

CABINET – 7 OCTOBER 2015

PARTNERSHIP AGREEMENT UNDER A POOLED BUDGET ARRANGEMENT FOR AN INTEGRATED COMMUNITY EQUIPMENT SERVICE

REPORT OF THE DIRECTOR OF ADULTS AND COMMUNITIES

PART A

Purpose of Report

- 1 The purpose of this report is to seek the agreement of the Cabinet to a Partnership Agreement under Section 75 of the National Health Service Act 2006 for a pooled budget arrangement between Leicestershire County Council, Leicester City Council, Rutland County Council, West Leicestershire Clinical Commissioning Group, East Leicestershire and Rutland Clinical Commissioning Group and Leicester City Clinical Commissioning Group (the CCGs) for an integrated community equipment service (ICES).

Recommendation

- 2 It is recommended that the Cabinet:
 - a) Authorises the Director of Adults and Communities and the County Solicitor to negotiate and complete a Partnership Agreement under Section 75 with effect from April 2016 until March 2021, with an option to extend the agreement for a further two years.
 - b) Notes that the pooled budget will continue to be hosted by Leicester City Council, who will act as Lead Commissioner, in line with the current arrangements for the service, together with the related procurement functions.

Reason for Recommendation

- 3 The Cabinet agreement is required for the exercise of the delegated functions of Leicestershire County Council to Leicester City Council relating to the commissioning and procurement of the service under Section 75 of the National Health Service Act 2006.

Timetable for Decisions (including Scrutiny)

- 4 Authorisation is required now for the Director of Adults and Communities and the County Solicitor to negotiate and complete a Partnership Agreement under Section 75 with effect from April 2016 until March 2021, in line with the procurement of an ICES contract to commence in April 2016.

Policy Framework and Previous Decisions

- 5 The Cabinet agreed to an integrated approach to the provision of equipment to older and disabled people by the NHS and local authorities in 2001.
- 6 This service has been delivered via successive Partnership Agreements between the Councils and NHS commissioning organisations and on the 27 July 2010, the Cabinet agreed to delegate to Leicester City Council so much of health-related functions undertaken by the County Council as may be necessary to enable the City Council to provide the community equipment services.
- 7 The current arrangement hosted by Leicester City Council is due to end in March 2016.

Resource Implications

- 8 No significant new resource implications arise from this proposal. Leicestershire County Council's contribution to the pooled budget in 2010-11 was £1.24m, with the total value of the fund being £3.41m and in 2015-16 the budget is £1.4 m out of a total of £8.3m. While the nature of a pooled budget means that risks are shared and any over or under spends are the collective responsibilities of the partner organisations, contributions by the partners are apportioned on the basis of the value of the equipment issued and operational costs (or volume of activity) and are subject to review on a bi-annual basis. The only costs not related to the direct provision of equipment are those for the funding of the Pooled Fund Manager and related operational and administrative support. These are included in the total budget and apportioned on the same basis as the other contributions by the partners.
- 9 The County Council's contribution to ICES is currently £200, 000 over budget. The new arrangements will include improved ownership and governance provisions to reduce the County Council's contribution, hence removing the overspend. The Medium Term Financial Strategy identifies a savings requirement against equipment and adaptations of £300, 000 from 2017/18; this will be delivered through the partnership changes and the current re-procurement of the equipment supplier.
- 10 An ICES delivers demonstrable efficiencies related to the size of the contract and the utilisation of a common equipment store with a single inventory and unified stock. Discontinuation of integrated service provision would present significant financial risks to all partners because their ability to maximise efficiencies through these arrangements would be compromised. Furthermore the provision of community equipment realises savings in and supports a range of other service provision across health and social care, and is key to the delivery of bed reconfiguration and the refocus from hospital to community based services. An ICES is consistent with the closer alignment overall of health and social care.

Circulation under Local Issues Alert Procedures

- 11 None.

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PART B

Background

- 12 The current ICES was reviewed in 2013 and in March 2014 the Integration Executive agreed to a continuation of the existing arrangements. It is proposed therefore that Leicester City Council continue to host the pooled budget from 2016 onwards. The existing contract is with Nottingham Rehab Supplies and a procurement programme for the service post 2016 is underway. Contractual arrangements with the successful provider will incorporate a requirement for ongoing efficiencies.
- 13 Overall governance of the service, including contract monitoring arrangements is via the Equipment Management Board (EMB), which has core representation from the CCGs and local authorities (the signatories to the Partnership Agreement) and affiliate membership from Leicester Partnership NHS Trust and University Hospitals of Leicester. The EMB is accountable in turn to the Integration Executive.
- 14 ICES is a key service which supports other local authority and NHS functions, including hospital discharge arrangements, and is central to the delivery of bed reconfiguration and the refocus from hospital to community based services. The importance of placing equipment provision at the heart of patient pathways and the need for close strategic and operational alignment was considered by the Integration Executive in August 2015 and the EMB mandated to deliver a range of service improvements within the context of the current partnership arrangements.

Conclusion

- 15 Formal partnership arrangements in respect of an ICES have now been in place across LLR since 2004 and the continuation of these will support the closer alignment of NHS and local authority service delivery and improvement.

Background papers

Report to Cabinet: 27 July 2010 – Partnership Agreement with Leicester City Council, Rutland County Council, NHS Leicestershire County and Rutland and NHS Leicester City under a Pooled Budget Arrangement for Community Equipment Services

[http://politics.leics.gov.uk/Published/C00000135/M00002909/AI00025897/\\$GPartnershipAgreementwithLCCRCCNHSLCRNHSLeicesterCityunderapooledbudgetarrangementforCommunityEquipmentS.doc.pdf](http://politics.leics.gov.uk/Published/C00000135/M00002909/AI00025897/$GPartnershipAgreementwithLCCRCCNHSLCRNHSLeicesterCityunderapooledbudgetarrangementforCommunityEquipmentS.doc.pdf)

Relevant Impact Assessments

Equality and Human Rights Impact Implications

- 16 This report concerns the delivery of community equipment services to older people and people with disabilities which enable them to achieve greater independence in activities of daily living. The Equality and Human Rights Impact Assessment will be refreshed to reflect the new procurement specification.

Partnership arrangements

- 17 The ICES is a key service which supports other local authority and NHS functions, including hospital discharge arrangements, and is central to the delivery of bed reconfiguration and the refocus from hospital to community based services.