Appendix 1

Transforming Community Equipment

Options Appraisal

24th February 2009

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Appendix 1

1 Version Control

Version	Date	Comment	Author
0.1	08/12/08	Document Started	Megan Davidson
0.2	05/01/09	Detail Added	Megan Davidson
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1.0	11/02/09	First Draft	Megan Davidson
2.0	19/02/09	Final Draft	Megan Davidson
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2 Executive Summary

The current Integrated Community Equipment Service (ICES) is under pressure due to changing national and local policy regarding personalisation and in particular, the promotion of user choice and control, and growing demand due to changing demographics. An options appraisal has been undertaken to explore the different models for transforming the service to meet these drivers for change.

Five options for transforming the existing service have been evaluated:

1. Maintain Status Quo
2. Retail Model for Simple Equipment; Status Quo for Complex Equipment
3. Retail Model for Simple Equipment; Loan Equipment Home Delivery Service for Complex Equipment
4. Retail Model for Simple Equipment; West London Procurement for Complex Equipment
5. West London Procurement for all Equipment

The options appraisal includes a comprehensive assessment of each option covering a SWOT Analysis, Risk Profile and Financial Analysis. Using the findings of the detailed assessment, a comparative evaluation of all options against agreed criteria was undertaken. Based on the evaluation, the recommended option for implementation is **Option 3 – Retail Model for Simple Equipment; Loan Equipment Home Delivery Service for Complex Equipment.**

The retail model is essentially a prescription-based service where users receive a prescription for simple equipment (items less than £100) to redeem at an accredited retailer of their choice. The Loan Equipment Home Delivery Service (LEHDS) is a solution that ensures delivery of complex equipment (items more than £100) via a Regional Distribution Centre.

The retail model and LEHDS solutions align with changing government and local policy around personalisation, choice, promoting independence and enabling self help by putting users at the heart of the service. It will also meet growing demand resulting from the demographic changes and creates a stimulated local market catering to self-funders.

The interest of local retailers and users have been gauged through a formal engagement process. The feedback is positive with all retailers expressing an initial interest in working towards accreditation while users appreciate the notions of choice and self help.

Implementation of the retail model and LEHDS will release efficiency savings. It is anticipated there will be a £295,000 year on year saving on the existing service. The costs of implementation will be recovered in 2010/11 with full financial benefits being realised in 2011/12. Implementation will be funded through capitalising the transition costs and writing off against savings generated in 2010/11.

It is recommended implementation be in a phased approach to reduce risk and ensure continuity of service for users:
Phase 1 – Implementation of Retail Model (April 2009 – October 2009)
Phase 2 – Implementation of LEHDS (January 2010 – Q3 2010)

Once the retail model is embedded and LEHDS fully operational the existing community equipment store will close resulting in a reorganisation of service. As such, all legislative and statutory requirements will be complied with in accordance with the Protocol for Managing Organisational Change.

3 Purpose

The purpose of this Options Appraisal Report is to:

- Present all options available for transforming the current community equipment service
- Analyse each option by
    - conducting a SWOT analysis
    - conducting a financial evaluation
    - understanding the risk profile
    - assessing against agreed evaluation criteria
- Recommend the most appropriate option for implementation and identify a high-level implementation pathway

4 Background

In 2000 the Department of Health published a recommendation to local authorities and health trusts that consideration should be given to the integration of their community equipment services into a single operation / service (Integrated Community Equipment Service – ICES). Although acceptance of the recommendation was not mandatory, Harrow Local Authority and PCT adopted this model by introducing a pooled budget as specified in the S31 Agreement.

The ICES team primarily supported the management, delivery and maintenance of products purchased from 22 un-contracted suppliers, accounting for approximately 70% of equipment spend. The remaining 30% of spend was with a single contracted supplier, Talley, who provided a managed service for pressure relieving products. In 2007, Capita and Harrow Procurement worked collaboratively to identify opportunities to enable cashable savings from the ICES Supply Chain. The focus for savings enablement was the consolidation of supply and supporting processes, and the release of assets. After an options appraisal was undertaken to identify the optimal savings potential, ICES was migrated from the existing operational model to a fully managed service provided by a specialist supplier, Medequip.

This exercise was unsuccessful largely due to TUPE implications that were not fully considered and effectively managed. The service was therefore transferred back "in house" and a preferred supplier contract established with Medequip from 1st October 2007. The contract was renewed in September 2008 and is due to expire 31st March 2009. Talley continue to provide pressure relieving equipment and a cleaning and refurbishment service with the Talley contract also due to expire 31st March 2009.

The ICES store operates out of a single warehouse located at Central Depot, Forward Drive in Harrow. The warehouse including storage space and offices is rented from Harrow Council. There are 11 ICES staff including a Stores Manager, drivers, customer services officers and technicians. The technicians are based off-site at the Brember Centre in South Harrow which is due to close in July 2009. The ICES store is funded by a pooled budget of £1 million and issues around 12,000 items of equipment annually.

5 Drivers for Change

There are three key drivers for transforming the existing community equipment service. These are:

- Performance issues with the current service
- An anticipated growth in future demand
- The introduction of the Transformation Programme Plan to deliver the personalisation agenda launched by Central Government

5.1 Current Performance

The current service is expensive with the total cost of service before credits being applied costing around £2.1 million annually (see Section 12). When compared to other West London boroughs that have outsourced arrangements with Medequip, it is apparent Harrow is not receiving optimal prices for products, delivery and credits, as evidenced by analysis conducted by the Royal Borough of Kensington and Chelsea.

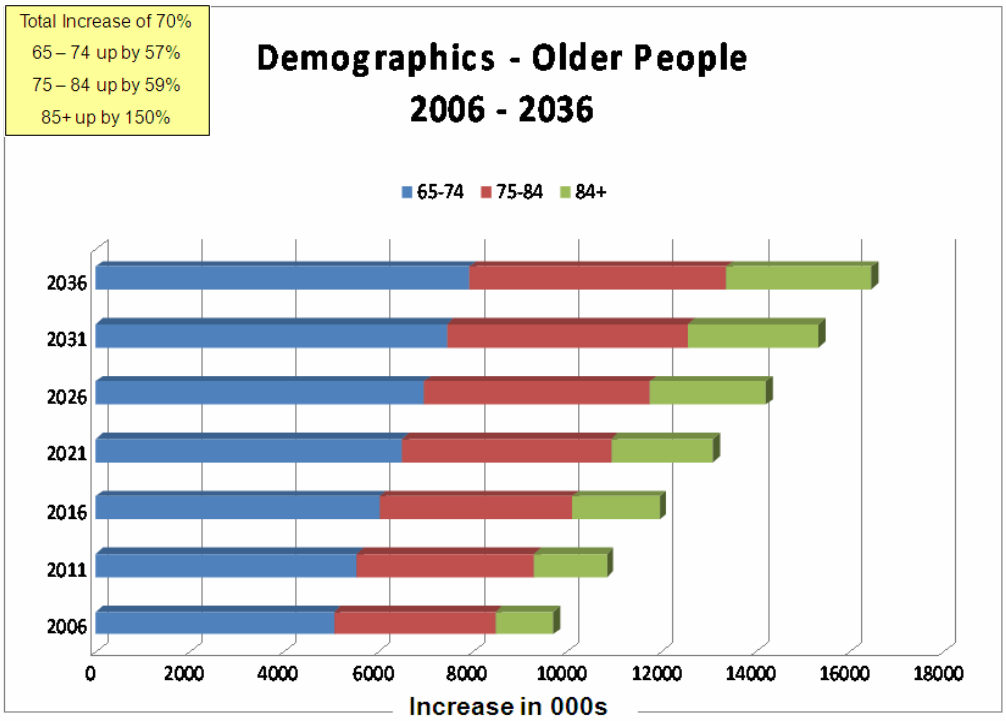
While Harrow's cost to serve is high, there are also issues with the level of service being received from Medequip. Of large concern is the collection of used equipment that has not been decontaminated and refurbished / disposed of due to lack of resources and little co-operation from Medequip.

It is not sustainable to continue with an expensive and inefficient service that only caters to a small amount of the total population requiring equipment.

5.2 Future Demand

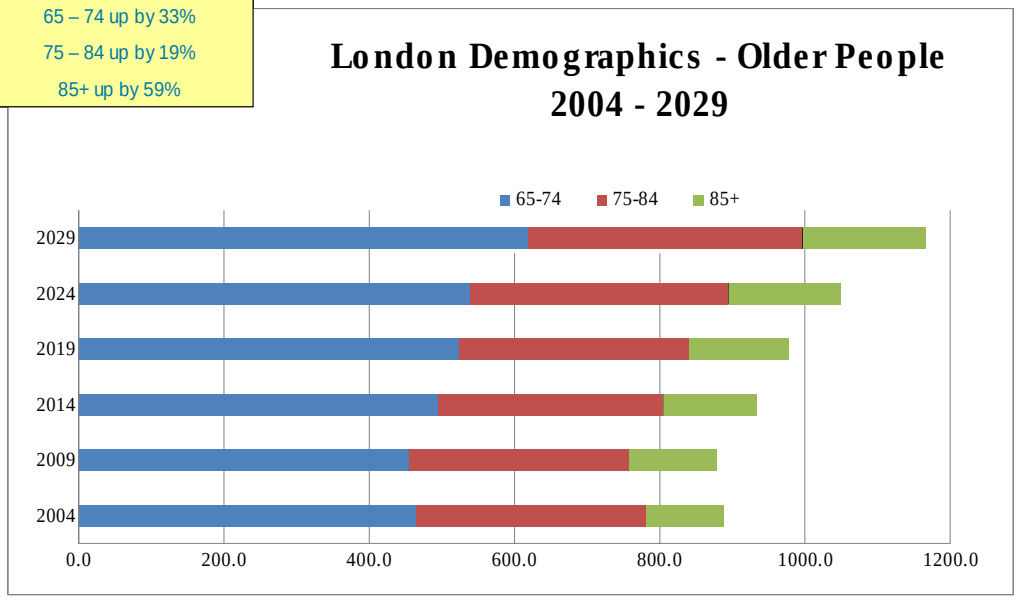
Demographic trends paint a stark picture. The population of older people is predicted to rise by 70% by 2036. In 2007 for the first time, the number of people aged over 65 exceeded the number under 18. The tables below highlight the anticipated national and local increases in the population of older people over the next 30 years.

5.2.1 National Demographics



5.2.2 Greater London Demographics

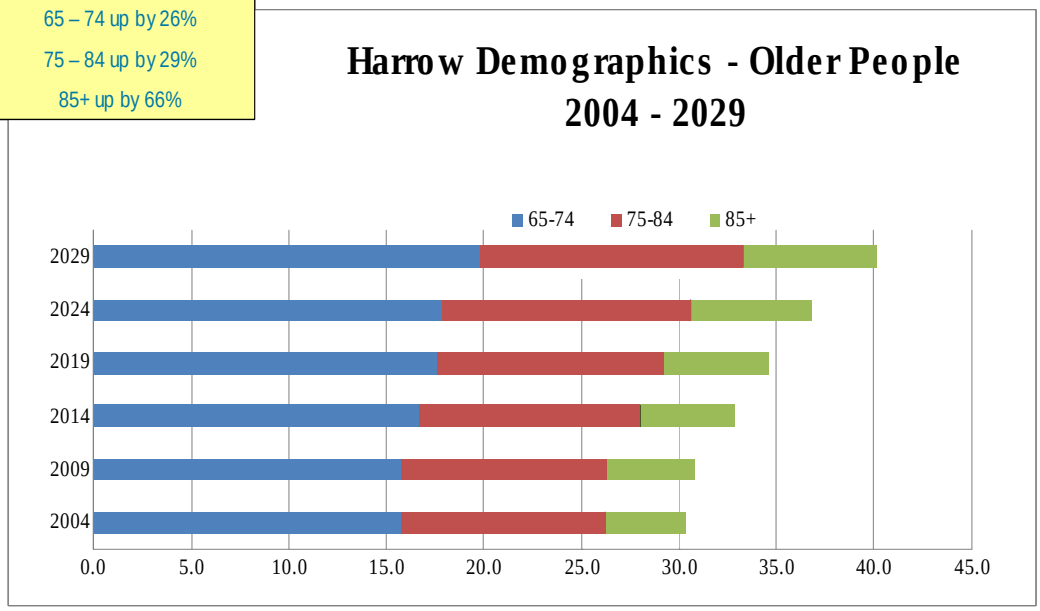
Total Increase of 31%
65 – 74 up by 33%
75 – 84 up by 19%
85+ up by 59%



Increase in 000s

5.2.3 Harrow Demographics

Total Increase of 32%
65 – 74 up by 26%
75 – 84 up by 29%
85+ up by 66%



Increase in 000s

5.3 Vision for the Future

Care and support services for older people in Harrow and across the country are in danger of becoming out of date. New generations will expect greater choice and control over their services. They will demand access to quality information to shape services. Demographic changes mean services have to evolve to meet changing demand. In Harrow, the increasing diversity of the population and the over 50's require services to respond. People are not and will not be content with a public service response that is hard to access and only available at a moment of acute crisis.

The Adult and Housing service within Harrow Council have developed a Transformation Programme Plan (TPP) that responds to national and local drivers for change and sets out a new vision for care and support to deliver the following outcomes:

- Promotion of independence and enabling self help where possible by improving access to community equipment services for a broader section of the local population
- Providing service users and carers with more choice and control over how their needs are met
- Ensuring value for money by improving efficiency and performance against Government targets for service delivery
- Safeguarding of vulnerable people and the opportunity for vulnerable people to make a positive contribution to society and the economy

The TPP is a three-year programme resulting in service users controlling their own support and having greater access to services that prevent loss of independence that is critical to sustainable and improved outcomes for service users.

This Options Appraisal will explore options for transforming the community equipment service in order to improve current performance and to move towards achieving the TPP objectives and aligning with national and local policy as well as preparing for an increase in future demand. The possible solutions that will be investigated include the Department of Health's Retail Model and Loan Equipment Home Delivery Service (LEHDS) and West London Procurement led by the Royal Borough of Kensington and Chelsea. Information regarding each of the potential solutions is provided in the next sections.

