

# North Yorkshire Council

## Health and Adult Services

### Executive Member Meeting

07 February 2025

**REPORT TO** Corporate Director of Health and Adult Services (HAS) in consultation with the Executive Member for Health and Adult Services

### **The Provision of Integrated Community Equipment Service**

#### **1.0 Purpose Of Report**

To seek approval to:

- i. enter into an appropriate form of agreement between The North Yorkshire Council and Humber and North Yorkshire Integrated Care Board for the provision of integrated community equipment services;
- ii. In the event a S75 Agreement is required, commence a 30 day public consultation;
- iii. procure an interim Integrated Community Equipment Services contract to ensure continuity of service whilst a longer-term procurement is being undertaken.

#### **2.0 Executive Summary**

The current community equipment contract ends on 31 March 2025. Work is underway to redesign and recommission a new service for 2026/27, and a procurement timetable in place. The proposal is for NYC and the ICB to enter into an appropriate form of agreement to commissioning this service. The procurement route is a Direct Award via the Procurement Services Integrated Community Care Equipment and Associated Services Framework which will provide sufficient time for this to be completed and have a service in place to meet the needs and expectations of partners and people who require community equipment to support their independence and wellbeing.

#### **3.0 Background**

The Integrated Community Equipment Service is currently commissioned by Humber and North Yorkshire ICB, on behalf of North Yorkshire Council (Health and Adult Service and Children and Young Peoples Services); West Yorkshire ICB (for the Craven area) and City of York Council for (Health Funded Equipment).

The service provides equipment and aids for adults, children, and young people. This is vital to enabling people to live at home, retain independence and supports parents and carers in their caring role. The provision of community equipment maximises reablement and rehabilitation pathways as an alternative to secondary care and to maintain independence following a hospital stay, thus avoiding unnecessary admissions and delayed discharges.

The Council and the ICB need to enter into a new interim contract to ensure service continuity while the service redesign and re-procurement take place. The parties are considering the appropriate legal

mechanism for collaboration for the services. In the event a S75 is required to facilitate this, agreement is sought to commence a consultation on a commissioning S75 Agreement for this service.

Agreement is also sought to direct award a short-term contract via the Procurement Services Integrated Community Care Equipment and Associated Services Framework Y24008 – Lot 1.

The intention is for interim Integrated Community Equipment Service contract will be commissioned by North Yorkshire Council on behalf of ICB York and NY Place and West Yorkshire ICB (for the Craven area).

This will be for an interim term of 12 months 01 April 2025 – 31 March 2026 with the option to extend 2 x 6 months 01 April 2026 – 30 September 2026 and 01 October 2026 – 31 March 2027 to enable a further procurement process to be undertaken.

High quality care equipment, aids and adaptation services are a vital component to the independence of people of all ages with health conditions, disabilities, and/or mobility issues. Care equipment services provide the gateway to the independence, dignity, and self-esteem of not only the service users but their families and carers too.

The Care and Support Statutory Guidance, issued under the Care Act (June 2014) states that local authorities must promote integration between care and support provision and health and health related services, with the aim of joining up services. The continued integrated approach of the Community Equipment Service shall facilitate this whilst:

- ✓ Promoting the wellbeing of children, young people and adults with care and support needs.
- ✓ Improving the quality of care and support and a positive impact on outcomes for service users and their parents/carers.
- ✓ Facilitating Prevention: through the prevention of admissions to hospitals or care homes, delayed transfers of care and ill health; for example, by supporting skin integrity and delaying the deterioration of health.
- ✓ Facilitating Independence: through the provision of the right equipment which can help people maintain their independence by allowing people to continue to carry out everyday tasks such as toileting, bathing, feeding, and drinking. Equipment can also help with mobility.
- ✓ Facilitating Caring: through the provision of the right equipment, equipment can enable care and nursing needs to be attended to in a community setting by either paid or family carers.
- ✓ Equipment can keep the carer safe when moving and handling is required preventing injury to the carer and reducing the need for home care packages.

#### **4.0 Issues**

The existing contract is due to expire on 31 March 2025. The direct award will give sufficient time for a new service model to be co-produced and recommissioned ahead of 1 April 2026. The current timetable for the procurement, subject to appropriate approvals, is to go out to the market in June 2025, for a service to start 1 April 2026.

#### **5.0 Alternative Options considered.**

Options considered were:

- 1) Direct Award through a Framework
- 2) Extend for 12 months.
- 3) Do nothing.

