

# Finance and Resources Committee

10.00am, Thursday, 16 August 2018

## Extension of Health and Social Care Contracts

|                     |      |
|---------------------|------|
| Item number         | 7.17 |
| Report number       |      |
| Executive/routine   |      |
| Wards               |      |
| Council Commitments |      |

### Executive Summary

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This report seeks approval to extend a range of contracts to support the delivery of Health and Social Care services whilst strategic reviews and service re-design take place.

## Extension of Health and Social Care Contracts

### 1. Recommendations

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It is recommended that Finance and Resources Committee:

- 1.1 To extend contracts for the servicing, repair and maintenance of aids for daily living equipment to 31 May 2019;
- 1.2 To extend the block contracts for 16 registered day services for older people to 31 March 2020.

### 2. Background

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#### Aids for Daily Living

- 2.1 A wide variety of aids for daily living are distributed to people by the Council's Community Equipment Service (CES) on behalf of the Council and the Council's collaborative partners (East, West and Midlothian Councils and NHS Lothian). West Lothian Council and the Council's care homes do not use the CES but do use its contractual arrangements.
- 2.2 Some of the equipment requires to be serviced regularly, for example hoists and specialist hospital beds. The Council's contracted suppliers undertake servicing and maintenance as instructed by CES and, in the case of equipment in Council managed public buildings and care homes, by the Council's Facilities Management team.
- 2.3 These contracts have expired and require to be extended whilst service re-design and a medium term strategy for the supply of equipment and servicing is implemented.

#### Registered Day Services

- 2.4 In September 2014, there were 14 contracts for the delivery of Registered Day Services, which were let for an initial three years, with annual options to extend for a further two years. Since then two organisations previously delivering unregistered services, funded by grants, have become registered services. These contracts were all extended until 1 October 2018, and now require a longer term strategy for review.

### 3. Main report

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#### Aids for Daily Living

- 3.1 There has been a programme in place to develop and implement a new medium term strategy for the supply, servicing, repair and maintenance of aids for daily living to ensure the Council is compliant with statutory obligations in a more streamlined and cost effective way.
- 3.2 Phase two of the programme is well underway with extensive work being undertaken to review strategic requirements across all partners and the subsequent development of a new specification. This process is taking place, whilst the service is also undergoing organisational review, has meant that an extension of contracts to 31 May 2019 is required to complete phase two.
- 3.3 Once phase two is complete, the service will be compliant across all types of aids for daily living equipment, and will allow the service time to develop a longer term strategy for the service.
- 3.4 An outline of the providers and contract values can be seen in **Appendix 1**.

#### Day Services – Older People

- 3.5 Day Services for Older People are considered a valuable element of enabling people to remain as independent for as long as possible at home, and considered a key early intervention for those who access them. An outline of the 16 providers and contract value can be seen in **Appendix 2**

In June 2018, the Health and Social Care Procurement Board were assured that moving forward a co-production approach will be taken to the review to determine longer term requirements, working alongside providers, to determine the model going forward, that will result in a new commissioning and procurement plan for all day support for older people.

- 3.6 The co-production process is now well underway, as part of the Older People Working Group, that is developing the Outline Strategic Commissioning Plan for Older People. This process will develop the current model, indicated in **Appendix 3**, with the new model including:

the vision and purpose of Day Services and the intended impact these will have on the lives of service users

- a single strategy with our internally provided Registered Day Services for Older People
- rationale for service and geographical distribution, budget and unit costs
- description of sustainable service user pathway, levels of function within the pathway that will be required, referral and data capture arrangements
- the development of a performance management framework
- opportunities for efficiency savings, through tests of change
- providing clarity on what should be a contract or grant
- the alignment of contracts with the new locality structure

- 3.7 New contracts will be in place by 1 April 2020, with key milestones for governance highlighted in **Appendix 4**. This process will require to be managed, with support from localities, commissioning, contracting and finance colleagues, with a steering group being established, to oversee the development of the new model.
- 3.8 All contract awards following the commissioning and procurement process indicated in appendix 4, and will be subject of further reporting where required and in line with Council Standing Orders. The established steering group will report to Committee with an update, and to seek approval for the recommended long-term delivery model in the first quarter of 2019.

