

<b>DECISION-MAKER:</b>	EXECUTIVE DIRECTOR FOR HEALTH AND ADULT SOCIAL CARE
<b>SUBJECT:</b>	REVISION OF AN AGREEMENT BETWEEN SNHS SOUTHAMPTON AND THE COUNCIL FOR A COMMUNITY EQUIPMENT SERVICE
<b>DATE OF DECISION:</b>	16 JANUARY 2012
<b>REPORT OF:</b>	Deputy Director/Joint Associate Director Integrated Strategic Commissioning, Health and Adult Social Care
<b>STATEMENT OF CONFIDENTIALITY</b>	
NOT APPLICABLE	

### **BRIEF SUMMARY**

A decision is sought to revise the existing Section 75 Partnership Agreement between Southampton City Council and NHS Southampton for the joint equipment service to enable Southampton City Council to act as host agency for the pooled fund and take on the lead commissioner responsibility for the services which will be re-commissioned against a new service specification from 1 October 2012 for a three year period (with option of a further two year extension).

### **RECOMMENDATIONS:**

- (i) To approve the revision of an existing partnership arrangement (in accordance with Section 75 (S75) of the National Health Service Act 2006) for a three year period (with the option of a further two year extension), between Southampton City Council and NHS Southampton to enable the City Council to become host agency for the pooled fund and assume lead commissioner responsibility for the services.
- (ii) To approve the revision of the service specification and re-procurement of the services to achieve improved quality and efficiencies through economies of scale.

### **REASONS FOR REPORT RECOMMENDATIONS**

1. The Executive Director for Health and Adult Social Care is asked to approve the recommendations under a delegation granted by Cabinet on 20 December 2010. The delegation is 'To delegate to the Executive Director for Health and Adult Social Care, after consultation with the Cabinet Member for Adult Social Care and Health, authority to take any decision and/or develop approaches that commit Council resources that are within budget and policy to deliver better outcomes for local people and support the aims of the NHS White Paper – Equity and Excellence: Liberating the NHS'.
2. The benefit of a Section 75 Partnership Agreement for jointly commissioning community equipment services is that it enables a joined up approach to meeting both health and social care needs to support people to achieve rehabilitation and independence at home and offers efficiency gains through economies of scale and increased purchasing power, whilst meeting the joint priorities and objectives of the Council and the NHS.

3. The reason for revising the agreement so that the City Council takes on the role of lead commissioner is that it will enable a local commissioning focus to be maintained during a period of substantial change in the NHS. The reason for revising the scope and specification for the service and testing the market is to:
  - Set clear requirements for service quality and response times which should help decrease the frequently long delays which impede patients discharge from hospital and inhibit their safety and confidence in coping at home.
  - Achieve further economies of scale through integrating other equipment budgets and functions which currently sit outside the service.

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

4. To continue the current Section 75 Agreement with NHS Southampton City as the lead commissioner – not recommended on the basis that it was felt that by transferring the lead commissioning responsibility to the City Council, the Southampton City focus could be better maintained during a period of substantial change in the NHS.
5. To work with the existing service provider to redesign the service to deliver the new service specification – not recommended on the basis that the service is being significantly redesigned and other functions/services/ budgets are being integrated, such that it would seem sensible and justifiable to test the wider market.
6. To commission the service collaboratively with other authorities/ PCTs across SHIP over a wider area – this was explored with Portsmouth and Hampshire but not recommended on the basis that the other authorities are not at the same stage as Southampton in having a S75 already in place, having reviewed the service and being ready to procure a new service and to wait would bring about an unacceptable delay.
7. To dissolve the Section 75 Agreement and commission health and social care equipment separately – not recommended on the basis that economies of scale and efficiencies would be lost and services fragmented.

#### **DETAIL (Including consultation carried out)**

8. NHS Southampton City and Southampton City Council already commission a joint community equipment service through a Section 75 Partnership Agreement, where the PCT hosts the pooled fund and acts as lead commissioner. The service is currently commissioned from Solent NHS Trust.
9. There are a number of issues with the current provision which need addressing, including poor management of demand and capacity, long waiting times, limited collection and recycling of equipment, lack of specialist clinical advisory input or arrangements in place to access this and inflexible delivery times.

