

APPROVAL OF SECTION 75 AGREEMENT BETWEEN THE COUNCIL AND NHS HILLINGDON FOR THE COMMUNITY EQUIPMENT SERVICE

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| Cabinet Member | Councillor Philip Corthorne |
| Cabinet Portfolio | Social Services, Health and Housing |
| Officer Contact | Gary Collier, Adult Social Care, Health & Housing |
| Papers with report | A breakdown of the proposed 2010/11 budget is attached as Appendix 1. |

HEADLINE INFORMATION

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| Purpose of report | To seek Cabinet approval to enter into a pooled budget and partnership agreement with NHS Hillingdon (formerly known as Hillingdon PCT) in accordance with section 75 of the National Health Service Act, 2006 in order to establish effective governance arrangements for the management of the community equipment service. |
| Contribution to our plans and strategies | Contributes to objectives within the People with Physical and/or Sensory Disabilities Strategy 2008 – 2013 and the Hillingdon Sustainable Community Strategy theme of improving health and social care by enabling people to live independently at home. The Disabled Children Strategy 2009-2011 refers to the provision of equipment and home adaptations enabling children to be cared for at home, reducing the need for out of borough placements. |
| Financial Cost | Detailed costs of the community equipment services included within the pool and partnership agreement are contained within the body of the report. |
| Relevant Policy Overview Committee | Social Services, Health and Housing |
| Ward(s) affected | All wards. |

RECOMMENDATION

That Cabinet gives approval to enter into a pooled budget and partnership agreement with NHS Hillingdon for the community equipment service in accordance with section 75 of the National Health Service Act, 2006 with effect from the 1st April 2010.

INFORMATION

1. At its meeting on the 6th July 2009 Cabinet delegated authority to the Cabinet Member for social services, health and housing to appoint a contractor to provide the equipment loan and chemical toilet emptying, minor adaptations and short-term wheelchair services. This followed a collaborative commissioning exercise involving six West London councils and primary care trusts and resulted in the appointment of Medequip Assistive Technology Ltd to provide these services with effect from the 1st April 2010.
2. The Council has been the host authority for these services since the early 1990s and currently holds the contracts for them with Medequip, who is the current provider. This arrangement is intended to continue after the 1st April 2010 and reflects the practice across much of the country.
3. The Health Service and Local Authority Circular HSC 2001/008 LAC (2001) 13 published in 2001 set out a requirement for an integrated local equipment service to be established. The Council and its partners satisfy all of the requirements of an integrated service with the exception of the existence of a pooled budget. An integrated service is essential for service delivery to avoid customers having to see clinicians from different organisations dependent on whether their needs are identified to be social care or health related.

Reasons for recommendation

4. The section 75 agreement establishes clear governance arrangements that clarify funding contributions, roles and responsibilities, identify how issues such as overspends will be addressed and creates a mechanism for dispute resolution. These are expected to improve efficiency and effectiveness and therefore enhance the customer experience of using the services under the agreement as well as engendering a positive relationship with the provider.
5. The section 75 also helps to clarify access to the equipment services provided by Medequip but not included within the pool. This will help to ensure a seamless service for customers that significantly contributes to them remaining independent in their own homes.
6. Having a pooled budget arrangement would ensure that the council and NHS Hillingdon are compliant with Department of Health requirements.

Alternative options considered

7. *Not to proceed with a section 75 agreement* - this option has been discounted as it would not comply with Department of Health requirements concerning establishing a pooled budget. It is also not conducive to the efficient and effective management of the community equipment service.

Comments of Policy Overview Committee(s)

8. The Policy Overview Committee has not commented on this report at this stage.

Supporting Information

9. The agreement is written in two parts. The first part concerns the pooled budget arrangements for the equipment loans service. This service provides daily living aids

ranging from simple aids like walking sticks to more complex equipment like electric hoists and four section electric beds. Part two covers services provided within the contract with Medequip held by the Council that are not included within the pooled budget but sets out the governance arrangements for these services, including identifying who can prescribe and/or refer and in what circumstances. These are the short-term wheelchair and minor adaptations services. The latter service covers adaptations valued up to £1,000 and would include equipment such as grab rails and door entry systems.

10. The Council will act as Host Authority for the pooled budget and shall hold the contract with the service provider. The Council will also manage the pooled budget and will be accountable to the Community Equipment Partnership Board that has representation from the council, NHS Hillingdon, The Hillingdon Hospital Trust, as well as service users and third sector organisations. The Board has delegated responsibility from the Partners (the Council and NHS Hillingdon) for developing and monitoring services.

