

2 Recommendations

2.1 The Cabinet is recommended to:-

- Delegate authority to the Executive Director for Adult Social Care to move forward with bringing the Joint Equipment Service end-to-end service delivery in-house.
- Delegate authority to the Executive Director for Adult Social Care to approve the recruitment of 2 x Business Support Officers to manage the additional requirements and demand on the Team as a result of bringing in the service in-house.

3 Proposals – Reasons for the recommendations

- 3.1 The current procurement framework has been in place since 2013. The equipment that is being procured has seen gradual year on year increase in the equipment that is procured. The contract value was £1 million when it started and has risen to £1.9 million in 2024/25. Whilst regular meetings have been held there has not been a deep dive into the procurement model and exercise to validate it is still providing value for money for Sandwell Council. The management fee that has been paid has not been reviewed since 2013.
- 3.2 In addition to the increased spend, there has also been a shift in the percentage of standard and non-standard equipment. There is now a position where there is an approximate 50% balance between standard and non-standard equipment which means Adult Social Care are not benefiting from any special prices and paying the market rate plus a 9.5% management fee on the equipment that is purchased.
- 3.3 The proposal is to bring this service in-house and manage the whole end to end process in the Joint Equipment Store.
- 3.4 Cabinet approval is required to bring the Joint Equipment Service end-to end service in-house. Adult Social Care have reviewed and are assured that value for money is achieved in the services they provide and the equipment that is procured.

Background

- 3.5 Since joining the Croydon Integrated Hub framework in 2013 the Council have not fully evaluated the continued value for money. The Joint Equipment Store Team have reviewed the current position and looked at a number of options that are available to them with the development of new frameworks but also with changes in the marketplace.
- 3.6 In line with the Council's value for money review the Team have completed a detailed analysis of the current model against other available frameworks. This comparison details that there are savings to be achieved through

bringing the service in-house. As a minimum the Joint Equipment Team will be able to achieve a 9.5% saving on the standard equipment purchased

- 3.7 The model that was originally agreed with Croydon, where the JES Team were heavily involved and communicated in the procurement process, has shifted where there is no significant involvement in what is procured and the Joint Equipment Store Team now have a “customer supplier” relationship with some communication.
- 3.8 The equipment that is procured has now shifted to a significant percentage that is non-standard so the Council are paying the market rate with no discounted amount and then paying an additional 9.5% in addition to the retail price.
- 3.9 The current spend with the Croydon Model is approximately £1.9 million in 2024/25 which means a management fee paid of £171,000 per annum. This service is fully funded through the Better Care Fund. All of the risks will sit with the Better Care Fund and any savings achieved will be returned to the Better Care Fund for investment elsewhere within the Programme.
- 3.10 The table below illustrates the current cost of being part of the Croydon Integrated Hub. The table also shows the total of an increased demand of 5% and 10% and illustrates the savings that would be achieved by bringing the service in-house, which includes the cost of the additional staff required to help operate the service.

Croydon Integrated Hub	2024/25	2025/26 demand remains	2025/26 increase demand 5%	2025/26 increase demand 10%
Cost of Equipment	£1,800,000	£1,800,000	£1,890,000	£1,980,000
Management Fee - 9.5%	£171,000	£171,000	£179,550	£188,100
Total Cost	£1,971,000	£ 1,971,000	£2,069,550	£2,168,100
		2025/26 demand remains	2025/26 increase demand 5%	2025/26 increase demand 10%
In-House Service				
Cost of Equipment		£1,800,000	£1,890,000	£1,980,000
Additional Resources 2 x FTE @ £40,312 Per Annum		£80,624	£80,624	£80,624
Total Cost		£1,880,624	£1,970,624	£2,060,624
Saving		£90,376	£98,926	£107,476

Costs

- 3.11 The cost will be for 2 x Business Support staff at Band D to manage the additional demand. The existing management structure will remain in place. The cost at the top of the grade is £40,312 per annum. Total Cost: £80,624 per annum. The costs are based on the pay scales as of 1st April 2025.

4 Legal

- 4.1 The Project Team have been engaged with the Legal Service to understand the Croydon Contract, the implications of the contract and the notice required for termination.
- 4.2 The Legal Lead has confirmed that the current contract does not have any expiry date. They have confirmed that the contract does not have any agreed minimum financial spend or level of procured equipment detailed within the contract, so in effect it is zero spend based. If the Council wanted to exit this contract, then they would need to give a suitable notice period, which we have proposed as up to 6 months, but during this period there is no legal obligation to procure any equipment or spend any minimum amount. The other alternative is for the Council to leave the contract open and use the contract in exceptional circumstances.