6 Department of Health's National Retail Model

6.1 National Policy Context

The government has set specific policy outcomes for the health sector, focusing on prioritising 'choice' as core to the provision of 'quality' service to users:

- Enabling people to live as independently as possible
- Enabling people to exercise choice and control over the support they receive
- Promoting high quality safe services
- Supporting equality, human rights and social inclusion

In particular, Ministers have committed themselves to:

- Personalised social care and health services
- Giving power and control to people to shape the services they need
- Working with commissioners, providers and regulators of services to implement policy
- Improving the status of services and of the workforce in health and social care
- Developing and sustaining a vibrant and innovative third sector
- Ensuring value for money

6.2 Concerns Regarding Existing National Service

The state is the largest single purchaser of community equipment. As a result the products:

- Lack any aesthetic and lifestyle appeal; they have a 'medicalised' appearance and are usually only available in white
- Are over-engineered for use in a home environment, unnecessarily adding to material manufacture costs
- Are specified to state requirements of basic functionality, longevity and ability to refurbish

Concerns regarding the existing community equipment service delivery were gathered from a variety of sources and are England wide. They are typical of many of the service and qualitative challenges faced by Local Authorities and Health Partners:

Eligibility	Assessment & Referral	Information
• 'Postcode lottery' – eligibility criteria vary across the country • Those who shout loudest, get what they want • Eligibility criteria exclude those not eligible for state funding from receiving anything – even advice • Decisions about users' needs may be over-ruled due to financial constraints	• Little self referral, but multiple, confused and sometimes conflicting pathways • Assessments are not holistic – e.g. lifestyle not taken into account • Assessment process does not allow for changing needs • Where different agencies are involved, assessment is disjointed • Only partial needs are considered • Users have to repeat the same information to different individuals involved in the process • Assessment takes into account financial consideration for the service	• Insufficient information about products available for self-funders • "System is bewildering" • Lack of signposting (to other state and independently-provided services) • Service is poorly advertised to general public • Lack of basic information e.g. guidance notes on available services, lack of signposting between organisations

Customer Service	Waiting Times	Products
• Attitude, skill and knowledge of assessors not consistent even within the same authority area • There should be dignity and respect on both sides	• Waiting times can be unacceptably long – waiting for assessment or for delivery of equipment	• Lack of choice • Assessments only take account of products that are state-funded, not the full range of products available

6.3 Transforming Community Equipment Services (TCES) Programme Objectives

On 22nd June 2006, the then Prime Minister Tony Blair launched the Transforming Community Equipment Programme which was tasked with undertaking a comprehensive review of existing community equipment services in England and developing a collaborative model for a new service that put users and carers at the heart.

The TCES Programme is overseen by Phil Hope MP, Parliamentary Under Secretary of State for Care Services and sponsored and led by the Department of Health's Older People and Disability Division. The Programme is part of the Care Services Efficiency Delivery Programme.

6.4 Outcomes of Consultation

Phase I of the Programme involved extensive consultation with all stakeholders and concluded that in the future:

- The state should refocus resources to meet the needs of those members of the population with the most complex needs
- Affordability should be addressed by creating efficient and sustainable alternatives to public provision – a model for the next 25-30 years
- Publicly funded products should change to reflect complex needs, this means that the current range of products purchased should change
- Users who could benefit from the current range of low cost / value products should be empowered to self-help
- The market should be stimulated to develop the capacity to absorb increased demand because of population growth.

6.5 Current Service Conclusions

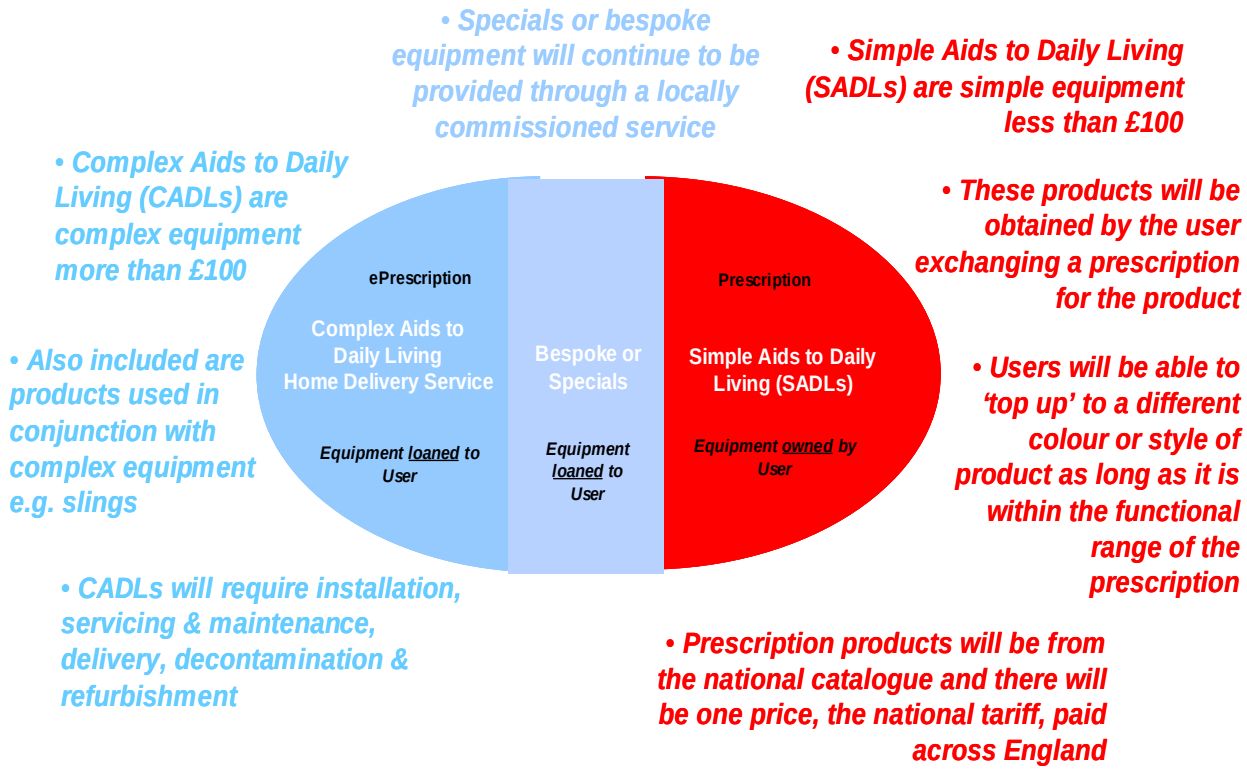
The consultation process led to a number of conclusions:

- The current community equipment service will not effectively or efficiently address the central government policy objectives
- It is believed that the current service structure will not achieve the outcomes required to deliver the personalisation, choice and independence agendas
- Although the existing publicly provided community equipment service meets the needs for those users who are entitled to access the service, more users are being excluded from the service
- The existing retail market is fragmented and underdeveloped, seriously undermining the preventative benefits that could be realised by the wider population.

The outcome of the review recommended a conceptual retail model that moved the provision of 'simple' equipment (items less than £100) into the retail space. Approval was given to develop the conceptual retail model into a reality. The retail model was then collaboratively designed and developed in partnership with a number of authorities and their NHS partners in the North West including Oldham, Cheshire, Wirral, Manchester and Lancashire.

6.6 Community Equipment Components

As shown in the diagram below, community equipment has been segmented into simple aids to daily living (SADLs), complex aids to daily living (CADLs) and bespoke/special equipment. The prescription based model is a solution for simple aids to daily living, typically simple equipment that is less than £100. Information on the remaining equipment – complex aids to daily living (CADLs) can be found in Section 7.



6.7 Shadow Running

The retail model was 'shadow run' with the five partner sites as a critical part of the process to test, validate and grow a robust model. The purpose of shadow running was to ensure the process:

- Enabled users and their carers to take an equipment prescription to an accredited retailer and receive in exchange the prescribed equipment
- Started, in embryonic form, a new marketplace for community equipment that would provide users and carers with the same consumer experience (quality and standards) they expect from any other retailer of commodities
- Provided clarity about the financial benefits for the change
- Developed high confidence in the user and carer appetite for change
- Developed high confidence in the sustainability of the change
- Developed a range of tried and tested tools and templates for other organisations to use should they elect to implement the retail model

Specific measurement data was collected over a four month period and Ipsos MORI conducted independent surveys with each shadow running site to understand the impact of the new retail model. The headline results were very positive with users being satisfied with the overall service they received, as well as having high levels of satisfaction with each stage of the prescription process. The responsiveness of staff, speed of service and quality of equipment were the most commonly mentioned factors for users' satisfaction with the new model. The high level of satisfaction was clearly transferred into a positive reputation for both the retail model and retailers. There is an appetite among users to be offered choice and flexibility. Most users feel it is important for them to be offered choice when it comes to equipment, as well as a choice in the individual retailer that fulfils their prescription.

6.8 Key Benefits

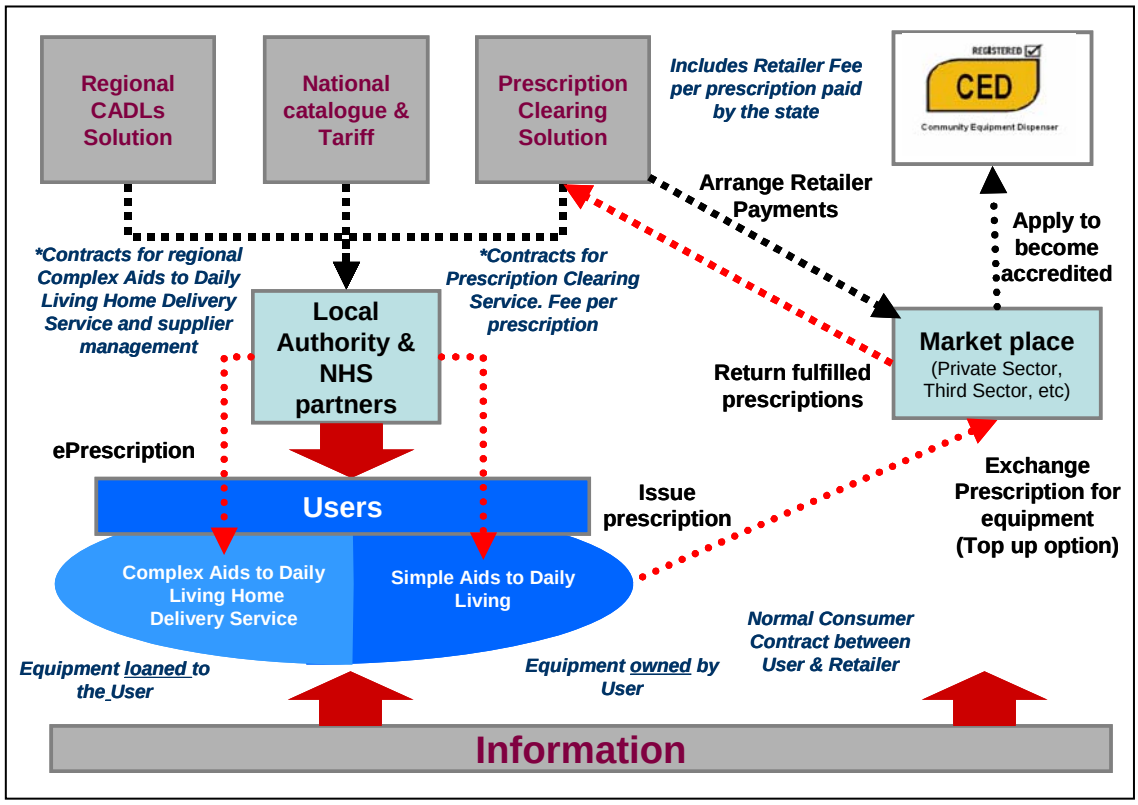
The key benefits of the retail model include:

Benefit	Description
Normalisation / mainstreaming of the service	Everyone will benefit from normalisation of the service. Under the retail model, the service becomes a mainstream service. It is unlikely to continue to be called an 'equipment service'. It will change from a state provided 'medicalised' service to a retail outlet for aids to daily living. Normalisation of the service will benefit those who are current service users as well as those who would not categorise themselves as having a medical or social care need.

Increased accessibility and improved delivery mechanisms	More accessible service as there will be accredited retailers rather than limited access through the state. Retailers will have to employ competent staff who are qualified to a regulated standard. Products can be purchased and taken directly or delivered conveniently. More accessible needs assessment as there will be more accessible and full assessment of equipment needs unconstrained by budget considerations. Full assessments will be offered by Independent Needs Assessors, based locally to the user, for both self-funders and state funded. Independent Needs Assessors can also offer therapeutic services. A self assessment tool on the web will support the expectation of future users.
Greater flexibility	Users can pay for the equipment using IB / DP / Smart Payment mechanisms (if eligible for state help) or self-fund, or top up.
Improved assessment times	Due to increased use of self-assessment and self-referral and a more accessible service, users will not experience the current lengthy waits for assessment. Future users, who are more web attuned, will be able to access web solutions.
Greater control	The retail market model is consumer driven. Users and carers are at the heart of the service as they have spending power and they will have a more dynamic relationship with suppliers and practitioners.
Access to consumer protection legislation	Moving from state provision to a retail model will offer publicly funded users and carers the additional benefits of protection under consumer protection legislation
Change from commissioned service to retail market dynamics	The market dynamics will drive competition and innovation. The incentives to meet the prevention agenda will be aligned (i.e. the market will encourage those with low level needs to purchase equipment and normalise access to equipment as needs deteriorate vs limiting demand and rationing equipment to only those entitled (complex needs). The commissioning exercises to be undertaken at a national and local level will also be better informed. The accredited retailers will collect spend data. Commissioners will incorporate it with other data to accurately forecast supply and demand for state provision.
Easier access to information	A key component of the retail market model is the national communication standard. This will be developed jointly with all key stakeholders. The national communication standard will be delivered by participants in the market to ensure that information about equipment is readily available to all. The communication standard is supplemented by the proposed web portal.