Financial Implications

11. The pooled budget has been calculated based on historical expenditure on equipment purchase and delivery costs since 2006-07. Other costs for the service have been shared between the Council and the PCT on a 50/50 basis. Appendix 1 gives a breakdown of how the budget has been calculated for services in the pooled budget.
12. The budgets have been calculated to include the savings arising from the collaborative commissioning arrangements. It is expected that greater efficiencies will result from greater bulk discounts achieved by the provider as more authorities join the framework agreement. However, there is a risk that any potential savings are likely to be neutralised by the effects of supporting an ageing population with increasingly complex needs in the community.
13. The overhead costs for the IT support for the new software and contribution to the lead authority role provided by the Royal Borough of Kensington and Chelsea will reduce as the number of partners who join the framework agreement increases.
14. The section 75 agreement contains provisions that address possible overspends. Where these arise as a result of poor prescribing practice then the responsible partner will be required to address the budget shortfall. Where an overspend has arisen as a result of an unforeseen increase in demand then this will be addressed equally between the council and NHS Hillingdon, which reflects their respective contributions to the pool. Within the Council the contribution to any overspend in these circumstances would be made by Adult Social Care, Health and Housing and Education and Children's Services proportionate to their respective levels of contribution. Responsibility for addressing overspends in the services in part 2 of the section 75 will lie with the funding organisations.
15. The funding responsibility for services within part two of the agreement shall be:
 - short-term wheelchair service – NHS Hillingdon. The 2010/11 budget for this service is £16, 248
 - minor adaptations (including door entry systems) - Adult Social Care Health and Housing. The 2010/2011 budget for this service is £64, 620.

EFFECT ON RESIDENTS, SERVICE USERS & COMMUNITIES

What will be the effect of the recommendation?

16. Residents and service users are unlikely to see any direct effect immediately. However, the clarification of roles and responsibilities should ensure that the existing high levels of performance and customer satisfaction continue under the new contract. Clarity about what can be accessed, how and by whom should contribute to an improved customer experience over time.
17. An effect of the recommendation should be to ensure that the budget is used effectively to address the needs of local people, thereby contributing to ensuring value for money.

Consultation Carried Out or Required

18. The Section 75 agreement has been discussed with the multi-agency Community Equipment Partnership Board, which includes service users.

CORPORATE IMPLICATIONS

Corporate Finance

19. The recommendation in the report is to enter into an agreement under Section 75 of the National Health Service Act 2006 to form a pooled budget with Hillingdon Primary Care Trust (PCT) for the provision of community equipment, for a period of five years from April 2010. The financial implications above and Appendix 1 describe the budget implications of this arrangement include the treatment of any overspends. If there are underspends on the pooled budget these will be shared between the Council and the PCT.
20. Paragraph 12 in the financial implications refers to the savings achieved through the procurement of the framework contract with Medequip Assistive Technology Ltd. Savings of £49k for 2010/11 were included in the revenue budget approved by Cabinet and Council in February 2010, representing the Council's share of the overall procurement saving on the pooled budget.
21. There are special rules for joint local authority / health service partnership initiatives that allow the Council as the lead body for the pooled budget, contrary to the normal rules of VAT, to recover all of the VAT on the equipment purchased through the framework contract funded through the pooled budget. This applies even where an officer in the PCT ordered the equipment and received the supply, provided that Medequip provide a valid VAT invoice made out to the Council.

Legal

22. Section 75 of the National Health Service Act 2006 gives the Secretary of State the power to introduce regulations which ' make provision for or in connection with enabling prescribed NHS bodies [such as the Hillingdon Primary Care Trust and the Hillingdon Hospital] on the one hand and local authorities on the other to enter into prescribed arrangements in relation to the exercise of prescribed functions of the NHS bodies and prescribed health-related functions of the local authorities if the arrangements are likely to lead to an improvement in the way in which these functions are exercised.

23. Such regulations have been introduced by the Secretary of State and these allow for budgets between the Council and Hillingdon PCT to be "pooled". It is important that the section 75 agreement only includes those arrangements which are allowed for by the Regulations, otherwise they will be deemed to be ultra vires

Corporate Property

24. This report does not include asset / property matters.

Relevant Service Groups

25. Education and Children's Services' Senior Management Team are in agreement with this report.

BACKGROUND PAPERS

Sustainable Community Strategy 2008-1018

People with Physical and/or Sensory Disability Joint Strategy 2008-2013

Health Service and Local Authority Circular HSC 2001/008 LAC (2001) 13

Proposed Budget for Community Equipment Services 2010/11

| COMMUNITY EQUIPMENT SERVICES POOLED BUDGET FOR 2010-11 | | | |
|---|--------------|----------------|--------------|
| | TOTAL | Council | PCT |
| | £000 | £000 | £000 |
| Equipment Purchase per issues | 611.0 | 305.5 | 305.5 |
| Delivery Charges | 269.0 | 134.5 | 134.5 |
| Staff & Direct Line Management | 47.8 | 23.9 | 23.9 |
| Equipment Maintenance | 9.0 | 4.5 | 4.5 |
| WC Service | 13.0 | 6.5 | 6.5 |
| IT Support for new Software | 9.5 | 4.8 | 4.8 |
| Lead Authority role RBK&C | 10.0 | 5.0 | 5.0 |
| Overheads - Directly Attributable | 8.0 | 4.0 | 4.0 |
| Client Charges (WC Service) | -6.2 | -3.1 | -3.1 |
| | | | |
| Net Cost/Budget | 971.1 | 485.6 | 485.6 |
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