

## LONDON BOROUGH OF BRENT

Meeting of the Executive - 8 March 2004

Report from the Director of Social Services

For action

Wards affected  
All**REPORT TITLE: INTEGRATED COMMUNITY EQUIPMENT STORES –  
APPROVAL FOR POOLED BUDGET**

Forward Plan Ref. [SS/03/04/12]

**1.0 SUMMARY**

- 1.1 This report provides the background to the Department of Health (DoH) requirement for Health and Social Services to establish Integrated Community Equipment Services by April 2004. It details the position in Brent, work undertaken by a joint project group and proposals for meeting the requirements. A key requirement is to establish a pooled budget by March 2004, and set up a partnership arrangement between Social Services and the Primary Care Trust.

**2.0 RECOMMENDATIONS**

- 2.1 To agree that the Council enter into a partnership arrangement for provision of an integrated community equipment service (ICES) with the Brent PCT under Section 31 of the Health Act 1999 as set out in this report.
- 2.2 To agree to the setting up of a pooled budget for 2003/04 and to the council contribution of £47,000 to that budget.
- 2.3 To agree to the expansion of the pooled budget from April 2004/5 as detailed in paragraph 3.3, to include both Social Services and the Primary Care Trust.
- 2.4 To agree that the council will be the provider of the ICES established pursuant to the partnership agreement as set out in paragraph 6.17.
- 2.5 To note that a written agreement is required to be entered into between the Council and Brent PCT in respect of the proposed partnership and to authorise the Director of Social Services, in consultant with the Borough Solicitor, to agree the form of that agreement.

## **3.0 FINANCIAL IMPLICATIONS**

### **3.1 Description of current separate budgets**

There is currently a gross budget of £722,000 (£688,000 net) for equipment that is managed by the physical disability service. Equipment is currently coded separately depending on whether it is Health equipment or Social Services equipment. Brent PCT are recharged for the total expenditure on health equipment. Current projected expenditure for the PCT is £210,000. There are also currently six members of staff employed in the OT store and costs of running the store are £248,105. Brent PCT currently contribute a fixed amount (£45,000 in 2003/04) towards the cost of running this store. This will increase for 2004/05, to reflect the increase in activity undertaken by the stores.

### **3.2 Proposals for 2003/04**

By placing the money in a pooled budget before 31<sup>st</sup> March 2004, Brent Council will be able to claim £47,000 of access and capacity grant otherwise it will lose it. This funding will be used to increase the amount of equipment available, and partly fund implementation of a new IT system.

### **3.3 Proposals for 2004/05**

The proposal is to place the costs of running the store and the majority of the equipment budget into a pooled budget, including the PCT estimated contribution of £210,000 for equipment and £124,052 towards the running of the store. There is also a small contribution from Education where equipment is provided to schools or nurseries. Further work is being done on this to estimate the amount for 2004/05.

By increasing the PCT contribution towards the running of the OT store in 2004/05 Brent Social Services will have an estimated £80,000 to offset other budgetary pressures within physical disabilities.

### **3.4 Pooled Budget Implications**

The creation and extension of a pooled budget effectively ring-fences this budget by placing obligations and commitments on each party regarding annual levels of investment in this service. Similarly any overspends on this service become a joint responsibility and whilst the memorandum of agreement minimises the risk for both parties as far as is legally possible, pooled budgets are subject to both health and social care pressures and demands, and must be managed within the terms of the partnership agreement. The budget will be subject to tight financial controls. The memorandum requires immediate action to be taken to prevent overspends and the responsible authority will consider how to address this within the pooled arrangements. Options will need to be considered and agreed by the partnership board, who may need to consider wider budgetary considerations. Similarly underspends will be dealt in a similar manner. As other pooled budgets develop, a strategic approach can be taken as to the overall joint management of over/underspends within separate budgets.