5 Procurement Considerations

- 5.1 While the proposed in-house procurement model offers the Council greater flexibility and the opportunity to achieve better value for money, it is important to acknowledge that some level of ongoing procurement input may continue to be required. Although the new model delegates routine ordering and supplier engagement to the Joint Equipment Store (JES) business support staff, there may remain a need for professional procurement support in certain areas.
- 5.2 At this stage, it is not possible to precisely quantify the level of procurement resource that will be needed under the new model. The procurement and contract model used will be developed over the coming months in consultation with Procurement and Legal services to design a sourcing method that best meets the needs. However, early engagement and clear protocols between the JES and central procurement will help manage this uncertainty and ensure that appropriate support is in place when required.
- 5.3 The Council will continue to monitor the demand for procurement input as the model embeds and will review the arrangements periodically to ensure they remain fit for purpose.
- 5.4 Any procurement and model at this level will need to be compliant with the Procurement Act 2023.

6 Timeframe

- 6.1 The implementation of this project will take between 9 to 12 months depending on the procurement process and outcomes.

7 **Recycling**

- 7.1 The national target for recycling of equipment is currently at 30%. The service at Sandwell has a recycle rate of just below 80% which is excellent and been commended nationally. Through bringing the service in-house and being able to control the equipment that is procured the Team should see this figure increase which would help improve the carbon footprint of the service and Council.

8 **Alternative Options Considered**

- 8.1 In reviewing the current procurement arrangements and considering alternative models, a detailed cost comparison exercise was undertaken to assess the relative value for money offered by different frameworks. This analysis focused on the top 50 items of community equipment that are most frequently issued to service users. The following options were considered in this context:

8.2 **Option 1: Bring Procurement In-House (Recommended)**

Under this option, Sandwell Council would terminate routine use of the Croydon Framework and bring the full procurement function in-house within the JES. The Council would directly manage procurement activities, including sourcing, ordering, and supplier liaison. To support this transition, two additional Business Support Officers would be recruited. Existing management structures would remain in place. This model allows for greater local control, improved responsiveness, and potential cost savings through direct supplier engagement.

Strengths:

- Avoids the 9.5% management fee currently paid to Croydon
- Enhances local oversight and flexibility
- Supports integrated delivery for adults and children for standard equipment
- Allows re-investment of savings into frontline services

Risks:

- Requires internal capacity and new staffing
- Procurement input may still be required.

8.3 **Option 2: Negotiate Reduced Management Fee with Croydon**

This option involved seeking a reduction in the 9.5% management fee while continuing to use the Croydon Framework. However, Croydon has confirmed there is no intention to revise the fee. The benefits of staying in the Framework are therefore outweighed by the lack of pricing flexibility, particularly given that approximately 50% of equipment now falls outside the standard catalogue.

Strengths:

- Minimal operational change

Risks:

- No cost reduction achievable
- Limited flexibility for non-standard items
- Continued payment of management fees on full spend

8.4 Option 3: Transition to NHS-C Framework

This model explored transitioning procurement to the NHS-C Framework. While this route benefits from being publicly procured and compliant, detailed analysis identified that the NHS-C Framework lacks a comprehensive equipment catalogue and would not support the JES operational requirements. Furthermore, cost comparisons of the top 50 high-volume standard items showed no material savings.

Strengths:

- Compliant framework arrangement

Risks:

- Catalogue does not meet local need
- No demonstrable cost benefit
- Limited operational flexibility

8.5 Option 4: Use YPO Framework for Standard Items Only

This option involves using the YPO (Yorkshire Purchasing Organisation) Framework to procure only standard items, while the JES team would independently source all non-standard and specialist items. Although this hybrid model could offer partial savings, it adds complexity and potential inefficiencies through dual procurement routes.

Strengths:

- Access to competitively priced standard items

Risks:

- Increased complexity managing multiple routes
- Additional administrative burden
- Partial exposure to Croydon fees if retained for some bespoke items

8.6 Option 5: Do Nothing

Retaining the current model without change would avoid disruption but would perpetuate poor value for money. Given that half of all equipment is now non-standard and subject to full retail pricing, with an added 9.5% management fee, this option is not sustainable. It also maintains operational constraints that hinder service flexibility.

Strengths:

- No change required

Risks:

- Fails to deliver value for money

- No control over procurement process
- Ongoing high management fees

Conclusion

Following detailed evaluation, Option 1 (bringing procurement in-house) is the preferred option. It offers improved financial control, greater local autonomy, and supports the evolving needs of the JES. The other options either lack feasibility or fail to deliver measurable benefit. This option will enable the Council to maximise the value of its community equipment provision and reinvest savings in service delivery.

