

ANGUS COUNCIL

SOCIAL WORK AND HEALTH COMMITTEE – 23 FEBRUARY 2016

ANGUS JOINT EQUIPMENT LOAN SCHEME (AJELS)

REPORT BY MARGO WILLIAMSON, STRATEGIC DIRECTOR - PEOPLE

ABSTRACT

This report provides a proposal and recommendation to secure an alternative delivery model for the Angus Joint Equipment Loan Scheme (AJELS) store.

1. RECOMMENDATIONS

It is recommended that the Social Work and Health Committee:

- (i) approve the recommendation to proceed with further development of a joint equipment store with Dundee City Council as the only viable option for the future delivery of the services provided by AJELS;
- (ii) provide delegated authority to the Interim Head of Adult Services, in consultation with the Chief Officer of the Angus Integrated Joint Board, the Head of Corporate Improvement & Finance and Head of Legal & Democratic Services to develop an agreement between Angus Council and Dundee City Council to provide Occupational Therapy and Nursing equipment to Angus Council residents.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN

This report contributes to the following local outcome(s) contained within the Angus Community Plan and Single Outcome Agreement 2013 - 2016:

- The health of the Angus population is improved;
- A good quality of life is enjoyed by all in Angus;
- Carers are supported to undertake their caring role

3. BACKGROUND

- 3.1 Reference is made to Committee Report 261/13 Logistics Hub - Procurement Authority Approval Request, which granted authority for the proposed procurement of the Logistics Hub, Report 85/14 Provisional Capital Budgets Volume which contains the capital approval for this project, Report 166/14 Logistics Hub which gave approval for an options appraisal removing the Community Laundry and the Community Alarm Control Room from the Logistics Hub.
- 3.2 Following a tender exercise for the logistics hub where the lowest tender received was substantially in excess of the funds available it was decided to formally conclude the tender exercise and the tender was cancelled.
- 3.3 It was agreed that a new options appraisal be carried out to look at alternatives to accommodate the Angus Joint Equipment Loan Scheme (AJELS).
- 3.4 The Angus Council capital allocation for the Logistics Hub of £1.260 million (report 335/15 2015/16 Final Capital Budget Volume refers). As part of the preparation of the 2016/17 Provisional Capital Budget Volume some of this allocation has been released to fund other priority capital projects and a net allocation of £622,000 remains allocated to the Logistics Hub project, albeit £123,000 of this sum

has already been spent. This funding is available to fund solutions to accommodating the Community Meals Service and the AJELS store. A report on the community meals service is also being considered by this committee. Angus Health and Social Care Partnership has agreed a contribution of £200,000 to facilitate the introduction of an AJELS replacement. This funding is from the local share of Scottish Government Integrated Care Funding.

4. CURRENT POSITION

Angus Joint Equipment Loan Scheme (AJELS) is a joint service between Angus Council and NHS Tayside which provides occupational therapy and nursing equipment to citizens of Angus.

The current service is housed at Little Cairnie Hospital. The property is currently being marketed by NHS Tayside for sale and relocation of the store is essential.

Work has been ongoing to look at possible options for an alternative AJELS store which has resulted in two possible options for a replacement store being identified:

1. A new build facility within Angus.
2. A joint arrangement with Dundee City Council.

Given the pressure on the capital funding across the Council and with a move to integrated joint working a new build option for AJELS is not a viable option. This leaves the option of entering into an arrangement with Dundee City Council to provide an equipment service for Angus as the only current viable one.

5. PROPOSAL

5.1 Angus enter an arrangement with Dundee City Council to provide equipment

Dundee City Council currently has a modern fit-for-purpose store in their premises at Claverhouse on the Dundee/Angus border. This store is a joint arrangement between Dundee City Council and NHS Tayside which mirrors the arrangement Angus Council has with NHS Tayside in Little Cairnie. It would therefore be possible to combine the two arrangements into one store serving both Dundee and Angus residents.