## **4.0 LEGAL IMPLICATIONS**

- 4.1 Sections 26-31 of the Health Act 1999 require local authorities and NHS bodies to work together to improve health and health care and provides for flexible funding and working arrangements to be established by agreement to facilitate this. This would include, but is not limited to, a pooled budget arrangement and integrated service provision.
- 4.2 Regulations have been made in relation to the establishment of pooled budgets and other uses of the new flexibilities. The NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 specify which local authority and NHS functions can be subject to such an arrangement and specify requirements that must be complied with in respect of such arrangements. These are as follows:
- The consent of each Health Authority which has an NHS contract for the provision of services for persons in respect of whom the functions subject to the arrangement may be exercised;
  - There must be an agreement in writing between the partners covering prescribed matters including aims of the arrangements, the contributions/payments of the partners including accommodation staff and goods, the functions, services and potential service recipients covered duration and operation of the pool is to be monitored and managed.
  - One partner must be designated the host partner responsible for accounts and audit of any pooled arrangements and this must be reflected in the written agreement.
- 4.3 Guidance has been issued in respect of section 31 partnerships and provides that partners should be satisfied that the arrangements will improve the service for users, there should have been joint consultation with stakeholders and the arrangements should fulfil objectives identified in the Health Improvement Programme (HIMP). In practice HIMPs are no longer required to be produced and have now been replaced by Local Delivery Plans
- 4.4 Specific Guidance has been issued in respect of integrating community equipment services in Local Authority Circular (2001) 13. The circular establishes March 2004 as the deadline by which local council and NHS equipment services are expected to be integrated.
- 4.5 Guidance has also been issued in respect of the use of Access and Systems Capacity Grant which includes conditions of grant that apply to Brent and require that the grant be spent within a pooled budget. The grant is also required to be spent in connection with the provision of community care services as defined in section 46(3) of the National Health Service and Community Care Act 1990 to people ready to be discharged from hospital but who cannot be discharged without the provision of services.
- 4.6 Phase 1 of the integrated community equipment service project involves the procurement of IT hardware and software. As the estimated value of the contract which will be entered into by the Council is £40,000 it is a Low Value contract and at least 3 quotes must be sought in respect of it.

## **5.0 STAFFING IMPLICATIONS**

- 5.1 A DoH requirement for a pooled budget is to have a pooled budget manager. As the current position in Brent is that the Service Unit Manager for Physical Disability manages the equipment store budget and the service currently provided for the PCT, this post will be given extended responsibilities as the pooled budget manager. The current proposals do not require additional staff posts, however further project management time may be needed. This would be on a consultancy basis funded through the pooled budget. The need for additional staff will be subject to review and if necessary a growth bid for 2005/06.

## **6.0 DETAIL**

### **6.1 Background to DoH/ICES requirements**

The requirements for ICES are set out in the NHS Plan. In March 2001 the Department of Health issued guidance on ICES, in which it stated that service providers must:

- Meet the NHS Plan target to modernise service delivery by combining health and social care provision into single integrated community equipment services by 1 April 2004;
- Increase by 50% the number of individuals who benefit from these services and improve the quality and range of equipment on offer; and
- Increase efficiency by modernising purchasing, supply and recall systems.

- 6.2 In addition the Department of Health has amended the Personal Social Services Performance Assessment Framework Performance Indicator which relates to the delivery of equipment. The new target from 2003/04 is 100% of equipment delivered within 7 working days. It is clear that these new requirements would be a significant challenge for the existing service without further development.

### **6.3 DoH requirements**

The DoH requires the commissioning of a joint equipment service to be managed through a partnership arrangement of the Council and PCT. Both organisations need to commit their specified funds to a pooled budget. The partnership board will oversee and monitor the budget and the performance of the joint equipment provider. Historically this has been provided by Social Services who also have a contract to provide equipment for the PCT.

### **6.4 Background to Current Joint Equipment Service**

Brent Social Services first established a Joint Equipment Stores in partnership with Brent and Harrow Health Authority (Brent PCT since April 2002) in 1997. A service level agreement and contract have been in place since that date. Brent Primary Care Trust has been a partner to these agreements since its inception in April 2002. Under the terms of the existing agreement, the Social

Services Department currently takes the lead responsibility for management and staffing.

## 6.5 Description of Service

The function of the store is to provide aids to daily living and minor home adaptations to people with disabilities or in receipt of home nursing, who are living in the community in the borough of Brent. There is a statutory requirement to provide this service. The store is accessed by staff working in Health and Social Services. Health staff prescribe equipment to enable an early discharge or to prevent an admission to hospital by assisting people to manage daily activities in the home. Social Services provide equipment to enable a client to be as independent as possible in their home environment and reduce risk to client or carers.

During 1999/2001 the Joint Equipment Store was subject to a Best Value Review, the finding of which were reported to Committee in spring 2002.

## 6.6 Eligibility for Service

Eligible service users of the joint equipment store are people of any age with temporary or permanent disability who are ordinarily resident in Brent. They must have had an assessment of their needs carried out by an authorised assessor. Equipment and minor adaptations may be identified which meet their needs in relation to activities of daily living. In Social Services the fair access criteria to critical and substantial needs are met. For health, as a duty of care, services must be provided to meet needs and be free at the point of delivery to the client, thereby facilitating discharge and preventing admission where possible.