10. A twelve-month notice was served to Solent NHS Trust to decommission the current service, which comes into effect on 1<sup>st</sup> October 2012 and a new procurement to test the market is planned to commence January 2012.
11. The new community equipment service specification for the service will be tighter and will particularly set clear key performance indicators for the standards of quality and performance expected.
12. In addition to the current scope of services commissioned, the new specification will in addition include:
  - Provision of equipment demonstration and advisory service (currently commissioned from the JES by the PCT outside of the S75)
  - Technician service for the fitting of fixed equipment, building of ramps etc. (currently commissioned by SCC outside of the S75)
  - Provision of Telecare equipment which has been funded through reablement monies.
  - Access for the two specialist schools (Cedar & Rosewood) to the services commissioned; these will have access to the joint equipment service through the City Council's contract but will be recharged separately for their usage.

### **Benefits**

13. Benefits of the proposed service and added value to be delivered through the pooled fund Section 75 Partnership arrangements are:
  - The Section 75 pooled fund continues to integrate services and funding thereby improving economies of scale, efficiencies and outcomes for local people.
  - It continues to offer a joined up approach to meeting both health and social care needs to support people achieve rehabilitation and independence, whilst also making the contract clearer and more specific.
  - It offers a comprehensive and consistent service, serving all residents of Southampton, regardless of where and how people access the system.
  - The change in the lead commissioner arrangement (from NHS Southampton City to Southampton City Council) will enable a local commissioning focus to be maintained during a period of substantial change in the NHS.

### **Consultation undertaken**

14. The review of the current service has been undertaken through a project management structure which has involved a number of key stakeholders including NHS Southampton commissioners, Southampton City Council commissioners, Solent NHS Trust existing service provider and prescribers and University Hospitals Services, Foundation Trust. A range of other stakeholders have also been consulted about the current service and new specification through a series of telephone calls and meetings. These have included parents and carers, special schools (Cedars and Rosewood), Specialist teacher advisory Service, Sensory Services Team, Jigsaw joint

children's disability team, Contact Centre and OT service, the Red Cross and Housing Services.

## **RESOURCE IMPLICATIONS**

### **Capital/Revenue**

15. See appendices 2
16. The total value of the proposed S75 agreement is £1,220,200 for which SCC will contribute £539,800 and NHS SC will contribute £680,400.
17. The proposals as set out in this report, for the provision of a Joint Equipment Service will be met from within existing ASCH Portfolio and NHS SC resources. The hosting arrangements will not impact financially on existing resources for contractual and financial support.
18. Any future contractual arrangement with a provider will be financially limited to the budget as outlined in Appendix 2. It is anticipated that any re-tendered service will maximise the existing resources to improve the service experienced by its users. A saving is not being anticipated at this time.

### **Property/Other**

19. The current service is delivered from premises rented by the PCT from a private landlord. As the lease agreement extends beyond the notice period of the existing contract, it is expected that any new incoming provider takes on the current premises.

## **LEGAL IMPLICATIONS**

### **Statutory power to undertake proposals in the report:**

20. This proposal is for a pooled fund under Section 75 National Health Services Act 2006.

### **Other Legal Implications:**

21. None

## **POLICY FRAMEWORK IMPLICATIONS**

22. The services commissioned will contribute to the Southampton Connect City Challenge for Wellbeing, in particular supporting vulnerable people and promoting long term independence, and specifically support the following two City Council KPIs:
  - Proportion of older people (65 and over) who were still at home 91 days after discharge from hospital into reablement/ rehabilitation services
  - Delayed transfers of care from hospital, and those that are attributable to Adult Social Care

<b>AUTHOR:</b>	Name:	Donna Chapman	Tel:	023 80 296004
	E-mail:	Donna.chapman@scpct.nhs.uk		

**KEY DECISION?** Yes

<b>WARDS/COMMUNITIES AFFECTED:</b>	All
------------------------------------	-----

### SUPPORTING DOCUMENTATION

**Non-confidential appendices are in the Members' Rooms and can be accessed on-line**

#### **Appendices**

1.	Full Business Case
2.	Financial table

#### **Documents In Members' Rooms**

1.	None
----	------

#### **Integrated Impact Assessment**

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
--	----

#### **Other Background Documents**

**Integrated Impact Assessment and Other Background documents available for inspection at:**

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
------------------------------	--

1.	None
----	------