It is envisaged that such an arrangement could have long-term benefits for both Angus and Dundee in terms of spend on equipment as a result of economies of scale and bulk-buying power. It would also help to standardise the type and range of equipment provided by the two authorities.

Duration of Proposed Arrangement

In entering into an agreement with Dundee City Council it is important to acknowledge the impact of a potential merger of operation to the existing Dundee service. While all discussions with Dundee have acknowledged a merged service can be accommodated, the Dundee service would require an element of certainty regarding future service provision. This needs to be seen alongside the flexibility that Angus Council and Angus IJB need to retain if any future remodelling of the service delivery was required. Acknowledging that issues such as re-provision of an Angus store would have a long lead-in time, it is proposed that a rolling contract is entered into with Dundee City Council (Dundee IJB) with a reasonable notice period e.g. 24 months of any planned changes to the joint working arrangement. Any formal agreement reached with Dundee would need to reflect the exact notice period and the potential for the need to recreate a local Angus Equipment store and for a fair proportion of future shared equipment to revert to Angus to allow an Angus store to be recreated.

Benefits of the arrangement

- The full capital sum originally allocated to the Logistics Hub is no longer earmarked specifically for this purpose
- The existing site is currently being re-designated

- The running costs of a new-build facility would be likely to exceed the current revenue budget allocation but sharing a facility with Dundee minimises future costs for both parties.
- One-off resources are available to assist with funding any one-off costs capital or revenue in the short-term to help migration to the new arrangement i.e. £200,000 from the Angus Partnership.
- An arrangement of for example 24 months' notice of change allows for future flexibility and for the IJB to seek an alternative solution if required.
- This option allows for a standardised approach to equipment provision across Angus and Dundee with cost benefits for both parties.

Shortfalls

- There are one-off capital costs that need to be funded, however it is currently estimated that these can be contained within £200,000 available funding from the Angus Partnership.
- There may also be one-off revenue costs in the form of redundancy if redeployment opportunities cannot be identified for those existing AJELS staff. Again, it is anticipated that these costs can be contained within the £200,000 funding available, albeit this will need to be confirmed.
- The council currently holds a stock balance of c. £300,000 which would need to be written off as part of any agreement to transfer stock to Dundee City Council as part of the joint arrangement. This will incur a one-off cost which will also need to be funded. The accounting treatment of this does however require to be confirmed and discussions regarding this issue are ongoing.

Unquantifiable benefits

- Access to independent living – ability to test equipment before using (getting it right first time).
- Policy & procedures – seek to ensure a more consistent approach between NHS & OT's to equipment provision.

What does this mean for those who receive a service from AJELS?

Any planned transfer to a joint arrangement with Dundee would be seamless for Angus service users.

What does this mean for AJELS staff?

The impact on existing staff is currently the subject of ongoing discussions with options including, transfer under the Transfer of Undertakings (Protection of Employment) Regulations as amended and possible secondment. The exact arrangements will be agreed as part of the ongoing negotiations. It is recognised that if all staff are not required under the new arrangement, the council's Managing Workforce Change policy would be adhered to and this may result in some one-off costs.

The Way Forward

It is therefore recommended that the committee approve the proposal to proceed with further development of a joint equipment store with Dundee City Council as the only viable option for the future delivery of the services provided by AJELS and to provide delegated authority to the Head of Adult Services, in consultation with the Chief Officer of the Angus Integrated Joint Board, the Head of Corporate Improvement & Finance and Head of Legal & Democratic Services to develop and agree an agreement between all parties to provide Occupational Therapy and Nursing equipment to Angus Council residents.

6. FINANCIAL IMPLICATIONS

The financial implications arising from the proposal to enter into a joint arrangement with Dundee City Council for a joint store have not yet been fully determined as negotiations are ongoing and exact costings are in the process of being determined. Set out below are the funding issues that are currently the subject of ongoing discussions, along with some outline proposals in this regard.