Occupational Therapists and Physiotherapists working in rehab teams in the PCT (e.g. the independent living team, community rehab team, Robinson House), access the store to provide equipment for clients undergoing rehabilitation programmes in the community. Paediatric Occupational Therapists and Physiotherapists also access the store for specialist equipment for children with disabilities. District nurses access the store to provide nursing equipment for clients with medical needs being cared for at home.

## 6.7 The store is located at 113, Bryan Avenue, Willesden NW10 in a Council owned building. Following the Best Value Review, £20,000 capital investment was made available to modernise the office accommodation and improve storage facilities will improve service delivery.

Shortly after this Review was completed the Government announced the national "Integrating Community Equipment Services" (ICES) initiative. The ICES agenda demands that local authorities and primary care trusts work together to establish a jointly managed and jointly stocked community equipment store.

It must be acknowledged that Brent was already an innovator with the arrangement that was already in place. The Best Value Review identified the

need to modernise some of the functioning of the store which is consistent with the ICES requirements.

## 6.8 Actions Taken To Develop An ICES

Various working groups were either established in 2003, and/or existing groups were given additional tasks/terms of reference, to assist with the process of developing the existing joint equipment arrangements to one which would meet the new National targets/objectives. These groups are:

- Steering Group
- Operational/Equipment Review Group [ERG]
- Financial sub group

Additionally specialist meetings/discussions have been had around:

- Human Resources
- Information Technology

The PCT commissioned a project manager to undertake the project development. All groups have had Primary Care Trust and Social Services representatives. The Assistant Director for Community Care, the Joint Commissioner for Physical Disabilities and the Service Unit Manger for Physical Disability are all on the steering group.

## 6.9 Consultation

A range of user and staff consultation events have taken place between 2002 – 2004 concerning the proposed DoH and Brent partnership arrangements, the need to improvements to services for people with disabilities and in particular provision of equipment. The Best Value Review referred to above also has an action plan to implement the proposals. All have supported the Brent partnership proposals.

## 6.10 Diversity Implications

Access to the service will continue through existing eligibility criteria which ensures the needs of vulnerable disabled people are appropriately met from all communities. This proposal will improve the services to users through increased efficiency and responsiveness.

## 6.11 Service Specification

A new service specification has been developed and drafted through the Operational group where practitioners from Social Services, the local Hospital Trust and provision. The process has taken account of the requirements and issues needing to be addressed within the development of ICES in Brent. This specification is currently being further discussed and agreed.

## 6.12 Improved Outcomes

The benefits which will accrue from the new service specification include:

- A more responsive and supportive service which will help toward the reduction in the numbers of delayed discharges from hospital and improve the efficiency of Health and Social Services practitioners by releasing time for other duties, e.g. undertaking more assessments, thereby helping to reduce waiting lists;
- Improved availability of equipment;
- Improved equipment recycling;
- Improved maintenance resulting in longer working life for equipment, with a reduction in the number of items written off and new purchases;
- Improved cleaning of equipment and protection against cross infection;
- Improved Information Technology provision;
- Offer a more accessible service through the phased introduction of electronic ordering, including the facility to view equipment on-line – this medium/long term goal;
- Improved provision of robust and timely management information to support budget and performance management [key performance indicators being specified within the service specification].

6.13 Information Technology has been identified as critical to success of ICES – and a new I T specification has been drawn-up, which meets the new National ICES IT Guidance requirements and the needs of Brent. Expressions are now being sought, following Council Standing Orders, to be contracted by the Council to deliver a system which will meet this specification (estimated cost no more than £40,000). The system will be in place and operational in 2004/05.

6.14 The existing arrangements for cleaning and maintenance are being improved, with a specification covering these service functions having been drawn up. The intention is to seek expressions of interest from organisations able to meet the requirements in the early part of 2004/05 who will be able to meet the requirements as specified in the Cleaning and Maintenance contract documentation – this service element will be in place by the summer of 2004.

#### 6.15 Type of Provider

Some authorities have made a decision to contract out their community equipment services whilst others have decided to remain in-house and invest more time, resource and money into developing their services – Brent has taken this latter approach, following on from the Best Value Review. The memorandum of agreement to be entered into in respect of the partnership and Brent Council will deliver the service under the new specification. This will be initially for a three year period with provision for two annual extensions by agreement between the partners. It appears that some authorities will not meet the national targets and guidance requirements covering ICES although Brent is well placed to achieve all of these objectives.

#### 6.16 Pooling Of Budgets

The Guidance stipulates that core to the development of an ICES is the establishment of a Pooled Fund – as detailed above. Additionally monies have been released to support the development of ICES – this money in the form of ring-fenced grants through Access and Systems. However, one of the stipulations attached to this money is that it has to not only be used on ICES but must also be part of a Pooled Fund supporting said initiative. Operationally a Pooled Fund will help toward the removal of barriers [perceived or otherwise] relating to equipment provision between health and social care organisations.