#### **4. Measures of success**

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- 4.1 The Council sustains uninterrupted equipment support to service users and custodians of the 13,000 aids for daily living inventory equipment items across Edinburgh.
- 4.2 The Council continues to fulfil its statutory duty to check all aids for daily living equipment in accordance with the Lifting Operations and Lifting Equipment Regulations (LOLER) 1998 and the Provision and Use of Work Regulations (PUWER) 1998.
- 4.3 Through aids for daily living, and day services for older people, the Council will continue to contribute to the Integrated Joint Board Strategic Plan that sees people being assisted to lead as independent lives as possible at home, for as long as possible, as well as contributing to enabling timely discharge, and preventing inappropriate admissions, whilst providing equipment to support end of life care.

#### **5. Financial impact**

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- 5.1 For aids for daily living, the estimated expenditure with the suppliers for the extension periods is £479,685.
- 5.2 The actual expenditure during the extension periods will depend on:
- contract usage (which will vary).
  - suppliers' responses to the offer of formal contract extension.
- 5.3 For day services the expenditure will be £2,843,858. This includes an uplift to support the Living Wage.

## **6. Risk, policy, compliance and governance impact**

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- 6.1 The risks of disruption to use, access and functionality of aids for daily living by vulnerable people, and interruption to early intervention day service provision for older people, will be mitigated.
- 6.2 For aids for daily living, the risk of unsuccessful delivery of the medium term solution will be mitigated through:
- the application of adequate time and service area/procurement resources to undertake the action required to facilitate phase two of the programme
  - project team oversight
- 6.3 For Registered Day Services, the risk of reduced early intervention support may impact on people progressing through a higher level of statutory need will be addressed through the coproduction process for day requirements for older people and the wider development of the overarching outline strategic commissioning plan for older people.
- 6.4 The risk of successful procurement challenge is low as the Council has continued to seek solutions to fulfil this need.
- 6.5 The Council has a statutory duty to report 'non-compliance' of procurement regulation in line with the changes brought in by the Procurement Reform Act 2014

## **7. Equalities impact**

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- 7.1 There are no direct equalities impacts arising from this report.

## **8. Sustainability impact**

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- 8.1 There are no direct sustainability impacts arising from this report.

## **9. Consultation and engagement**

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- 9.1 Commercial and Procurement Services, the Community Equipment Store, Facilities Management team and the Council's Collaborative Partners have all been consulted in the aids for daily living process.
- 9.2 A co-production approach is being taken for the development of day service and other early interventions and supports through the older people working group work streams.

## 10. Background reading/external references

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- 10.1 Report to Finance and Resources Committee, 3 November 2016, Item 7.19 - Contract Awards Aids for Daily Living Report.
- 10.2 Report to Finance and Resources Committee January 2018 Item 8.7 - Extension of Contracts for Aids for Daily Living
- 10.3 Emergency Powers granted by the Finance and Resources Committee June 2018, for extension of Aids for Daily Living.

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## 11. Appendices

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1. Edinburgh Aids for Daily Living Suppliers and Costs – June 2018
2. Edinburgh Registered Services – Older People. Provider and Costs – June 2018
3. Edinburgh Day Services – Older People. Current Model of Day Support for Older People at 2017
4. Edinburgh Registered Day Services – Older People. Outline Commissioning and Procurement Key Milestones