9 Governance and Forward Planning

- 9.1 As part of the implementation of the proposed in-house procurement model for the Joint Equipment Store (JES), clear governance arrangements will be maintained to ensure ongoing oversight and transparency. The Joint Partnership Board is the executive decision-making authority for all investment and commissioning decisions in relation to services funded by the Better Care Fund, including JES. It is also proposed that the project team return to the Council's Procurement Board at key milestones to provide further detail on progress.
- 9.2 In parallel, financial monitoring arrangements will be established to track expenditure under the new model. This includes ensuring that cumulative spend is closely monitored to identify any risk of exceeding delegated authority or approaching thresholds that would require additional governance approvals, such as Cabinet sign-off. Regular reporting to both the Procurement Board and the Better Care Fund governance structure through the Joint Partnership Board will ensure that any such risks are identified and escalated in a timely manner.
- 9.3 Forward planning will also include an evaluation of the in-house model after an initial bedding-in period. This review will assess operational effectiveness, resource impact, and value for money, and will inform any adjustments needed to sustain the model over the longer term.

10 Consultation

- 10.1 No public consultation is required for this project.

11 Financial Implications

- 6.1 The current procurement cost of all the Joint Equipment Store equipment is funded through the Better Care Fund.
- 6.2 The costs that have been identified will be absorbed within the current spend of £1.9 million. Through bringing the Joint Equipment Service procurement

model in-house the model will achieve a saving. The cost of the additional staff will be funded through the savings achieved. There will be no additional cost exceeding the current £1.9 million budget allocated.

- 6.3 The cost will be for 2 x Business Support staff at Band D to manage the additional demand. The cost at the top of the grade is £40,312 per annum therefore the total cost is £80,624 per annum. The costs are based on the pay scales as of 1st April 2025.

7. Legal and Governance Implications

- 7.1 The Project Team have been engaged with the Legal Service to understand the Croydon Contract, the implications of the contract and the notice required for termination.
- 7.2 The Legal Lead has confirmed that the current contract does not have any expiry date. They have confirmed that the contract does not have any agreed minimum financial spend or level of procured equipment detailed within the contract, so in effect it is zero spend based. If the Council wanted to exit this contract, then they would need to give a suitable notice period, which we have proposed as up to 6 months, but during this period there is no legal obligation to procure and equipment or spend any minimum amount. The other alternative is for the Council to leave the contract open and use the contract in exceptional circumstances.

8. Risks

- 8.1 The risks are:
- 8.2 Risk 1: Equipment is not available for Service Users whilst we transition to the new model.
- Mitigation: We will retain the Croydon framework. The framework does not have any minimum quantity or financial value attached to being a member. As a result, Sandwell Metropolitan Borough Council will still be able to procure from this framework, if required.
- 8.3 Risk 2: The procurement process does not deliver the full catalogue of equipment that is currently provided by the Joint Equipment Store.
- Mitigation: The Joint Equipment Store will seek to procure a full catalogue of equipment to be used by the service from a range of available suppliers.
- 8.4 Risk 3: The savings that have been identified are not achieved and the equipment costs the Council more than they currently pay as part of the Croydon Model.
- Mitigation: The service is funded through the Better Care Fund. As a result all risks and rewards will sit within the BCF. The Joint Equipment Team have done some market analysis and this has demonstrated that as a minimum the Team should achieve a 9.5% saving against 2024/25 equipment expenditure.

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 An Equality Impact Assessment was completed. The EDI Team have confirmed that there is no impact or adverse impact to the protected characteristics and no additional work is required.

10. Other Relevant Implications

- 10.1 No other implications

16. Background Documents

- None

17. How does this deliver the objectives of the Strategic Themes?

Living in Sandwell

Living healthy lives is paramount. People are living longer but are often in poor health as they get older. We want people to live well for longer. To ensure people with care and support needs are enabled to make choices about the life they live. We will help people make everyday choices on how they are supported and ensure people will be triaged and assessed for appropriate equipment provided by JES

Relevance Check**Budget Reduction/Service Area:****Service Lead****Date:**

In what ways does this Budget reduction have an impact on an outward facing service? How will the service feel different to your customers or potential customers?

N/A

If not, how does it impact on staff e.g. redundancies, pay grades, working conditions? Why are you confident that these staff changes will not affect the service that you provide?

N/A

Is a Customer Impact Assessment needed? No