Benefits of owning equipment	The existing service is a loan service whereas the retail market model proposes that users own their equipment. The benefits to ownership include: Users prefer to have new, not refurbished equipment, particularly equipment used for personal activities e.g. toileting. Users have freedom to use equipment how, where and when they want – they are not tied to the 'conditions for use' set by local authorities. These can restrict how and where users can use equipment, e.g. users may not be allowed to take the piece of equipment on holiday. The top-up option will allow users to get what they really want, not just what the state can afford.
Innovation	The removal of the states' disproportionate influence over product specification will create a direct and dynamic relationship between the user and suppliers. Greater competition will drive innovation as suppliers vie to attract customers.

6.9 National Governance Structure



6.9.1 National Catalogue

A national catalogue has been prepared incorporating the most common items of equipment issued through community equipment stores in England. The TCES programme involved occupational therapists and specialist nurses in the preparation of the national catalogue. Generic specifications, meeting clinical need, have been developed to ensure the widest range of equipment items are available in the retail

marketplace. The catalogue is divided into simple equipment and complex equipment items. Each local authority and health partnership will be able to tailor the catalogue to reflect the range of products they will provide within their locality.

There will still be special one-off or bespoke items that will continue to be sourced through a locally commissioned arrangement. These will be reviewed from a national perspective and considered as additions to the national catalogue as required.

It is intended the national catalogue will be reviewed regularly through an independent review panel and the process will involve users and their carers / personal assistants, practitioners and third sector organisations specialising in product evaluation such as Ricability, Disabled Living Foundation, the College of OT's, NAEP Special Interest Groups and individual experts.

6.9.2 National Tariff

The national tariff is the public sector retail purchase price assigned to all products on the catalogue. This price will be paid by the public sector to accredited retailers who fulfil prescriptions that they are presented with for items from the catalogue. In addition, accredited retailers will also receive a prescription handling fee per prescription raised in addition to the tariff for the cost of equipment.
The initial tariff has been calculated as follows:

- The lower quartile of the weighted average of current local authority community equipment purchasing costs for each item was calculated
- From this, a wholesale price was calculated
- The resultant figures were benchmarked against prices agreed by accredited retailers in areas where the retail model has already been implemented
- The views of a number of independent retailers were sought and reflected in the tariff as necessary

In addition a separate commercial price benchmarking exercise was undertaken to finalise the national tariff. The tariff will be reviewed and updated regularly to incorporate additional items that are subsequently identified as necessary and to align with changing market conditions.

6.9.3 Prescription Clearing Solution

It is currently estimated around 3 million prescriptions for equipment will be issued annually. Prescriptions can be redeemed at any accredited retailer, not just accredited retailers in the locality of the issuing local authority / NHS partnership.

Retailers will be required to send fulfilled prescriptions to an organisation responsible for prescription clearing in order to receive payment for the prescriptions they have redeemed.

1. **Processes:** The prescription clearing house will receive prescriptions, check, validate, batch and process prescriptions and invoices for payment. It is intended this would be web based but a manual process may be operated initially. From the key information contained within the prescription the value of equipment issued by each retailer will be checked and the reimbursement calculated. It is intended the prescription clearing house will be able to pay retailers and charge local authority / NHS partnerships but local authority / NHS partnerships could choose to receive collated information and handle payments to retailers direct from their own systems.

2. **Management Information:** There are key pieces of information contained within the prescription and the prescription clearing house will be able to generate a variety of

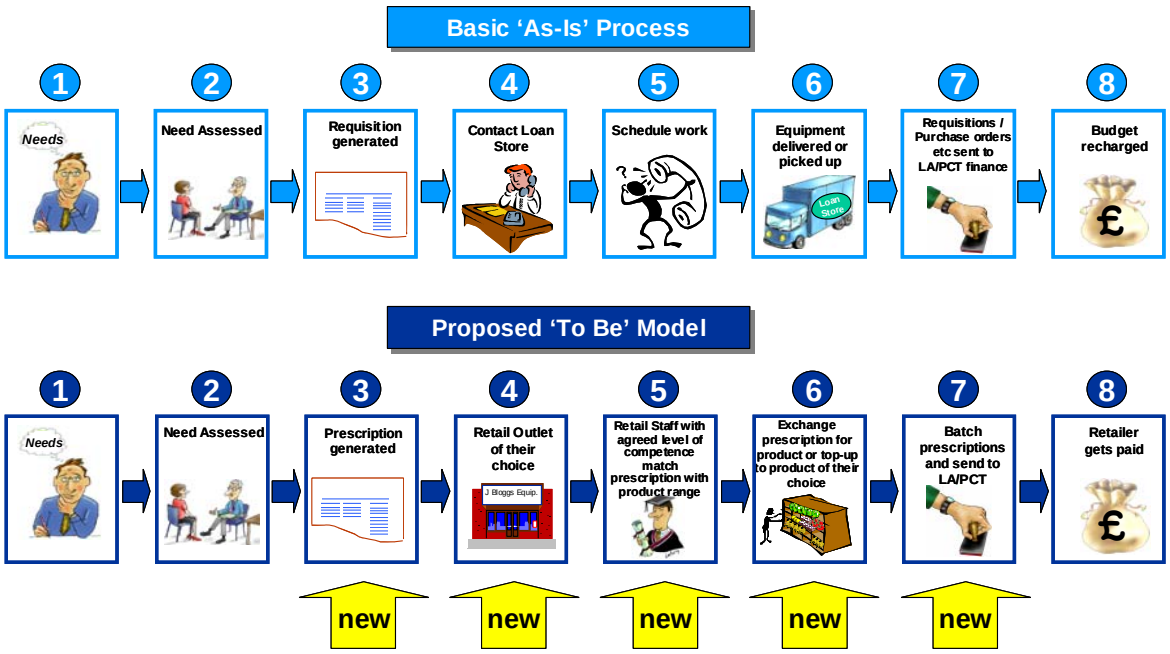
reports to enable local authorities and their NHS partners to manage their local budgets.

6.9.4 Accreditation Body

The TCES Programme recognises the concern that local authority and health partners have in ensuring they discharge their responsibilities and duty of care to individuals. The retail model includes the function of an Accreditation Body to ensure that the market behaves in a manner that reflects the needs of users and their carers/personal assistants. The body is responsible for registering and accrediting all retailers who wish to redeem prescriptions. Retailers need to fulfil stringent criteria aimed at assuring the integrity and quality of the service users will receive.

6.10 High-Level Process

In place of a needs assessor generating an internal requisition, the user will be given a prescription to take to a retailer of their choice:



Central to the retail model has been the development of a prescription-based system for the issue of equipment. The core principles that govern the process include:

- Where there is an assessed need, state bodies issue users and carers with a 'prescription' that can be exchanged for free equipment at an accredited retailer
- Users have the option to 'top up' to another product of their choice within the same functional range, giving them choice empowerment
- The creation of a transparent (but self-regulated) marketplace for equipment
- Retailers will have to be accredited to redeem state prescriptions and will be required to stock the national catalogue through their physical retail outlets or via call-off from suppliers.

6.11 Delivery, Fit & Installation

If a user has the ability to access a retailer on their own or with support from a carer or family member, a prescription would be issued for them to redeem themselves. This is agreed at the point of assessment. When redeeming the prescription the user could

choose to pay for delivery, delivery and fit or delivery and installation of the equipment. The cost of delivery, fit and installation services is determined by the retailer.

The retail model does take into consideration users who are unable to access a retailer on their own and have no carer or family network (i.e. vulnerable patients). In these situations delivery, delivery and fit, or delivery and installation can be prescribed. The user can arrange their own delivery with a retailer of their choice or jointly with an assessor. On delivery day the retailer will bring a selection of equipment along with the prescribed equipment so the user will still receive choice. The retailer will demonstrate how to use the equipment and will fit and/or install if required.

Where fit and installation services are not offered by the retailer, they will be provided through a locally commissioned arrangement.

6.12 Hospital Discharge Process

Best practice and planning is crucial to making the retail model work. Where a patient has a planned hospital visit i.e. hip replacement, equipment can be prescribed and redeemed at a retailer in advance in readiness for when the patient is discharged. Where a patient has an unplanned hospital visit, simple equipment can be issued from a pool of stock on hand then replenished through local retailers.

The majority of hospital discharges will require complex equipment as well as simple equipment. See section 7.6 for further details on how this will be provided.

6.13 Urgent / Out of Hours Process

Out of hours and urgent equipment requests will be handled by emergency stores as currently done. Replenishing emergency stock of simple equipment would be done through arrangements with local retailers.

6.14 Alignment with Direct Payments and Personal Budgets

Direct payments are cash payments made to individuals who have been assessed as needing services. The aim of a direct payment is to give more flexibility in how services are provided. By giving individuals money in lieu of social care services, people have greater choice and control over their lives, and are able to make their own decisions about how their care is delivered.

Personal budgets are designed to also bring about independence and choice for people receiving care or support. It gives them a full understanding of the finance that is available, in order to empower them to take control and make decisions about the care that they receive.

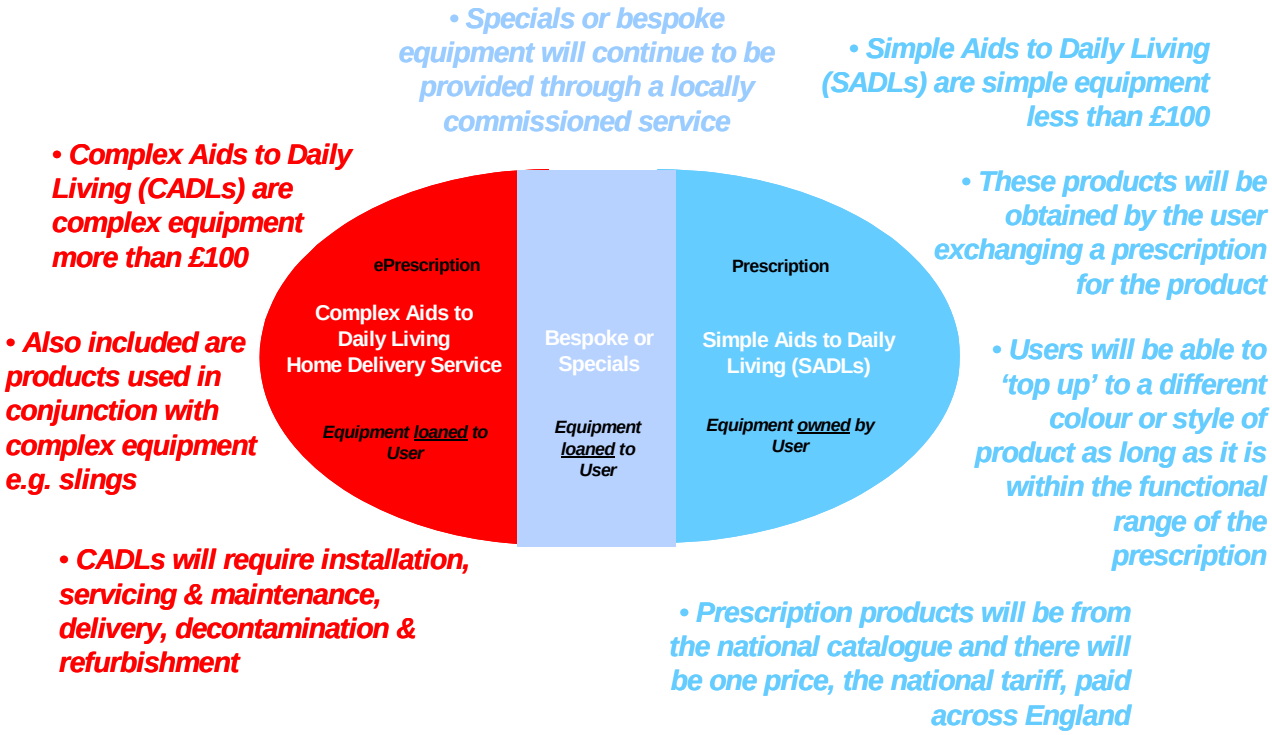
The retail model for community equipment integrates with the direct payments and personal budgets initiatives. At the point of needs assessment, the user can choose to receive a prescription for simple equipment, a direct payment to purchase equipment themselves, or receive equipment as part of a complete care package.

The retail model, direct payments and personal budgets are not separate agendas but fundamental components of a future social care system that delivers greater personalisation, choice and improved quality.

7 Loan Equipment Home Delivery Service

The Loan Equipment Home Delivery Service (LEHDS) is a national solution being developed by the Department of Health for the provision of complex aids to daily living (CADLs). Complex equipment includes equipment that is more than £100 and will typically require delivery, installation, servicing & maintenance, decontamination and refurbishment.

7.1 Community Equipment Components



7.2 Proposed Solution

The proposed LEHDS solution is delivery of complex equipment through regional distribution centres (RDCs). Suppliers will deliver in-scope products to the RDC. Each RDC will hold the full range of in-scope products and undertake all usual warehouse operations plus decontamination and refurbishment activities. Each RDC will have a dedicated fleet and drivers for customer home delivery service. The drivers will have the competencies to install and demonstrate the full range of equipment. There will also be a collection service for equipment. All complex equipment will continue to be loaned to the user and will be serviced, repaired and maintained as required.

An IT system and regional governance structure will support the LEHDS solution.

The LEHDS solution is planned to be developed and tested by Q4 2009 and ready for implementation by Q1 2010.