## Appendix 1

### Edinburgh Aids for Daily Living Suppliers and Costs

| SUPPLIER                          | ESTIMATED ANNUAL VALUE | ESTIMATED MONTHLY VALUE | EXTENSION PERIOD | EXTENSION PERIOD VALUE |
|-----------------------------------|------------------------|-------------------------|------------------|------------------------|
| Arjo Med AB Ltd                   | £83,946                | £6,995.50               | 10               | £69,955.00             |
| Fast-Aid Products Ltd             | £20,000                | £1,666.67               | 10               | £16,666.67             |
| Hill Rom Ltd                      | £8,000                 | £666.67                 | 10               | £6,666.67              |
| Park House Healthcare Ltd         | £256,000               | £21,333.33              | 10               | £213,333.33            |
| Spearhead Healthcare              | £31,675                | £2,639.58               | 10               | £26,395.83             |
| W. Munro Rehab Ltd                | £54,000                | £4,500.00               | 10               | £45,000.00             |
| Advance Stairlifts (Scotland) Ltd | £97,000                | £8,083.33               | 10               | £80,833.33             |
| Total Hygiene Ltd                 | £25,000                | £2,083.33               | 10               | £20,833.33             |
| <b>Totals</b>                     | <b>£575,621</b>        | <b>£47,968.42</b>       |                  | <b>£479,684.17</b>     |
|                                   |                        |                         |                  |                        |