One-off Costs

The new arrangement requires some initial one-off funding to allow migration and merger of the service into the Dundee Equipment Loan Store. The exact costs are in the process of being finalised but it is currently anticipated that there is a need to purchase some equipment and vehicles along with other one-off costs relating to IT system migration costs.

Additionally, the proposed service delivery model may not require all of the staff currently employed by Angus Council to transfer under the new arrangement. These staff may therefore require to be supported by the council's Managing Workforce Change policy. This may result in some one-off costs. These costs cannot be determined with any certainty at this stage as it is hoped that the redeployment process will be successful. Any redundancy costs arising will be met from within the resources available to the Angus Integrated Joint Board.

As noted above there is currently a one-off contribution of £200,000 available from within the Integrated Care Fund to facilitate the introduction of an AJELS replacement. Initial cost estimates indicated that these one-off costs can be contained within the funding source.

Ongoing Running Costs

Work has been ongoing with Dundee City Council to determine the costs of the new joint arrangement including Angus Integrated Joint Board's contribution to equipment purchases. Discussions are ongoing to finalise the cost estimates but overall based on current projections the joint arrangement with Dundee Integrated Joint Board is projected to be broadly cost neutral, albeit there are some one-off costs that Angus Council and the Angus Partnership will incur as part of the migration to the new service. Some budget realignment within Adult Services will be required but the overall cost to Angus is currently anticipated to be in line with previous years.

It is however anticipated that the joint arrangement can yield efficiency savings for all parties in future and that these savings would be available to both Dundee & Angus Integrated Joint Boards in future years to help address funding pressures. These efficiency savings will be delivered through efficiency improvements arising from the new joint arrangement and are anticipated to arise from reduced costs to procure equipment, provision of more in house services etc. The exact level of future efficiency savings cannot be determined with any certainty at this stage although analysis of the current spend on a list of recently purchased equipment by both Dundee & Angus indicated that a cost saving may be possible through changes in either supplier or specification, subject to compliance with procurement policies, may be achievable on equipment purchases in future. Other efficiency savings in terms of improved working practices are also anticipated over time.

Stock Balance

Under the proposal the existing stock held in the Angus Joint Loan Store would transfer to Dundee City Council. This ensures all equipment is held by one owner and will be covered by Dundee City Council insurance cover.

This arrangement will require the existing stock balance (c £307,000) held on Angus Council's balance sheet to be written off. This will require an in year charge against the service revenue account which will require to be funded. The accounting treatment of this needs to be finalised but it is currently anticipated that this cost can be met from one-off funding sources thus mitigating the impact on the Angus Integrated Joint Board budget in 2016/17. This issue does however require to be clarified and the exact funding proposal to be confirmed.

Summary

The full financial implications of the proposal to enter into a joint arrangement with Dundee City Council for a joint store cannot be set out in detail at this stage as negotiations are ongoing. Based on the financial assessment undertaken to date it is anticipated that the ongoing running costs of the new store, including a contribution towards future equipment purchases will be broadly in line with the current cost base. There will be some one-off costs to be met to facilitate the new arrangement but a sum of £200,000 has been set aside to help fund these costs. The negotiation will however seek to secure an arrangement which is ultimately advantageous to both partners, offers value for money and is affordable in the longer term to Angus Integrated Joint Board.

7. OTHER IMPLICATIONS

7.1 Property Implications

This proposal will allow the AJELS store to relocate from its current site. The current site is owned by NHS Tayside.

7.2 Risks

The AJELS store is based in Little Cairnie Hospital, Arbroath which has closed and is for sale. There is a risk to the continued delivery of these important services if suitable alternative delivery arrangements are not secured.

Future efficiency savings may not materialise thus creating a cost pressures in future years.

Possible changes to staffing arrangements: existing staff will be required to be managed under the Managing Workforce Change policy.

NOTE: The background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) which were relied on to any material extent in preparing the above report are:

[261/13 Logistics Hub - Orchardbank, Forfar - Procurement Authority Approval Request](#)

[85/14 Provisional Capital Budgets Volume](#)

[166/14 Logistics Hub](#)

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