7.3 Scope of Products and Services

Products to be included in the LEHDS solution:

- Bath / Shower Chairs
- Bath Lifts
- Profiling Beds
- Cot Sides / Bumpers
- Mattresses
- Back Rests / Pillow Lifters
- Hoists
- Slings
- Pressure Relieving Cushions
- Pressure Relieving Mattresses
- Ramps
- Suction Machines and Medical Equipment

Services to be included:

- Order management
- Equipment purchase, storage and restocking
- Home delivery
- Home installation and demonstration
- Home servicing and routine maintenance
- Home emergency maintenance
- Collection from home
- Decontamination
- Refurbishment
- Providing management information

7.4 Benefits

The benefits of having a regional contract for complex equipment include:

- LA and NHS partnerships will be able to gain control over the supply chain covering £92 million in expenditure for complex aids to daily living
- The state will be able to exert leverage on suppliers as to how goods are procured and delivered to meet the needs of state supported users at least cost
- Reduction in direct costs in the supply chain through better buying, better planned and managed service, maintenance and asset management
- Improvement in service to state supported users through better availability and speedier delivery of products
- Increase in efficiency of prescribers by reducing the time spent ordering and chasing up equipment
- Enhanced skills of the staff working in the community equipment service through up-skilling to use new technology
- Opportunity to fully exploit the opportunities to leverage spend and reduce cost through expanding the service to include bespoke or special products
- Provides purchasing economies of scale
- Opportunity for existing stores staff to be redeployed to the regional distribution centre
- Standardised service provision across the region
- Standard measurement can be achieved across the region and between regions
- Investment in new technology will bring customer service and efficiency improvements

7.5 High-Level Process

Prescribers will be able to place order or collection requests by:

- Telephoning directly into a dedicated customer services team
- Through a web-enabled booking screen

The orders will be received on the regional distribution centre's order management system, to be picked, packed, routed and delivered within the specified time. Returns will be scheduled for collection. At all stages the order or collection status can be tracked.

The delivery crew will pre-call the customer to check availability to receive the goods or have them uplifted. On arrival, the crew will remove obstacles and protect carpets, remove packaging and assemble (or dissemble) the products. Products will be demonstrated to agreed protocols.

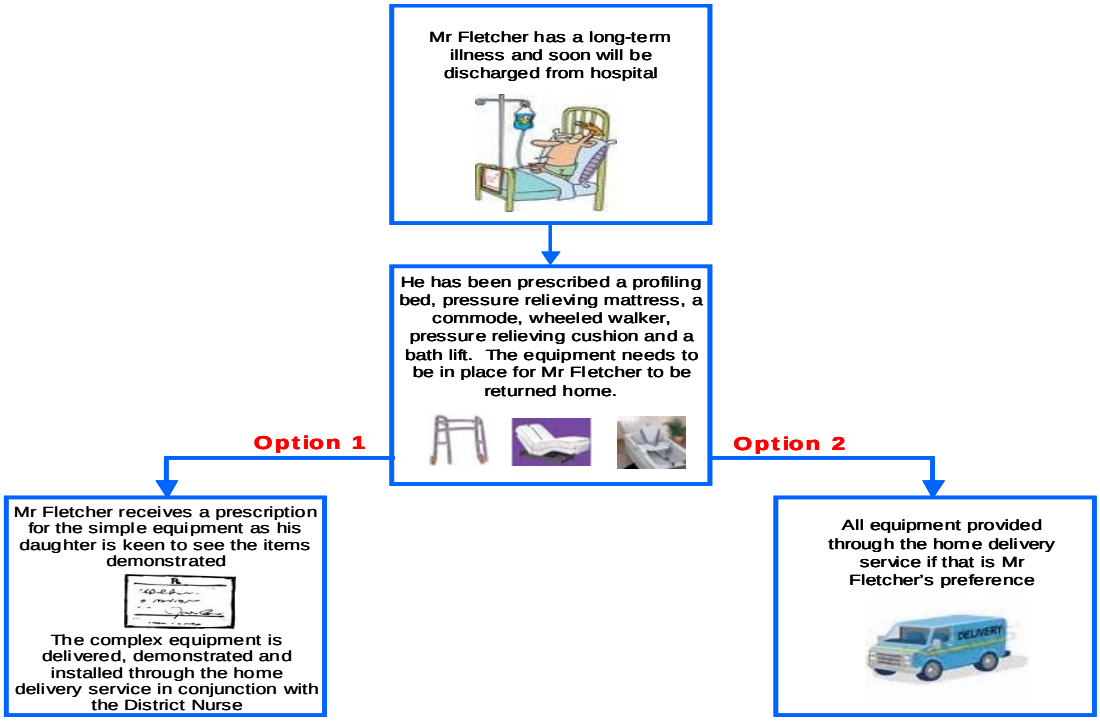
Random customer surveys will be undertaken and fed back to delivery teams.

7.6 Hospital Discharge

Following good practice will mean that the RDC can readily provide the right equipment 'package' in time for a user's arrival at home. For Friday afternoon discharges, there will be a premium service to respond to requests for delivery within 2 or 4 hours. Flexible packages that include both simple and complex equipment can be delivered as a 'one-stop' solution.

7.7 User Choice

The LEHDS solution will still provide users with an element of choice. As in the example below, if a user is prescribed as requiring both simple and complex equipment, the user can choose to receive a prescription for the simple equipment and have the complex equipment delivered, or choose to have all equipment provided through the home delivery service if that is their preference.



8 West London Procurement

8.1 Background

The Royal Borough of Kensington & Chelsea (RBKC) currently outsource their community equipment service to Medequip under the ICES initiative. The current model has given rise to questions such as:

- Is joint purchase power being maximised?
- Is the overall standard being set or is it reacting to local relationship issues?

From a West London perspective, it is clear the current position is not being maximised. With their contract ending in March 2009, RBKC started looking at re-tendering while considering opportunities to improve their purchasing power and service.
One such opportunity included working together with other West London boroughs. After an initial meeting, it was agreed there were benefits in collaboration. The West London Procurement project was then initiated which aimed to unite West London boroughs to agree a framework contract based upon a common service specification with the aim of maximising joint purchasing power and setting the future service agenda. The West London Procurement includes both simple and complex equipment.

The project has been led by RBKC with input from the following boroughs:

- Brent
- Camden
- Ealing
- Hammersmith and Fulham
- Harrow
- Hillingdon
- Hounslow
- Westminster

More recently Southwark, Wandsworth and Waltham Forest.

8.2 Objectives

Against the background of the DH integration agenda and maximising service user's choice, the aim of the West London Procurement is to explore the benefits of a common service specification and delivery.

8.3 Key Deliverables

There are three key deliverables that will form the future solution:

1. **Service Specification** – outlines the business processes for the provision of community equipment, developed through a series of workshops with participating boroughs. Processes include prescriber setup, user setup, equipment ordering, managing and using the catalogue, stock management, delivery, fitting, minor adaptations, collections, service and maintenance, and after care.
2. **IT Specification** – outlines the minimum requirements for a system that supports both the retail model and a locally commissioned service for ordering and stock management. Requirements include security, usability, interfaces, maintenance and support. RBKC are also conducting an options review to understand if the IT system will be provider owned or 3rd party hosted.
3. **Framework Contract** – agreed core provisions with the selected equipment provider regarding product prices, service delivery and quality based on the common Service Specification. The Framework Contract will be used as a basis for individual contract

negotiation by each participating borough. The Framework Contract will be developed and finalised through a process of 'competitive dialogue'.

8.4 Framework Contract

There will be a tendering process to award the Framework Contract. A contract notice was issued 18th December according to EU regulations, inviting potential providers to respond. Ten respondents will be short-listed against an award criteria including business strategy, financial eligibility, low risk of failure, data management, customer care and references. Successful short-listed providers will participate in a 'competitive dialogue' to assess the markets capability to deliver according to the service specification and to develop the Framework Contract. The selected provider will be awarded the Framework Contract. Once established, each participating Authority will then decide whether or not to enter into its own contract direct with the service provider based upon the Framework Contract. The timeline to have the Framework Contract awarded is end of May 2009. Individual boroughs can then begin individual contract negotiation and implementation from May.

8.5 Method of Approach

Participating boroughs and health trusts have nominated key personnel to attend workshops and to provide key service information (for example details of existing contracts, volumes and range of equipment / services).

The protocol governing ongoing joint working is yet to be agreed. This will need to cover:

- How sites can access the framework contract
- Who has responsibility for post contract administration / activities including negotiating equipment prices (including inflation)
- The workings of any volume discount mechanism and which authority will administer the arrangements
- Any ongoing administration fee

8.6 Benefits

The joint procurement should result in:

- Lower overall costs by maximising joint purchasing power
- Greater use of specials / bespoke stock
- Operational efficiencies in terms of common processes and documentation
- A forward looking information system that supports future changes
- Ability to directly influence suppliers contract management and developmental processes

8.7 Process

An approved prescriber will order a piece of equipment on the web. For each prescriber an authorisation profile is set up which controls the range of equipment that can be ordered and the delivery period. On delivery, the Authority then pays the agreed price and activity fee and ownership of the equipment passes to the Council.

9 Future Options

There are five key options for the future service that will be explored in this options appraisal. Each option will be fully assessed against a SWOT Analysis, financial cost/benefit analysis and agreed evaluation criteria to determine the most suitable way forward for Harrow.

9.1 Option 1: Maintain Status Quo

- Store to remain operating as currently
  - Practitioners continue to order equipment through the store
  - Store to arrange issuing of equipment, delivery and collection
  - Store to arrange replenishment of stock through preferred supplier contract
- This option will require a new negotiation for preferred supplier once the Medequip contract expires
- Pressure relieving equipment and cleaning will continue to be provided through the Talley contracts

9.2 Option 2: Retail Model for Simple Equipment; Status Quo for Complex Equipment

- For all simple items of equipment (less than £100), Practitioners issue a prescription that Users can redeem at an accredited retailer
- Fit and/or installation services can be prescribed as needed
- Delivery can also be prescribed if the User is deemed unable to do this themselves
- For hospital discharge and urgent needs requiring simple equipment, issue equipment using a pool of stock on-site which is then replenished via a retailer

- For all complex items of equipment (more than £100) and bespoke/specials, continue to issue from the store as currently done
- Where both simple and complex equipment is required, issue from the store to ensure the User receives a “one stop” solution (particularly for hospital discharge)
- Continue to provide an in-house delivery / fit / installation / repairs and maintenance service
- For urgent needs, continue to respond as currently done
- Preferred supplier contract for provision of complex equipment and small volume of simple equipment

9.3 Option 3: Retail Model for Simple Equipment; Loan Equipment Home Delivery Service (LEHDS) for Complex Equipment

- For all simple items of equipment (less than £100), Practitioners issue a prescription that Users can redeem at an accredited retailer
- Fit and/or installation services can be prescribed as needed
- Delivery can also be prescribed if the User is deemed unable to do this themselves
- For hospital discharge and urgent needs requiring simple equipment, issue equipment using a pool of stock on-site which is then replenished via a retailer

- For all complex items of equipment (more than £100), an e-prescription will be sent to the regional distribution centre for delivery
- The regional distribution centre will arrange delivery, collection, decontamination, servicing and repairs for complex equipment
- Premium service to respond to urgent complex equipment requests for delivery within 2 or 4 hours

- For users exiting hospital requiring both simple and complex equipment, they have the choice of receiving a prescription for simple equipment to redeem themselves (or by a carer / family member) or receiving both simple and complex equipment through the LEHDS solution as a “one stop solution”
- Existing store will ultimately close

9.4 Option 4: Retail Model for Simple Equipment; West London Procurement for Complex Equipment

- For all simple items of equipment (less than £100), Practitioners issue a prescription that Users can redeem at an accredited retailer
- Fit and/or installation services can be prescribed as needed
- Delivery can also be prescribed if the User is deemed unable to do this themselves
- For hospital discharge and urgent needs requiring simple equipment, issue equipment using a pool of stock on-site which is then replenished via a retailer

- For all complex items of equipment (more than £100), Prescribers use the West London Procurement solution
  - Single provider of equipment for all West London boroughs
  - Single catalogue and equipment prices across West London boroughs
  - Single ordering and management system
  - Delivery, fit, installation, repairs and maintenance of complex equipment all performed by single provider
- Existing store will ultimately close

9.5 Option 5: West London Agreement for all Equipment

- For all community equipment, Prescribers use the West London Procurement solution
  - Single provider of equipment for all West London boroughs
  - Single catalogue and equipment prices across West London boroughs
  - Single ordering and management system
  - Delivery, fit, installation, repairs and maintenance of complex equipment all performed by single provider
- Existing store will ultimately close

9.6 Option 6: Personal Budgets and Direct Payments

There was initial discussion around using personal budgets and direct payments to provide equipment to users, whereby users are either given a 'voucher' of a certain value as part of a total care package or given cash in which to purchase equipment. However this option was discounted as first of all the NHS cannot provide direct payments and secondly it is recognised the current retail market is immature i.e. there are very few retailers in which to redeem vouchers or exchange cash for required equipment. Also the option of receiving direct payments or personal budgets can be incorporated into the retail model.