Source: CEC Procurement, June 2018

## Edinburgh Registered Services – Older People

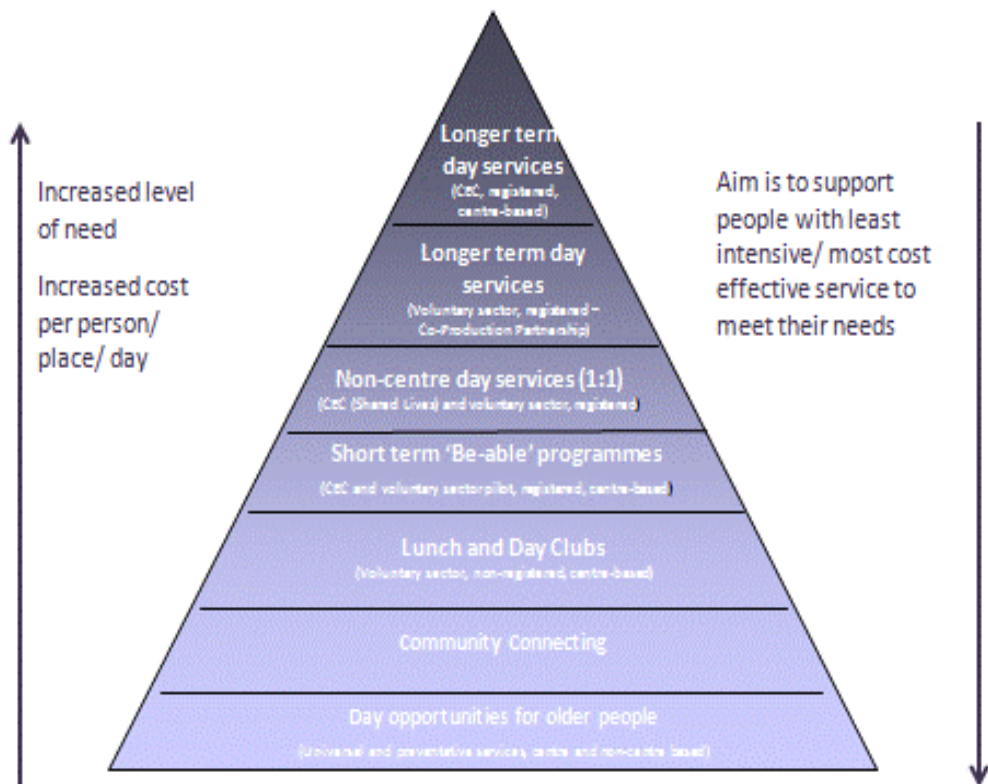
## Providers and Costs – June 2018

|    | Centre                                 | Locality | Annual Contract Cost 2017/18                    |
|----|--|----------|---|
| 1  | Caring In Craigmillar                  | NE       | £246,269  |
| 2  | Lochend Neighbourhood Centre           | NE       | £97,406   |
| 3  | MILAN                                  | NE       | £113,635  |
| 4  | North Edinburgh Dementia Care          | NE       | £283,500  |
| 5  | Corstorphine Dementia Project          | NW       | £132,975  |
| 6  | Drylaw Rainbow Club                    | NW       | £151,668  |
| 7  | Lifecare Day Services                  | NW       | £307,863  |
| 8  | Queensferry Churches in the Community  | NW       | £129,200 CEC<br>£26,225 NHSL<br><b>£155,425</b> |
| 9  | Alzheimer Scotland                     | SE       | £92,324   |
| 10 | Eric Liddell Centre                    | SE       | £179,144 CEC<br>£9,767 NHSL<br><b>£188,911</b>  |
| 11 | Libertus Day Service                   | SE       | £307,863 CEC<br>£24,962 NHSL<br><b>£332,825</b> |
| 12 | Open Door                              | SE       | £56,242   |
| 13 | PfP Pleasance Day Centre               | SE       | £100,670  |
| 14 | Prestonfield & District Clearburn Club | SE       | £97,884   |



|        |                       |    |                   |
|--------|-----------------------|----|-------------------|
| 1<br>5 | Cornerstone Canalside | SW | £330,101          |
| 1<br>6 | Oxgangs Care          | SW | £156,160          |
|        | <b>TOTAL</b>          |    | <b>£2,843,858</b> |

**Edinburgh Day Services – Older People**  
**Triangle of Day Support for Older People at 2017**



## Edinburgh Registered Day Services – Older People Outline Commissioning and Procurement Key Milestones

| YEAR | DATE  | DAY SERVICES   | STRATEGIC COMMISSIONING & PROCUREMENT STAGES   |                            |
|------|-------|--|--|----------------------------|
| 2018 | JUN   | → H&SC Procurement Board 12 <sup>th</sup> June – adjusted timeline and extension recommendation  | Delivery of proposals related to key areas for test and improvement  |                            |
|      | JUL   | → Finance & Review Committee, CEC, 16 Aug 2018   |  |                            |
|      | AUG   | <b>Coproduction Process to considers future interventions (June – Nov):</b>  |  |                            |
|      | SEPT  |  | <ul style="list-style-type: none"> <li>• Capacity and demand.</li> <li>• Modernisation and flexibility</li> <li>• Functions (e.g. Assessment, reablement)</li> <li>• Pathway to determine interventions</li> <li>• Future demand and market shaping</li> </ul> | Test and improve key areas |
|      | OCT   |  |  |                            |
|      | NOV   |  | Develop Work Stream 1 of Older People Working Group , through co-production process  |                            |
|      | DEC   | → Older People Reference Group – outline Strategic Commissioning Plan (OSCP) recommendations<br>→ Strategic Planning Group (SPG) – Outline Strategic Commissioning Plans |  |                            |
| 2019 | JAN   |  | Consultation on Older People OSCP, including Day Services development considerations   |                            |
|      | FEB   |  |  |                            |
|      | MAR   |  |  |                            |
|      | APR   | → Older People Reference Group – outline Strategic Commissioning Plan (OSCP) recommendations<br>→ SPG recommendations from OSCP Plan consultation process                |  |                            |
|      | MAY   | H&SC Older People Working Group ongoing co production development of Strategic Commissioning Plans based on all the learning thus far                                    |  |                            |
|      | JUN   |  | Start Procurement Process  |                            |
|      | JUL   |  |  |                            |
|      | AUG   |  |  |                            |
|      | SEPT  |  |  |                            |
|      | OCT   |  |  |                            |
| NOV  |       |  |  |                            |
|      | DEC   | → H&SC Procurement Board<br>→ CEC F&R Committee  | Agree Contracted Providers   |                            |
| 2020 | JAN   | Ongoing development with market  | Award Contracts  |                            |
|      | FEB   |  |  |                            |
|      | MARCH |  |  |                            |
|      | APRIL | <b>Contract in Place 1<sup>st</sup> April</b>  |  |                            |