### **Memorandum of Agreement**

6.17 A Memorandum of Agreement has been drawn up between the PCT and Social Services and is subject to final approval, and details how the service and funds will be managed between the partners:

- The levels of investment are identified for the year 2004/05 and the mechanism for agreement of financial investments for subsequent years of the service. It also details actions to be taken on under/over spends. Tight financial controls will be in place, and immediate action to contain overspends. Each partner will take responsibility for managing this, as access to the equipment stores is through either Health or Social Services staff. The same principle will apply to underspends. Options will be agreed at the partnership management board.
- The functions to be exercised through the partnership arrangements are identified and necessary delegation of powers put in place;
- The governance arrangements and pooled budget arrangements will be overseen by the Brent ICES Board at a strategic level – Terms of



Reference have been developed. It will consist of Social Services and PCT officers who will oversee, monitor, and review arrangements.

- The Pooled Fund will be monitored through existing staff, employed by Social Services and the PCT, who will monitor the day-to-day management and performance of the Agreement and will report to the Board and partners on a regular basis.
- The key targets of the service will be as follows:
  - All stock to be provided as per the service specification
  - The ICES will seek to meet the Government's target of 50% on the number of service users receiving equipment, by the end of 2004.
  - Year on year improvements in retrieval and recycling rates
  - Increased efficiencies and cost-effectiveness in sourcing new equipment from suppliers
  - Compliance with existing and any new legislation and guidance concerning equipment cleaning and maintenance
  - More robust and timely management information to be supplied from ICES

6.18 There are a number of risks associated with the above proposal, which have been detailed in a risk analysis and discussed at the steering group with legal and financial input. (Appendix 1). These related to unforeseen demand or increased activity which could lead to overspends. Underspends will also be considered. The pooled budget manager will be responsible to ensure immediate action is taken to ensure the budget is controlled. The steering group has considered proposals for how these risks will be managed and minimised and these are reflected in the memorandum.

6.19 The pooled fund will be reviewed after 12 months in operation this to ascertain:

- Appropriateness of investments
- Projections 2005/6
- Spend patterns
- Service usage
- Demand on service
- Patterns and trends

The partners will agree appropriate and fair development plans which will account for this information.

## 7.0 BACKGROUND INFORMATION

PCT Local Delivery Plan 2004/2005  
DoH ICES guidance 2002 – 2004.  
Chronically Sick and Disabled Person's Act 1970  
National Assistance Act 1948  
NHS and Community Care Act 2000

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<b>RISK</b>	<b>HOW IT WILL BE MANAGED</b>
Investments not secured by all partners	<p>Access and Systems Capacity Grant provides new funding local authorities for community equipment services to be in place by April 2004. Funding must be used via a pooled budget. Anticipated increase in grant for 2004/05</p> <p>Level of investment based on current budgeted expenditure already agreed to form basis of pooled fund.</p> <p>Additional monies are being sought by partners</p>
One or more commissioner disinvests	Memorandum of Agreement secures investment on an annual basis
Governance arrangements not followed and managed	Memorandum of Agreement ensures basis and frequency of reporting to ICES Board comprising senior managers from each commissioner/partner.
Increase in service demand not met by investment – possible overspends	<p>Frequent management information reporting through the Pooled Fund monitoring which will identify cause/source of overspend.</p> <p>A hierarchical PIN structure will limit inappropriate prescription, supported by restriction templates which will include auto rejections for exceeding clinical/financial or speed of response ordering.</p> <p>Incentives for requisitioners to identify and order retrievals for recycling.</p> <p>Clinical access criteria and templates will be used which have auto rejections for inappropriate access, e.g. only those trained to request equipment will be able to order, thus minimising inappropriate referrals.</p> <p>The intention is to develop a new financial model, supported by the IT system, which will be one of goods at cost and activities will be priced per speed of response selected. Therefore the commissioners will only pay for the services that their requisitioners request. This places greater control with the commissioners and more responsibility with the requisitioners.</p>
Spend patterns shift between partners	This will be monitored and managed through the regular management information and the interaction between partners and Pooled Fund monitoring/ICES Board.
<b>RISK</b>	<b>HOW IT WILL BE MANAGED</b>
Service provider performs poorly and/or is not managed by the commissioners	<p>Regular and accurate management information provided by the service provider through Pooled Fund Monitoring and to ICES Board.</p> <p>Pooled fund monitoring support within commissioner organisations – advising and actively ensuring best use of funds and resource.</p>