10 SWOT Analysis

SWOT Analysis is a method used to evaluate the strengths, weaknesses, opportunities and threats of options for the way forward to enable informed decision-making.
Strengths: Internal attributes that are helpful in achieving transformation
Weaknesses: Internal attributes that are harmful in achieving transformation
Opportunities: External conditions that are helpful in achieving transformation
Threats: External conditions that could prevent transformation

10.1 Option 1 SWOT Analysis

Maintain Status Quo

STRENGTHS	WEAKNESSES
• Existing jobs maintained – no redundancy or TUPE implications • Positive perception of local service that is locally delivered by local people • Local knowledge of community and service users • A known quantum i.e. familiar with what works and what does not therefore can anticipate and resolve issues • Continuity of service • Flexible and responsive i.e. deliveries given priority	• Does not align with changing government policy around personalisation, choice, promoting independence or enabling self help • Does not achieve any efficiency savings → cost of existing service is not good value for money • Cannot sustain increase in demand associated with anticipated demographic changes • Does not cater for self-funders requiring equipment • Undermines current work on Self Directed Support, Personal Budgets and Direct Payments • Does not align with Harrow's long term strategy or objectives for change • Leaves Harrow behind nationally • Maintains current performance levels which will impede progress towards improving CSCI rating • Inefficient purchasing economies • Wasteful of special / bespoke equipment i.e. limited scope for recycling • High cost of recycling arrangements • Continued problem around lack of resources to refurbish contaminated equipment • Delivery through Medequip does not always meet required performance targets • Does not put users at the heart of the service • Does not contribute to development of local economy • Does not cater for self-funders requiring equipment
OPPORTUNITIES	**THREATS**
• Opportunity to negotiate better terms for existing preferred supplier contract • Opportunity to reconfigure the existing service e.g. direct payments	• Talley could increase prices and change conditions of contract for pressure relieving equipment • Talley could increase prices for cleaning equipment • Preferred supplier may not be able to provide required level of service / prices • Changing market environment (e.g. national rollout of retail model) could adversely impact

	contract arrangements regarding price and supply

10.2 Option 2 SWOT Analysis

Retail Model for Simple Equipment; Status Quo for Complex Equipment

STRENGTHS	WEAKNESSES
• Stores staff will remain in place (or potentially redeployed) therefore no TUPE or redundancy implications • Aligns with changing government policy around personalisation, choice, promoting independence or enabling self help • Will achieve some efficiency savings • Maintains local control of complex equipment • Meets growing demand resulting from demographic changes • Complements current work on Self Directed Support, Personal Budgets and Direct Payments • Aligns with Harrow's long term strategy and objectives for change • Puts users at the heart of the service (i.e. choice of retailers, demonstration of equipment, top-ups) • Contributes to development of local economy • Creates a stimulated local market catering to self-funders • Low risk approach i.e. could be a safe step change towards full transition of the service	• Does not achieve full potential efficiency savings • Inefficient to keep store operational (i.e. high operational costs and overheads with low throughput of complex equipment → high unit costs) • Does not achieve purchasing economies of scale for CADLs that can be achieved through LEHDS or WLP • Wasteful of special / bespoke equipment i.e. limited scope for recycling
OPPORTUNITIES	**THREATS**
• Opportunity to meet users growing need for choice and control over how their needs are met • This could be an interim solution before moving to the LEHDS or WLP solution	• Talley could increase prices and change conditions of contract for pressure relieving equipment • Changing market environment could adversely impact contract arrangements regarding price and supply of CADLs • Potential for less favourable contract for CADLs given small volume • Vulnerability given single supplier arrangements for CADLs • Potential for miscommunication and negative perception regarding the service with users • Potential lack of local retailers who want to become accredited • Difficult to recall products for housebound and vulnerable patients

10.3 Option 3 SWOT Analysis

Retail Model for Simple Equipment; LEHDS for Complex Equipment

STRENGTHS	WEAKNESSES
• Aligns with changing government policy around personalisation, choice, promoting independence or enabling self help • Will achieve full potential efficiency savings • Meets growing demand resulting from demographic changes • Complements current work on Self Directed Support, Personal Budgets and Direct Payments • Aligns with Harrow's long term strategy and objectives for change • Will lead to improved performance indicators which will accelerate improvements in CSCI rating • Improved purchasing economies of scale from pooled national volumes • Puts users at the heart of the service (i.e. choice of retailers, demonstration of equipment, top-ups) • Contributes to development of local economy • Creates a stimulated local market catering to self-funders • Aligns with Department of Health's national solution • Low risk approach as can be implemented in phases (implement retail model then once embedded implement LEHDS)	• TUPE and redundancy implications when store closes and staff transferred to LEHDS • Loss of local control of service delivery as it's a more remote solution • Loss of staff means loss of knowledge which would be expensive to regain
OPPORTUNITIES	**THREATS**
• More effective re-use of CADLs, special / bespoke equipment (across region or even nationally) • Opportunity to meet users growing need for choice and control over how their needs are met • Increased control over product and service prices / rates • Market innovation which will ultimately lead to improved products at better prices • Redeployment of stores staff e.g. technicians could be redeployed to major adaptations team	• Potential for miscommunication and negative perception regarding the service with users • Potential lack of local retailers who want to become accredited • Difficult to recall products for housebound and vulnerable patients • Unclear as to what the national solution for CADLs will be (DH still designing and developing) • The regional distribution centres could be in a sub-optimal location making delivery against targets difficult

10.4 Option 4 SWOT Analysis

Retail Model for Simple Equipment; West London Procurement for Complex Equipment

STRENGTHS	WEAKNESSES
• Aligns with changing government policy around personalisation, choice, promoting independence or enabling self help • Will achieve some efficiency savings through retail model • Meets growing demand resulting from demographic changes • Complements current work on Self Directed Support, Personal Budgets and Direct Payments • Aligns with Harrow's long term strategy and objectives for change • Will lead to improved performance indicators which will accelerate improvements in CSCI rating • Improved purchasing economies of scale from pooled West London volumes • Will maximise re-use of special and bespoke equipment by sharing between Authorities • Puts users at the heart of the service (i.e. choice of retailers, demonstration of equipment, top-ups) • Contributes to development of local economy • Creates a stimulated local market catering to self-funders • Can set specific performance targets for delivery	• TUPE and redundancy implications when store closes and staff transferred to provider • Unclear as to what the financial and qualitative benefits will be for WLP → assumption it does not achieve full potential efficiency savings • Loss of local control of service delivery • Unclear as to what the IT implications will be (training costs, implementation timeframe, software/hardware costs) • Limited control over development of the framework contract and selected provider • Is not true transformation → WLP is a procurement exercise that does not take into consideration national solution and national/local drivers for change • Lack of transparent management information (e.g. refurbishment costs) • Complicated transfer of ownership of current Harrow-owned equipment out in the community • In-house admin team required to deliver WLP which means double administration costs • Solution still being developed
OPPORTUNITIES	**THREATS**
• Opportunity to meet users growing need for choice and control over how their needs are met • Could be an interim solution before moving to LEHDS • Market innovation which will ultimately lead to improved products at better prices • Redeployment of stores staff e.g. technicians could be redeployed to major adaptations team • Flexible → could offer users option of retail model or buying in from contract • Can 'opt in' to the framework contract at any point in time	• Potential for miscommunication and negative perception regarding the service with users • Potential lack of local retailers who want to become accredited • Difficult to recall products for housebound and vulnerable patients through retail model • Individual contract negotiation required for CADLs → may not get improved service delivery to meet performance indicators • Medequip could be new framework contract provider → negative view within Harrow from past experience • Limited number of potential providers of the framework contract → may not be able to meet service specifications

10.5 Option 5 SWOT Analysis

West London Procurement for all Equipment

STRENGTHS	WEAKNESSES
• Releases some efficiency savings through stores closure • Improved purchasing economies of scale from pooled West London volumes • Will maximise reuse of special and bespoke equipment by sharing between Authorities • Cross-boundary deliveries • Can set specific performance targets for delivery	• TUPE implications once store closes and staff transferred to new provider • Complicated TUPE process with little clarity provided by RBKC • Does not align with changing government policy around personalisation, choice, promoting independence or enabling self help • Unclear as to what the financial and qualitative benefits will be for WLP → assumption it does not achieve full potential efficiency savings • Loss of local control of service delivery • Cannot sustain demographic growth and increase in demand • Does not align with current work on Self Directed Support, Personal Budgets and Direct Payments • Aligns with Harrow's long term strategy and objectives for change • Is not true transformation → WLP is a procurement exercise that does not take into consideration national solution and nation/local drivers for change • Lack of transparent management information (e.g. refurbishment costs) • Complicated transfer of ownership of current Harrow-owned equipment out in the community • In-house admin team required to deliver WLP which means double administration costs • Solution still being developed • Puts "all our eggs in one basket"
OPPORTUNITIES	**THREATS**
• Could move towards LEHDS in the future • Opportunity to negotiate better service terms • Can 'opt in' to the framework contract at any point in time	• Individual contract negotiation → may not get improved service delivery to meet performance indicators • Medequip could be new framework contract provider → negative view within Harrow from past experience • Limited number of potential providers of the framework contract → may not be able to meet service specifications • Capacity of provider to deliver across all West London boroughs within delivery times required • Retail model could become mandatory in

	the future

11 Financial Analysis

The following is a summary of the financial analysis that highlights the overall costs and financial benefits for each of the options against the existing service. A more detailed financial analysis for each option is available in Appendix 1.

Cost Benefit Analysis	Option 1: Maintain Status Quo	Option 2: Retail Model for SADLs; Status Quo for CADLs	Option 3: Retail Model for SADLs; LEHDS for CADLs	Option 4: Retail Model for SADLs; West London Procurement for CADLs	Option 5: West London Procurement for ALL Equipment
Cost of Commissioning & Logistics	£507,014	£415,609	£200,763	£611,484	£843,527
Cost of Product	£1,603,172	£1,603,172	£1,603,172	£1,603,172	£1,603,172
Total Cost of Community Equipment Service	£2,110,187	£2,018,781	£1,803,935	£2,214,656	£2,446,699
Credit on Refurbishment & Reuse of Equipment	(£1,140,801)	(£1,029,177)	(£1,029,177)	(£1,029,177)	(£1,140,801)
Net Cost of Service	£969,386	£989,603	£774,758	£1,185,479	£1,305,899
(Saving) / Cost on Existing Service		**£20,217**	**(£194,628)**	**£216,093**	**£336,513**

Note 1: the savings identified are year on year. There are potential savings on cost of product that have not been incorporated into the overall savings as it is anticipated product price savings will be reinvested to meet a growth in demand.

Note 2: there is a significant difference of cost of Commissioning and Logistics when comparing Options 4 and 5 with Options 1, 2 and 3. The basis for this difference is primarily the estimated cost of management and profit that would be charged by outsourcing the service through West London Procurement. While the tendering exercise has not yet commenced, an estimate of management and profit percentages charged has been calculated based on existing outsourced services and that percentage applied to Harrow's volume and value of equipment. Meanwhile the LEHDS solution maximises the release of efficiency, the economy of scale and is on a not-for-profit basis.

12 Risk Profile

The following table identifies all the key risks involved with transforming the service and compares each of the risks against the options using a High, Medium, Low ranking.

Risks	Option 1: Maintain Status Quo	Option 2: Retail Model for SADLs; Status Quo for CADLs	Option 3: Retail Model for SADLs; LEHDS for CADLs	Option 4: Retail Model for SADLs; WLP for CADLs	Option 5: WLP for all Equipment
May fail to meet the CRS07 cost efficiency target	M	H	L	H	H
May potentially necessitate quite a significant extension of restriction of access under the Fair Access to Care Service (FACS) criteria due to increases in demand	H	L	L	L	M
May not meet the policy demands of choice, independence and control	H	L	L	L	H
Quality of service to users may be compromised due to financial pressure and unsustainable increases in demand	H	L	L	L	H
Department of Health could make retail model mandatory in the future	M	L	L	L	M
Potential for high operational costs given small throughput of complex equipment	L	H	L	H	L
May release insufficient efficiencies to cater for the increase in demand	M	H	L	H	H
Could be lack of buy-in to the new service by users	L	M	M	M	M
Could be lack of local and national retailer appetite in becoming accredited	L	M	M	M	M
Potential for complicated TUPE implications when store closes and staff transferred to new service	L	L	M	H	H

13 Options Evaluation

Each of the options were evaluated against an agreed set of criteria in a workshop with the ICES Board held on Friday 23rd February.

The evaluation criteria are focused on the benefits each option will provide and how well the option meets that benefit. The criteria are derived from the drivers for change (changing demographics and demand), vision for the future as outlined in the Transformation Programme Plan, national policy changes and financial targets. In line with best practice there is a 70/30 split of qualitative benefits versus financial benefits.

Criteria	Option 1: Maintain Status Quo	Option 2: Retail Model for SADLs; Status Quo for CADLs	Option 3: Retail Model for SADLs; LEHDS for CADLs	Option 4: Retail Model for SADLs; WLP for CADLs	Option 5: WLP for all Equipment
Meets changes in demographics and future demand growth for community equipment					
Promotes personalisation agenda i.e. enables self help, independence and provides users and carers with more choice and control					
Maximises purchasing power					
Aligns with Harrow's vision					
Safeguards vulnerable people					
Releases efficiency savings					
Strengths and opportunities outweigh weaknesses and threats					
Accelerates improvement in CSCI rating					
Provides lower operational costs year on year					
Allows equality of service for users					
TOTAL	39%	65%	**95%**	79%	44%

 High fit

 No fit

14 Recommendation

Based on the outcomes of the SWOT Analysis, Risk Profile, Financial Analysis and Options Evaluation, the recommended option for implementation is **Option 3 – Retail Model for Simple Equipment; LEHDS for Complex Equipment.**

It is recommended Option 3 is implemented in a two-phased approach to reduce risk and ensure continuity of service for users:
Phase 1 – Implementation of Retail Model (April 2009 – October 2009)
Phase 2 – Implementation of LEHDS (January 2010 – Q3 2010)

Further details on implementation is in Section 17.

15 Financial Implications of Recommendation

15.1 Transition Costs

The following table shows the total cost of implementation for both the retail model and LEHDS.

		Simple Aids to Daily Living (SADLS)	Complex Aids to Daily Living (CADLS)	Estimated
Transition costs				
55	**One off Redundancy costs**	£34,275	£76,067	£110,341
56	**Cost of Shadow Running**	£0	£0	£0
57	**One off Decommissioning Costs**			TBC
58	**One off Stock Write off from Balance Sheet**	£0	£0	£0
59	**Dual Transport Costs for Shadow Run**			£0
60	**One off Project costs (6 months)**			
61	Staff (Prog Mgr, 2 staff)	£71,755	£32,245	£104,000
62	Non-staff (IT, overheads, travel)	£0	£0	£0
63	**TOTAL TRANSITION COSTS FOR**	**£106,029**	**£108,312**	**£214,341**

Note 1: The transition costs assume three employees will be retiring and all remaining employees will be offered redundancy. However as discussed in Section 14.4 Harrow are committed to exploring redeployment opportunities. For the purposes of demonstrating potential maximum costs, the 'worst case scenario' has been used.

Note 2: The Department of Health have submitted a bid to Capital Ambitions for the funding of project management resources to implement the retail model across London. Should this bid be successful, Harrow will not be required to fund the £104,000 in project management costs.

15.2 Funding Strategy

There are five options available to fund transition costs:

1. Offset transition costs against savings.
2. Finance from transformation budget. It is understood this budget is fully committed and will provide no further funding going forward.
3. Earmark any under-spends in budget in 2008/2009 to contribute to funding the transition costs.
4. 'Invest to Save'. Either 'capitalise' or accrue the transition costs in 2009/10 and write-off against savings generated in 2010/11.
5. Seek funding from the Regional JIP

The ICES Board agreed at the Board meeting on December 19th 2008 that Option 4 is most preferable. From the benefits realisation table below (Section 15.3), the net transition cost can be off-set against the total savings in financial year 2010/11.