Option 1 is the recommended option, as the service supports delivery of statutory requirements with time needed to complete the review and procurement. Option 2 and 3 have been discounted as would be exposing the Council and our ICB partners to a significant amount of risk owing to not having a contract

in place or extending beyond scope of the original contract and the brokered extension period and therefore neither is a legally compliant route to market.

## 6.0 Financial Implications

The contract is activity based. This means the more we use the more we pay for. Current activity levels exceed the budget envelope, due to increasing demand for the service, rising operational costs of delivering the service, and the budget remaining static for a number of years and not keeping pace with demand, as we are increasingly prescribing equipment to meet Home First ambitions.

The budget is closely scrutinised with efficiency targets built into the current contract, which we will be transferring over to the contract made under the direct award. Arrangements are in place to monitor activity, supplies and catalogue items. We are also working with the ICBs and the incumbent provider to implement an improvement plan that aims to achieve further efficiencies through recycling of equipment, improved prescribing and robust policies and procedures. This too is proposed to remain in place.

The indicative value of the last term of the current Contract is shown below, alongside potential costs of the years direct award, based on current activity levels.

	<b>NYC annual ex VAT</b>	<b>Whole Contract Annual ex VAT</b>
<b>Dec 2023-Mar 2025</b>	£3,755,726.26	£10,658,355.89
<b>Direct Award (Mar 2025-2026) indicative costs</b>	£2,816,794.70	£7,993,766.91

It is to be noted that the direct award will be a new contract, and there will be new contract rates, that will include an anticipated increase to current rates. The figures for 25-26 in the table above are indicative rather than the final negotiated rates.

The supplier has noted additional cost considerations to the current rates in terms of increases in minimum wage and NI contributions as well as potential rent increases for the site leased from City of York Council and have provided costings for review. In addition to this, there is a 1% fee charged to suppliers for utilising the framework which is intended to be recovered in costs passed on to the Authority. Based on 23-24 rates and usage, this would be in the region of £28k per year for the Council, this sum does not factor in the outcomes of planned negotiations on costs.

ICB have indicated that their budget envelope for the contract would be in line with any increase as would be awarded were the NHS Standard Contract Conditions were to be continued, with the 1% charge a separate cost.

For awareness, Public Health currently contribute £350k per year to the contract, with 25-26 being the final year of this contribution.

## 7.0 Legal Implications

The parties intend to work together for the delivery of the service. This could be via a collaboration agreement or via a Section 75 Agreement where there will be a delegation of functions.

Section 75 of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000, S.I. 617 (“Regulations”) enable local authorities to exercise prescribed NHS functions in conjunction with local authority health-related functions.

The NHS and Local Authorities Partnership Arrangements Regulations 2000 stipulate that the partners may not enter into any partnership agreements under Section 75 (s75) of the NHS Act 2006 unless they have consulted jointly such persons as appear to them to be affected by such arrangements.

This report seeks approval to commence this consultation if a S75 Agreement is deemed appropriate. Otherwise the parties shall enter into a collaboration agreement.

The Procurement Services Integrated Community Care Equipment and Associated Services Framework allows for a compliant direct award to be undertaken in accordance with the Public Contract Regulations 2015.

## **8.0 Consultation undertaken and responses.**

A consultation may be required (30 days) if a Section 75 Agreement is required.

## **9.0 Impact on other services/organisations**

This is a joint contract with the ICB.

## **10.0 Contribution to Council priorities**

This contract supports the directorate and wider Council priorities to achieve a Home first approach to care and support and to prevent hospital admission and promote timely hospital discharge.

## **11.0 Risk Management Implications**

This approach ensures continuity of joint working between the ICB and NYC and service delivery.

## **12.0 Equalities Implications**

If the recommendation to direct award is **not** agreed, people with protected characteristics of age and/or disability, alongside unpaid carers have the potential to be adversely affected, as timely access to equipment needed to meet assessed health and social care needs could be compromised.

## **13.0 Climate change implications**

The contract has expectations on the provider to reduce the number of deliveries made to the same address through effective stock control and scheduling, alongside a continual improvement programme of collecting equipment people no longer need and promoting opportunities for people to drop off smaller items unused equipment for recycling, repair, and reuse.

## **14.0 Reasons for recommendation**

The recommendation ensures joint commissioning arrangements continue and ongoing compliance with procurement regulations and will enable the continuity and stability of equipment provision across North Yorkshire, while a comprehensive service redesign and re-procurement is completed.

1. To enter into an appropriate form of agreement with the ICBs for joint working;
2. To commence a public consultation if a commissioner S75 Agreement is required;
3. To direct award a contract via the Procurement Services Integrated Community Care Equipment and Associated Services Framework Y24008 – Lot 1

**Name and title of report author**

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