly including having pooled budget arrangements and undertaking commissioning on each other's behalf.
- A number of provisions of the Care Act 2014 will also be relevant once they have been brought into force. These include:
 - Section 1, Promoting individual well-being
 - Section 2, Preventing needs for care and support
 - Section 3, Promoting integration of care and support with health services etc.
 - Section 18, Duty to meet needs for care and support

- Section 20, Duty and power to meet a carer's needs for support

The proposed service will contribute to the fulfilment of these duties.

- 4.12 The proposed contract outlined in this Report has a value in excess of the threshold for contracts for services (£172,514) in the Public Contracts Regulations 2006 (the 'Regulations') and thus the procurement and contract award processes to be followed in relation to the proposed contracts will be subject to those Regulations. However, health and social care services are Part B Services for the purposes of the Regulations and as such, only some of the requirements of the Regulations will apply.
- 4.13 The Council should also comply with the general EU Treaty principles such as non-discrimination, transparency and proportionality. This will require an open and fair procedure to be adopted. The procurement process proposed, which also complies with the Council's Contract Standing Orders, should ensure the Council fulfils these legal obligations.
- 4.14 Neither a reference during or after this procurement process to the Regulations or the use of language or terminology common to the Regulations shall require the Council to conduct a fully regulated procurement in accordance with the Regulations.
- 4.15 If there is a change in service provider this will have an impact on the staff providing the service and TUPE may apply. It will be suggested to bidders that they consider the potential impact of TUPE and current providers will be required to share information as appropriate in accordance with their existing contracts and TUPE regulations.

Financial implications

- 4.16 The expectation is that the re-tendering of this existing contract will not only enable a more effective service to customers, but will also deliver savings, because the prices tendered are likely to be lower overall than those of the current provision. Bidders will be asked to set out how they will deliver the service to meet these requirements. This first phase of ILS will involve pooling around £2.3m of Sheffield City Council and NHS Sheffield Clinical Commissioning Group budgets for use within the new joint contract. The pooled budget will cover the vast majority of children's and adults' health and social care equipment needs in Sheffield.
- 4.17 However, payments to the new provider will be primarily based on actual usage – meaning that the pooled budget will only pay for equipment that is ordered. Phases 2 and 3 of the project will involve detailed analysis of the kind of equipment being used and how we can further increase the efficiency of the service. These phases will also involve considering whether the current model whereby hundreds of health and care staff can order equipment, is fit for purpose going forward.
- 4.18 The cost of the new arrangements will be contained within existing budgets and if current commitments look likely to exceed the existing budget this will be reported to Cabinet as part of financial risk monitoring. However, we currently believe that the net cost of the new arrangements will actually be lower than the current arrangements, not least because closer working with NHS Sheffield Clinical Commissioning Group in

this area should enable more cost-effective provision *across the whole health and care economy*.

4.19

Equipment services are also essential to ensure a preventative system that supports individuals to be independent, safe and well in their own homes rather than in acute care settings.

4.20

If required we will return to Cabinet at the end of the procurement experience to provide details of the evaluation outcome, including the financial details of the new contract, prices and any other financial impacts and the revised savings.

Equalities implications

4.21

Under the Equality Act ([Public Sector Equality Duty](#)) local authorities have to pay due regard to: “Eliminate discrimination, harassment and victimisation, advance equality of opportunity, and foster good relations”. A key element of the Equality Act is that of ‘no delegation’ – public bodies are responsible for ensuring that any third parties which exercise functions on their behalf are capable of complying with the Equality Duty, are required to comply with it, and that they do so in practice. It is a Duty that cannot be delegated. This means that when we are commissioning and contract monitoring services, equality and diversity will form a key part of the criteria used to do this.

4.22

An Equalities Impact Assessment has been carried out for this scheme of work which recognises the benefits for particularly those with a physical or sensory disability, both children and adults. Around 11,000 people of all ages received an item of equipment in 2013/14. Consultation carried out in August 2014 indicated that without such a service, those individuals would not be able to continue to live safely at home.

4.23

The Equalities Impact Assessment stipulates that the new provider be asked to provide information in a range of languages; adheres to equalities legislation; and proactively involves service users and carers as part of its monitoring and improvement plan. The Commissioning service in the Communities portfolio will hold the provider to account for these actions and will include some element of assessment of this in the tendering exercise.

5.0 ALTERNATIVE OPTIONS CONSIDERED

5.1 **Do nothing:** This option is not favoured because the Council has legal duties to provide equipment to people in need as set out above.

5.2 **Extend the contract with the current provider:** This option is not favoured because we believe that the service needs to achieve greater value for money, and increase its impact. However, we would obviously welcome proposals from the current provider on how they could achieve this (as per the new contract specification).

6.0 REASONS FOR RECOMMENDATIONS

6.1 The current contract for the supply and loan of equipment to help people live independently ends in June 2015 and we need a replacement arrangement to meet our statutory duties. We also need to refresh the scope and specification of the contract so that we can:

- achieve better outcomes and increased value for money where possible,
- deliver against increasing customer expectations
- future-proof the service in light of proposed changes to legislation, guidance and operational requirements e.g. the Care Act, 7-day working commitment in the NHS, the Children and Families Act.

6.2 In order to maximise the efficiency of the proposed new service the Council needs to work with the CCG.

7.0 RECOMMENDATIONS

7.1 It is recommended that:

- Cabinet approves the commissioning of and procurement strategy for the redesigned equipment service.
- Cabinet delegates authority to the Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance and the Interim Director of Commercial Services to take the necessary steps to agree the pooled budget arrangements with the CCG and amend the Section 75 Agreement.
- Subject to agreement being reached with the CCG and the Section 75 Agreement being amended, Cabinet delegates authority to the Director of Commissioning (Communities) to take the necessary steps to implement the procurement strategy for the redesigned equipment service in consultation with the Interim Director of Commercial Services and the Interim Director of Legal and Governance.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Interim Director of Legal and Governance to award the contract for the redesigned equipment service.
- Cabinet delegates authority to Director of Commissioning (Communities) in consultation with the Cabinet Member for Health, Care and Independent Living and the Cabinet Member for Children, Young People and Families, as appropriate, to take such steps as he deems appropriate to achieve the outcomes set out in this Report.

Andy Hare

Louisa Willoughby

Contracts Manager

Commissioning Officer

6 October 2014

This page is intentionally left blank