Currently the PCT contribute 44% of the pooled budget while the Council contributes 56%. This same basis should be applied to the funding of transition costs. It is recommended each party contributes the following towards transition costs:

- PCT contributes £94,310
- Council contributes £120,031

15.3 Benefits Realisation

The table below shows the length of time until the transition costs will be recovered and financial benefits are being realised.

1	2	3	4	5	6
		2008/ 09	2009/ 10	2010/ 11	2011/ 12 Steady State
	Savings (Logistics) [1]				
64	SADLS		(£20,519)	(£82,075)	(£82,075)
65	CADLS		£0	(£212,795)	(£212,795)
66	Sub-Total - Savings	£0	(£20,519)	(£294,870)	(£294,870)
67	**Costs**				
68	Redundancy		£34,275	£76,067	
69	Cost of Shadow Running [2]		£0	£0	
70	Decommissioning Costs [3]		£0	£0	
71	Stock [4]		(£24,884)	(£137,709)	
72	Project Management	£27,000	£71,755	£32,245	
73	plus Costs under-recovered from previous year			£60,626	
74	Sub-Total - Costs	£27,000	£81,145	£31,229	£0
75	Net Cost or (Saving)	£27,000	£60,626	(£263,641)	(£294,870)

Financial benefits will be released in financial year 2010/11 with full efficiencies realised in financial year 2011/12. It is recommended financial benefits are applied based on contributions to the pooled budget i.e. the PCT receive 44% of efficiencies and the Council receive 56%.

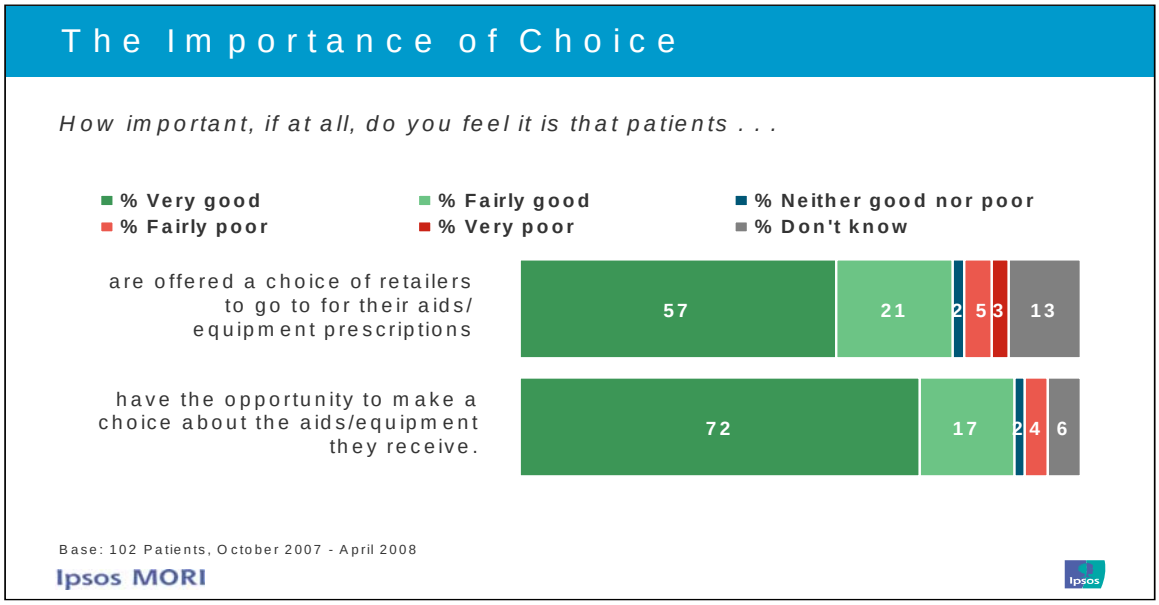
16 Considerations of Recommendation

16.1 User Engagement

16.1.1 National User Engagement

After piloting the retail model in the North-West of England, the Department of Health arranged for Ipsos MORI to conduct an independent survey that sought feedback from users who received a prescription and redeemed that prescription at an accredited retailer.

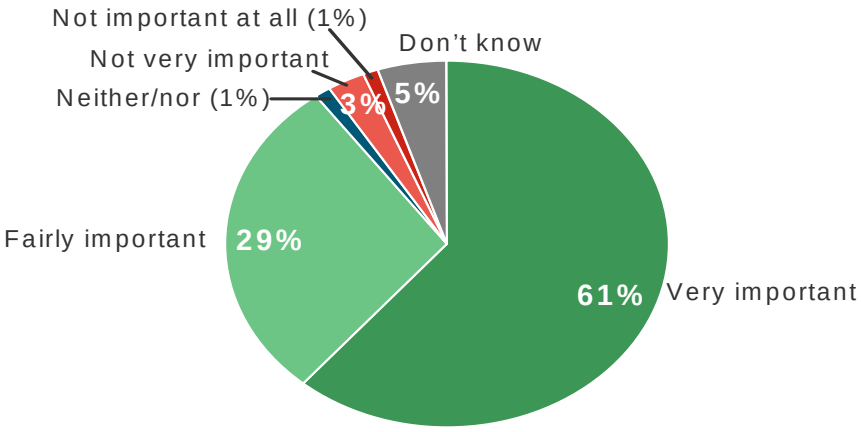
Out of 102 users that provided feedback on the retail model, 75% – 90% believed in the importance of having choice of equipment they receive and choice of retailers to go to for their equipment.



An overwhelming majority of users (90%) valued the ability to 'top up' their prescriptions to an item they really wanted.

Importance of topping up

How important, if at all, do you feel it is that patients are able to 'top-up' their prescriptions in this way. Would you say it was…



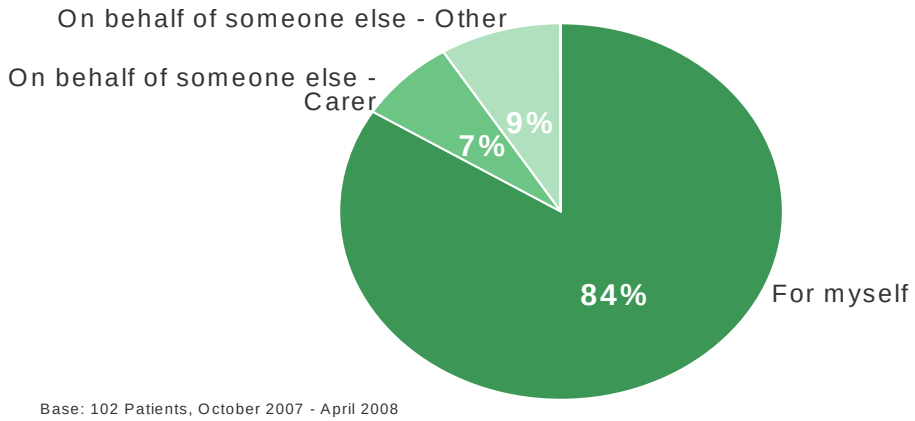
Base: 102 Patients, October 2007 - April 2008

Ipsos MORI

All 102 users surveyed redeemed their prescription, with 84% redeeming it themselves. The low rate of redemptions on another's behalf is in contradiction to practitioners' perceptions that most of their users do not have the ability or means to redeem their prescriptions.

Who Redeems the Prescriptions?

And can I just check, for your recent prescription are you redeeming this for yourself or on behalf of somebody else? And are you that persons carer or not?



Base: 102 Patients, October 2007 - April 2008

Ipsos MORI

The Ipsos MORI survey revealed users overall had a positive experience with the retail model and value choice – choice of retailers, choice of equipment and choice to top up.

16.1.2 Local User Engagement

Meetings with two user groups were conducted on the 9th February to understand local interest in the retail model. The two user groups included Milmans for older people and Bentley, a user group for users with physical disabilities. There were a total of approximately 25 users.

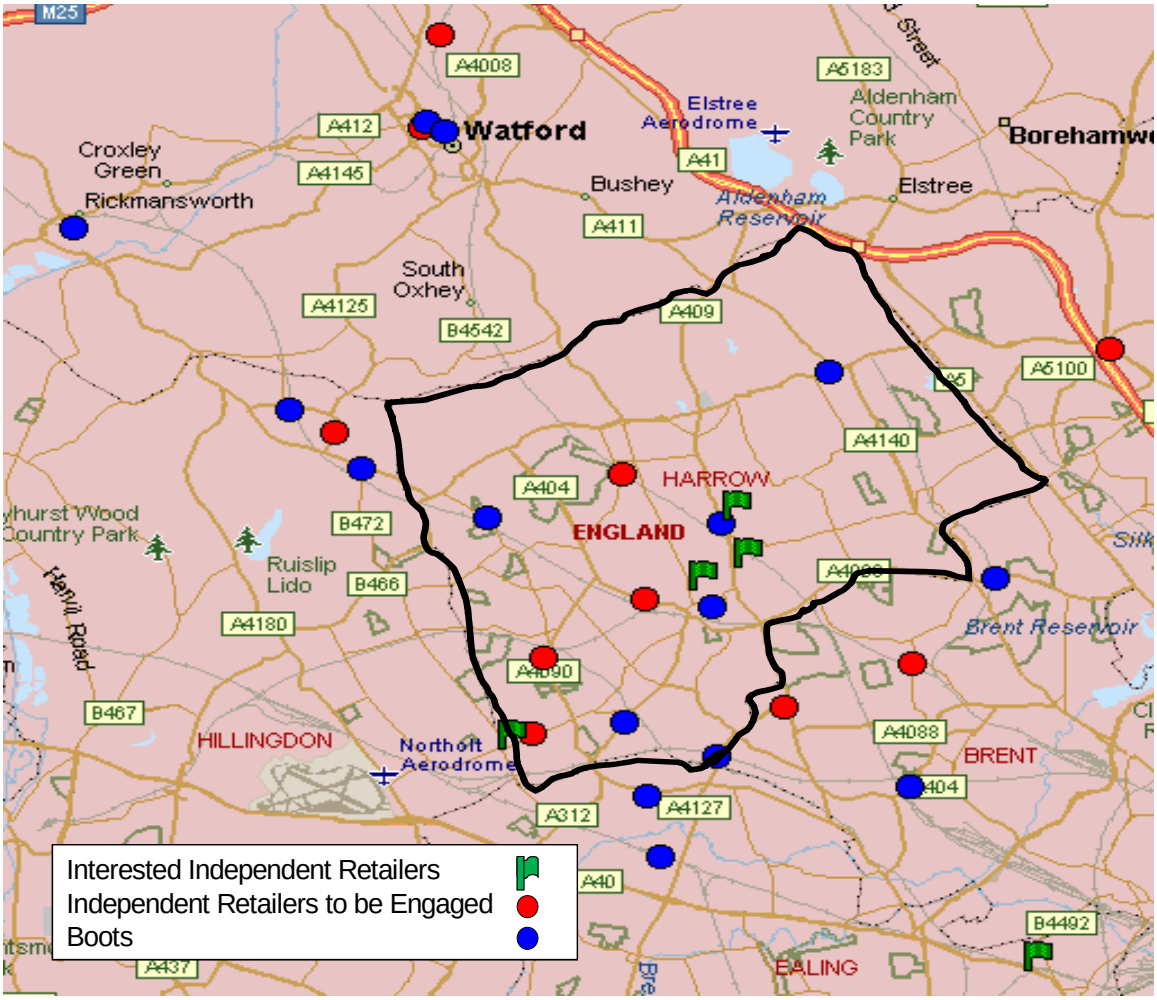
Both user groups expressed an interest in the retail model, with choice being the primary benefit. The user groups also were interested in being kept informed throughout the design and development of the retail model so their feedback can be incorporated.

16.2 Retailer Engagement

A workshop was held on 14th January 2009 to gauge local interest in working with Harrow to become an accredited retailer. Three representatives from local independent retailers attended. Attendees were asked to complete a questionnaire to understand level of interest. All responses were positive with a strong interest in working towards accreditation. Two other pharmacies and independent retailers could not attend the workshop but have also expressed an interest. Interested retailers are marked on the retail map below with a green flag.

The Department of Health are working with national retailers and pharmacies. Boots Pharmacies are due to pilot the retail model from March 2009 and roll out nationally across England from May 2009. Boots stores within Harrow are marked in blue on the retail map below.

Harrow have been in discussion with Days Healthcare, a supplier of independent living products, who are developing a strategy for participating in the retail model. Days Healthcare are planning to become accredited by December 2009.



16.3 HR / Legal Implications

Once the LEHDS solution is fully operational the community equipment store will close. This will have an impact on the 11 employees currently employed by ICES. The potential impact on employees for each phase is outlined as following.

Established Posts	Current FTE	End of Phase 1		End of Phase 2	
		Proposed Discontinuation of Posts (FTE)	Proposed Continuing Posts (FTE)	Proposed Discontinuation of Posts (FTE)	Proposed Continuing Posts (FTE)
Service Manager	0.5	0	0.5	0.5	0
Team Manager	1	0	1	1	0
Admin	2.5	1	1.5	1.5	0
Technician	3	1	2	0	2
Driver	3.5	1.5	2	2	0
TOTAL	**10.5**	**3.5**	**7**	**5**	**2**

At the end of Phase 1 it is anticipated there will be a potential requirement for 7 continuing posts and at the end of Phase 2 a potential requirement for 2 continuing posts after the store closes.

Store closure will result in a reorganisation of service. As such, all legislative and statutory requirements will be complied with in accordance with the *Protocol for Managing Organisational Change*. The Protocol states consultation will employees and Trade Unions will commence at an early stage. Throughout the consultation process, a mutually supportive relationship with employees and the Trade Unions will be developed and maintained with discussions conducted in a spirit of openness and partnership as a means of reducing the anxiety that will result from this type of organisational change. Information including consultation documents, briefing letters to employees and newsletters will be produced on a regular basis.

According to the Protocol, Harrow are committed to considering measures to avoid redundancy, fair selection of employees for redundancy and redeployment of potentially redundant employees where possible. Harrow have a statutory responsibility to assist employees in finding alternative work as a means of reducing the numbers dismissed due to redundancy. There are opportunities to take advantage of natural wastage through the potential retirement of 2.5 FTE.

There may be potential TUPE implications once the Regional Distribution Centre is established. This will become clearer once the solution is developed and implemented and will be handled through consultation with the Legal Department.

Due consideration will be needed regarding the contract monitoring function relating to future services. Proportionate funding of the HR resources required will need to be considered in the Section 75 Agreement.

16.4 Environmental Impact

The Community Equipment Service currently refurbishes Simple Aids for Daily Living with the exception of commode pans, toilets seats or items deemed unsafe for health and safety reasons. There are concerns regarding the potential environmental impact arising from the retail model should users dispose of unwanted equipment irresponsibly, with equipment potentially ending up in landfill rather than being passed for recycling. Complex Aids to Daily Living are loaned to service users and will continue to be collected and refurbished. Approximately 10,000 items of simple or complex equipment are dispensed each year, equating to an estimated weight of less than 1 tonne.

First off the environmental impact of the current practice of refurbishing low-level equipment must be considered. The trucks used to collect and return equipment to the store creates CO^2 emissions, the decontamination process uses chemicals that are released into the drainage system and plastic repackaging of equipment is non-biodegradable.

This practice is not environmentally friendly, nor is it financially viable as the case study below demonstrates. On average it costs £77.37 to refurbish a single item of equipment. Given 80% of products cost less than £77 to purchase new, it does not make economic sense to continue to refurbish.

Costs	No of Items	Total Cost	Cost per Item
Schedule Collection	**8,632**	**£90,216**	**£10.45**
Collect and Return to Store	**8,632**	**£227,510**	**£26.36**
Decontaminate and Inspect, Service & Repair and Scrap	**8,632**	**£201,571**	**£23.35**
Return to Stock	**8,632**	**£47,262**	**£5.48**
Consequential Cost of Refurbishing (We would anticipate a reduction in price as a consequence of increasing the volume of new equipment being produced)	**8,632**	**£101,263**	**£11.73**
Total cost of Refurbishing	**8,632**	**£667,823**	**£77.37**

Harrow are committed to effective waste management. During implementation, different opportunities for incorporating the retail model into the national waste management strategy will be explored whereby waste prevention, re-use and recycling are the focus in accordance with the waste hierarchy. To this end, Government is seeking to influence and require manufacturers of community equipment to use recyclable materials in the production of products. As this change takes place over the next two to three years, it will be possible to recycle used and/or unwanted equipment on a larger scale through manufacturers.

Under the retail model users have a number of options available once equipment is no longer required. Unwanted products can be disposed of in the same way as other household equipment. As outlined above, by producing these products from recyclable materials and combining this with a collection mechanism from individual households, local collection points or at collection centres, these products can be channelled back into the production process as raw materials.

While the retail market is still in embryonic form, in the future it is expected third sector organisations and social enterprises will initiate recycling and refurbishment schemes whereby users can return equipment they no longer require. This equipment can then be refurbished and resold to self-funders.

An environmental impact assessment will be undertaken as part of the implementation of Phase 1 of the Retail Model. This will lead to the development of a recycling strategy to maximise recycling of simple aids and minimise the volume of aids being disposed of to landfill.

16.5 Impact on Performance Indicators

The introduction of the retail model removes the requirement to complete a D54 as confirmed by CSCI. Local performance indicators will be developed and integrated with new monitoring around the direct payments and self-directed support initiatives.

There will be a requirement for a service level agreement with the Regional Distribution Centre to ensure an acceptable level of delivery and care for those most vulnerable.

16.6 Impact on Section 75 Agreement

The existing Section 75 (previously Section 31) arrangement will require review and scrutiny. Of specific note will be the consideration of finance quarterly meetings and Head Agency responsibilities.

16.7 Equality Impact Assessment

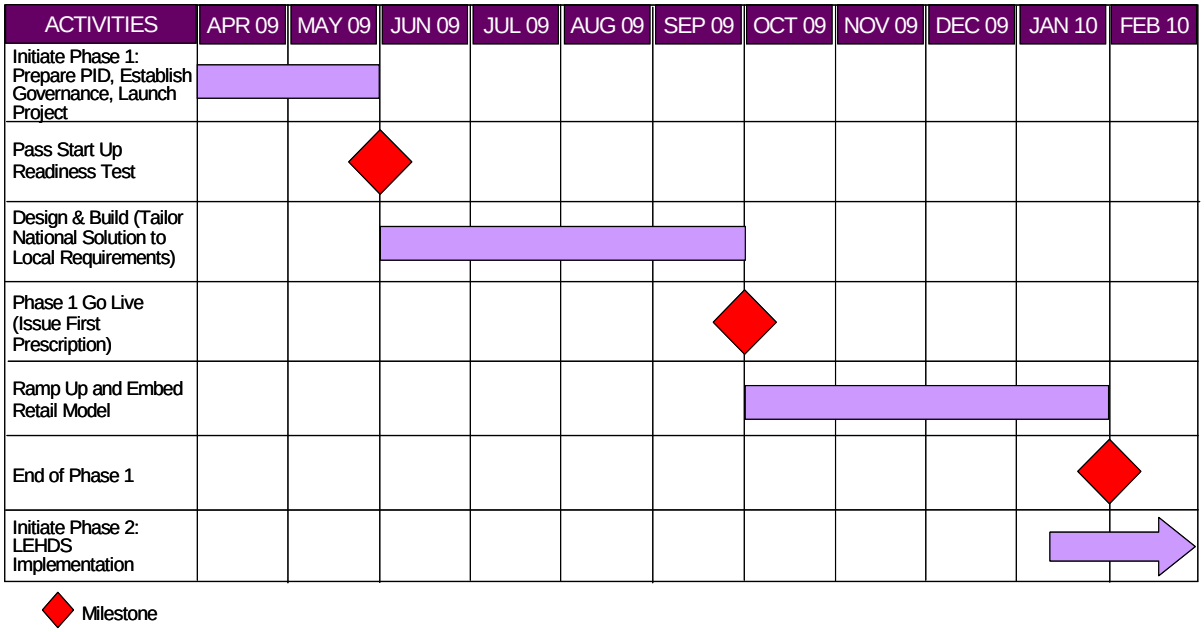
An Initial Equality Impact Assessment has been undertaken to understand if the recommendation has a differential impact with regards to race, gender, disability, sexual orientation, age or religious belief.

Two relevant user groups were consulted with (as cited in Section 16.1.2) to collect feedback on any differential impact. There is no evidence to suggest any stakeholder group will be negatively impacted. In fact, the proposed retail model provides more equality than the existing service as a greater number of users with daily living needs will be able to be assessed whereas currently only those with Critical and Substantial needs under the FACS criteria are eligible for state-funded equipment. The emerging retail market will also enable self-funders to have access to more information and greater choice of equipment.

A copy of the Initial Equality Impact Assessment is available in Appendix 2.

17 Implementation

17.1 Implementation Pathway



Phase 1- Retail Model has a 6-month implementation timeframe. The first two months will be dedicated to establishing the governance structure, preparing the Project Initiation Document and launching the project with staff and key stakeholders. The Department of Health will then conduct a 'Start Up Readiness' test to ensure key success components are in place and Harrow are 'ready' to begin full implementation. The next four months will be focused on tailoring the national retail solution to suit Harrow's specific requirements using structured tools and templates provided by the TCES team. It is anticipated Harrow will 'go live' with issuing the first prescription in October 2009 with an aim of ramping up to full prescriptions by January 2010.

Phase 2 – LEHDS is still being designed and tested by the Department of Health. The solution is planned to be ready for implementation in January 2010. Once the LEHDS is fully operational the existing store will close.

17.2 Business Continuity Plan

In the event the LEHDS solution is not ready for implementation by January 2010, there are two options available to ensure users continue to receive an effective service.

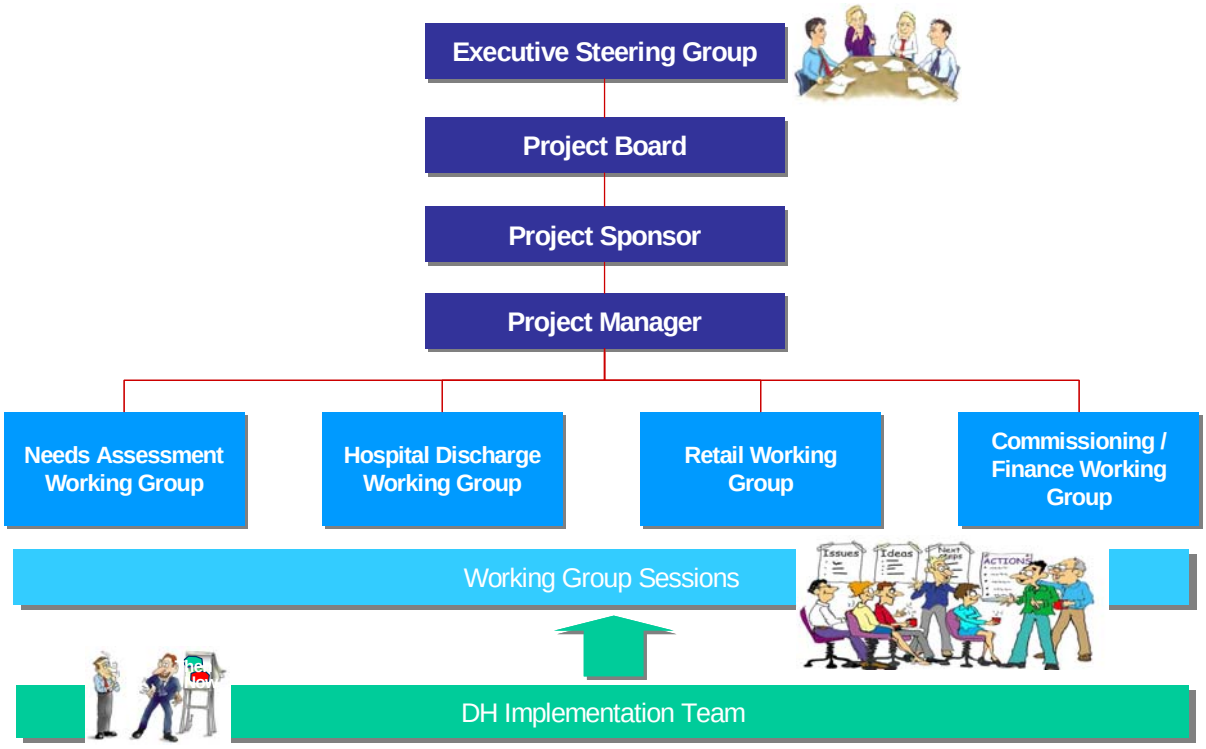
1. Keep the equipment store in operation to deliver the complex equipment until the LEHDS solution is ready for implementation
2. Move to the West London framework agreement and close the store.

The first option is recommended as this is lower cost and lower risk.

17.3 Governance Structure

A governance structure will be established to oversee implementation of Phase 1. The working groups will design and develop the local solution with support from the Project Manager while the Project Sponsor, Project Board and Steering Group will make key decisions, provide leadership and direction, and keep the project on course.

The Department of Health are committed to providing ten days support for Phase 1 of implementation.



17.4 Resourcing Plan

The following resources will need to be committed to the recommended 'man days' in order to effectively implement Phase 1 within the planned timeframe.

Project Resources	Hours Per Week
Project Manager	Full Time
Change Manager	20
Communications Manager	8
General Needs Assessment Working Group: • Chair • Members x 5	 5 1
Hospital Discharge Working Group: • Chair • Members x 5	 5 1

Retail Working Group: • Chair • Members x 5	 5 1
Back Office / Commissioning Working Group: • Chair • Members x 5	 5 1
User Working Group: • Chair • Members x 5	 5 1

Identification of these resources will take place in the initiation stage of Phase 1.

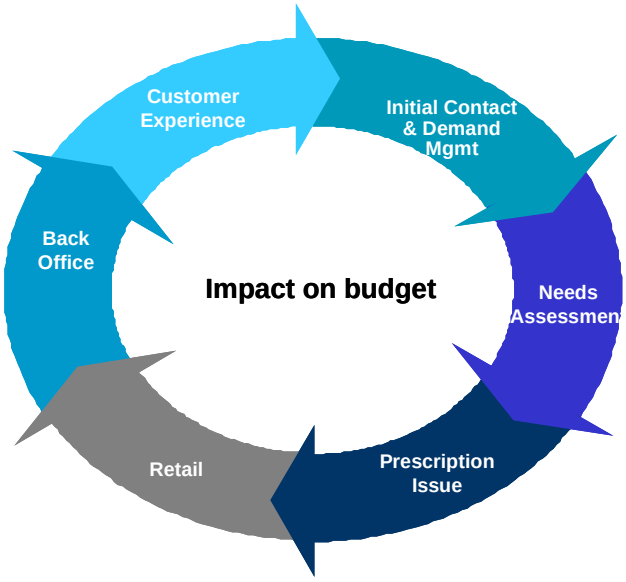
17.5 Risk Register

There are specific risks that need to be carefully managed throughout the life of the project. Below is an initial risk register that specifies the risk, the estimated impact to the project's time, cost and quality objectives, the likelihood of occurring and potential actions to mitigate. A detailed risk assessment will be conducted once the project has been formally established with risks being tracked on an ongoing basis.

Risk Description	Impact H/M/L	Likelihood H/M/L	Mitigating Actions
Complicated TUPE implications when store closes and staff potentially transferred to regional distribution centre	H	L	Follow the full consultation process as specified in the Protocol for Managing Organisational Change
Lack of local and national retailer appetite in becoming accredited	H	L	Initial retailer engagement workshop has identified interested retailers who want to become accredited In the first 2 months of the project another retailer engagement workshop will be held Interested retailers will participate in a Retail Working Group as part of the project governance structure
Lack of buy-in to the new service by users	H	L	Hold regular engagement activities with user forums e.g. Milmans and Bentley
LEHDS solution not developed and fully tested by Department of Health in time for Harrow's implementation timeline	L	L	Maintain current process for complex equipment according to business continuity plan until solution is ready for implementation as detailed in Section 15.2

17.6 Evaluation Plan

It is essential to understand and evaluate the impact of the retail model on key business areas. Measurement data will be collected to provide a complete picture of the change.



Change will be measured around 6 key business areas with measurement data being collected by way of templates and surveys. Collated data and anecdotal evidence will form the basis of a full business case to be produced at the end of implementation that demonstrates quantitative and qualitative benefits.

18 Appendix 1 – Financial Evaluation of Options

Option 1: Maintain Status Quo

		SADLs	CADLs	Total
1	**LOGISTICS**			
2	Management & specials commissioning for contracted service	£0	£0	£0
3	Total annual gross salary costs	£93,672	£207,888	£301,560
4	Total annual property costs	£6,469	£35,799	£42,268
5	Total other non pay costs	£1,449	£8,021	£9,470
6	Total annual transport non-pay costs	£4,125	£22,830	£26,955
7	Total cost of inspection & maintenance (inc repairs)	£0	£0	£0
8	Total cost of refurbishment (non-pay)	£24,595	£5,405	£30,000
9	Minor Adaptations - In-House	£0	£65,550	£65,550
10	Value of returned stock written off for disposal	£0	£0	£0
11	Total charges for waste equipment disposal	£0	£0	£0
12	Collection & delivery (outsourced)	£0	£0	£0
13	Inventory financing cost (opportunity cost @ 3.5% cost of capital)	£9,331	£2,051	£11,382
14	Directorate management of contracted service	£0	£0	£0
15	Corporate management & back office overhead (based on 4.3% of total cost of activity)	£16,257	£3,573	£19,830
15	**Total Logistics**	**£155,898**	**£351,116**	**£507,014**
16	**PRODUCTS**			
17	Simple aids to daily living (SADLs)	245357.41	0	245357.41
18	Bespoke / Special aids to daily living	0	146464.83	146464.83
19	Complex aids to daily living (CADLs)	0	1211349.89	1211349.89
20	**Total Products**	**£245,357**	**£1,357,815**	**£1,603,172**
21	**Total Service Cost (Before Credit)**	**£401,255**	**£1,708,931**	**£2,110,187**
22	Stores credit on reusing complex equipment	-£111,623	-£1,029,177	-£1,140,801
23	**TOTAL SERVICE**	**£289,632**	**£679,754**	**£969,386**

Option 2: Retail Model for SADLs; Status Quo for CADLs

		SADLs	CADLs	Total
1	**COMMISSIONING**			
2	Commissioning Body (fee per prescription)	£7,132		£7,132
3	Complex Equipment	£0		£0
4	Corporate management & back office overhead	£16,257		£16,257
5	**Subtotal: Commissioning**	**£23,389**	**£0**	**£23,389**
6	**LOGISTICS**			
7	**Logistics - Retail Model**			
8	Retailer fee per prescription (SADLs)	£5,219		£5,219
9	Delivery & Fit of SADLs	£35,884		£35,884
10	**Logistics - Inhouse Store for CADLs**			£0
11	Total annual gross salary costs		£207,888	£207,888
12	Total annual property costs		£35,799	£35,799
13	Total other non-pay costs		£8,021	£8,021
14	Total annual transport non-pay costs		£22,830	£22,830
15	Total cost of inspection & maintenance (inc repairs)		£0	£0
16	Total cost of refurbishment (non-pay)		£5,405	£5,405
17	Total cost of Minor Adaptations		£65,550	£65,550
18	Value of returned stock written off for disposal		£0	£0
19	Total charges for waste equipment disposal		£0	£0
20	Collection & delivery (outsourced)		£0	£0
21	Inventory financing cost (opportunity cost @ 3.5% cost of capital)		£2,051	£2,051
22	Directorate management of contracted service		£0	£0
23	Corporate management & back office overhead (based on 4.3% of total cost of activity)		£3,573	£3,573
24	**Subtotal: Logistics**	**£41,103**	**£351,116**	**£392,220**
25	**Total Commissioning & Logistics**	**£64,492**	**£351,116**	**£415,609**
26	**PRODUCTS**			
27	Simple aids to daily living (SADLs)	£172,732	`	£172,732
28	Bespoke / Special aids to daily living	£0	£146,465	£146,465
29	Complex aids to daily living (CADLs)	£0	£1,211,350	£1,211,350
30	Saving per National Catalogue & Tariff (to be reinvested in stock)	£72,626	£0	£72,626
31	Additional cost to purchase equipment previously refurbished	£0	£0	£0
32	**Total Products**	**£245,357**	**£1,357,815**	**£1,603,172**
33	**Total Service Cost (Before Credit)**	**£309,849**	**£1,708,931**	**£2,018,781**
34	Stores credit on reusing complex equipment		-£1,029,177	-£1,029,177
35	**TOTAL SERVICE**	**£309,849**	**£679,754**	**£989,603**

Option 3: Retail Model for SADLs; LEHDS for CADLs

		SADLs	CADLs	Total
1	**COMMISSIONING**			
2	Commissioning Body (fee per prescription)	£7,132	£1,567	£8,699
3	Complex Equipment	£0	£34,006	£34,006
4	Corporate management & back office overhead	£16,257	£3,573	£19,830
5	**Subtotal: Commissioning**	**£23,389**	**£39,146**	**£62,535**
6	**LOGISTICS**			
7	Retailer fee per prescription (SADLs)	£5,219	£0	£5,219
8	Delivery & Fit of SADLs	£35,884	£0	£35,884
9	Cost of service and repair of CADLs	£0	£37,620	£37,620
10	Delivery and collection of CADLs	£0	£9,804	£9,804
11	Refurbishment of CADLs	£0	£31,949	£31,949
12	Minor Adaptations	£0	£17,752	£17,752
13	**Subtotal: Logistics**	**£41,103**	**£97,125**	**£138,228**
14	**Total Commissioning & Logistics**	**£64,492**	**£136,271**	**£200,763**
15	**PRODUCTS**			
16	Simple aids to daily living (SADLs)	£172,732	£0	£172,732
17	Bespoke / Special aids to daily living	£0	£103,111	£103,111
18	Complex aids to daily living (CADLs)	£0	£852,790	£852,790
19	Saving per National Catalogue & Tariff (to be reinvested in stock)	£72,626	£290,290	£362,916
20	Additional cost to purchase equipment previously refurbished	£0	£111,623	£111,623
21	**Total Products**	**£245,357**	**£1,357,815**	**£1,603,172**
22	**Total Service Cost (Before Credit)**	**£309,849**	**£1,494,086**	**£1,803,935**
23	Stores credit on reusing complex equipment		-£1,029,177	-£1,029,177
24	**TOTAL SERVICE**	**£309,849**	**£464,908**	**£774,758**

Option 4: Retail Model for SADLs; West London Procurement for CADLs

		SADLs	CADLs	Total
1	**COMMISSIONING**			
2	**Commissioning - Retail Model**			
3	Commissioning Body (fee per prescription)	£7,132		£7,132
4	Complex Equipment	£0		£0
5	Corporate management & back office overhead	£16,257	£3,573	£19,830
6	**Commissioning - Framework Management**			
7	Management of framework contract		£7,500	£7,500
8	Invoice processing			£0
9	**Subtotal: Commissioning**	**£23,389**	**£11,073**	**£34,462**
10	**LOGISTICS**			
11	**Logistics - Retail Model**			
12	Retailer fee per prescription (SADLs)	£5,219		£5,219
13	Delivery & Fit of SADLs	£35,884		£35,884
14	**Logistics - Framework Management**			£0
15	Contract Management		£190,461	£190,461
16	Total delivery costs (CADLs)		£154,367	£154,367
17	Total collection costs (CADLs)		£42,336	£42,336
18	Total repairs & maintenance costs (CADLs)		£103,420	£103,420
19	Total cost of refurbishment (CADLs)		£7,715	£7,715
20	Minor Adaptations		£37,620	£37,620
21	**Logistics - Ordering & Management System**			£0
22	Annual license fees			£0
23	Ongoing system support			£0
25	**Subtotal: Logistics**	**£41,103**	**£535,919**	**£577,023**
26	**Total Commissioning & Logistics**	**£64,492**	**£546,992**	**£611,484**
27	**PRODUCTS**			
28	Simple aids to daily living (SADLs)	£172,732		£172,732
29	Bespoke / Special aids to daily living	£0	£146,465	£146,465
30	Complex aids to daily living (CADLs)	£0	£1,211,350	£1,211,350
31	Saving per National Catalogue & Tariff (to be reinvested in stock)	£72,626	£0	£72,626
32	Saving per Framework Contract (to be reinvested in stock)	£0	£0	£0
33	**Total Products**	**£245,357**	**£1,357,815**	**£1,603,172**
34	**Total Service Cost (Before Credit)**	**£309,849**	**£1,904,807**	**£2,214,656**
35	Stores credit on reusing complex equipment		-£1,029,177	-£1,029,177
36	**TOTAL SERVICE**	**£309,849**	**£875,629**	**£1,185,479**

Option 5: West London Procurement for ALL Equipment

		SADLs	CADLs	Total
1	**COMMISSIONING**			
2	**Commissioning - Framework Management**			
3	Management of framework contract	£30,554	£169,087	£199,641
4	Invoice processing	£20,496	£4,504	£25,000
5	**Subtotal: Commissioning**	**£51,050**	**£173,591**	**£224,641**
6	**LOGISTICS**			
7	**Logistics - Retail Model**			
8	Retailer fee per prescription (SADLs)	£7,132		£7,132
9	Delivery & Fit of SADLs	£0		£0
10	**Logistics - Framework Management**			
11	Contract Management	£34,416	£190,461	£224,877
12	Total delivery costs (CADLs)	£9,491	£154,367	£163,857
13	Total collection costs (CADLs)	£2,603	£42,336	£44,939
14	Total repairs & maintenance costs (CADLs)		£103,420	£103,420
15	Total cost of refurbishment (CADLs)	£29,325	£7,715	£37,041
16	Minor Adaptations		£37,620	£37,620
17	**Logistics - Ordering & Management System**			
18	Annual license fees			£0
19	Ongoing system support			£0
20	**Subtotal: Logistics**	**£82,967**	**£535,919**	**£618,886**
21	**Total Commissioning & Logistics**	**£134,017**	**£709,510**	**£843,527**
22	**PRODUCTS**			
23	Simple aids to daily living (SADLs)	£245,357	£0	£245,357
24	Bespoke / Special aids to daily living	£0	£146,465	£146,465
25	Complex aids to daily living (CADLs)	£0	£1,211,350	£1,211,350
26	Saving per Framework Contract (to be reinvested in stock)			
27	**Total Products**	**£245,357**	**£1,357,815**	**£1,603,172**
28	**Total Service Cost (Before Credit)**	**£379,374**	**£2,067,325**	**£2,446,699**
29	Stores credit on reusing complex equipment	-£111,623	-£1,029,177	-£1,140,801
30	**TOTAL SERVICE**	**£267,751**	**£1,038,148**	**£1,305,899**

19 Appendix 2 – Equality Impact Assessment

Directorate	Adults & Housing	Section	Community Equipment - ICES	**Person responsible for the assessment**	Megan Davidson / Norma Sterling	**Date of the assessment**	10 February 2009	
Name of the policy to be assessed			Retail Model		**Is this a new or existing policy**	New proposed model for delivery of community equipment		
1. In what areas are there concerns, that the policy <u>could</u> have a differential impact (please tick)			i. Race	ii. Gender	iii. Disability ✓	iv. Age	v. Sexual orientation	
			vi.Religious Belief	vii.Dependents	viii. Offending past	ix. Transgendered or transsexual		
2. What are the concerns that the policy <u>could</u> have a differential impact on relevant groups. Please explain (continue on a separate piece of paper if necessary)	The Retail Model provides more equality than the existing service therefore reducing the differential impact. The Retail Model will enable a greater number of users with daily living needs to be assessed whereas currently only those with Critical and Substantial needs under the FACS criteria are eligible for state-funded equipment. The emerging retail market will also enable self-funders (those who are not entitled to state-funded equipment) to have access to more information and greater choice of equipment where currently there is limited opportunity to serve these users.							
3. What existing evidence (either presumed or otherwise) do you have for this? (continue on a separate piece of paper if necessary)	The Retail Model is a Department of Health initiative that has been piloted in the north-west of London. Evidence collected during the pilot showed an improved quality of service as the Retail Model puts users and carers at the heart. By stimulating a local retail market, users with more simple needs could be referred to retailers to obtain simple equipment, empowering services to focus on users with more complex needs. The Retail Model allowed a greater number of users to be assessed in a shorter amount of time, and they were able to receive the equipment they really wanted, not just the equipment the state could afford. It is expected the same outcomes will apply to Harrow.							
4. What are the risks associated with the policy in relation to differential impact	No risks identified that relate to differential impact.							

5 Please state clearly the expected benefits of the policy	The Retail Model promotes independence and enables self-help by improving access to community equipment services for a broader section of the local population. The Retail Model provides users and carers with more choice and control over how their needs are met. The benefits are aligned to changing government policy around personalisation and choice, and the Adult and Housing Transformation Programme Plan.					
6. Do you approach experts / relevant groups to explore their views on the issues?	Yes ✓	No	**7. Please list the relevant groups/experts**	Milmans – Older People's User Group Bentley – User Group with Physical Disabilities		
8. How was the views of these groups obtained? (please tick)	Letter Meetings ✓ Interviews Telephone Workshops Fora Questionnaires Other		**9. Please list the date when each group/expert was contacted**	Milmans – 09 February 2009 Bentley – 09 February 2009		
10. Please explain in detail the views of the relevant groups/experts on the issues involved (continue on a separate piece of paper if necessary)	The users expressed an interest in the retail model, particularly the benefits around being offered choice – choice of retailers and choice of equipment.					
11. As a result of this assessment is a Full Impact Assessment necessary?	Yes ✓	No	**12. Date on which the Full Assessment is to be started**	To be undertaken as part of the retail model implementation if agreed by Cabinet	**13. Date on which the Full Assessment should be completed**	To be undertaken as part of the retail model implementation if agreed by Cabinet