

## SBAR Community Equipment Service – Pressures on Equipment Budget

Paul Cathrow

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### Situation

A sustained increase in demand for equipment, plus supplier price increases of up to 25%, have cumulatively resulted in a requirement to increase joint funding to the equipment budget for the Community Equipment Service.

### Background

The Community Equipment Service provides a critical function. Through provision of a wide range of equipment, it supports timely discharge from hospital and prevents admission by facilitating clients to remain within their own homes. Equipment is purchased from new, delivered to the community, maintained, uplifted, decontaminated and recycled back in to use. As members of National Association of Equipment Providers we are able to benchmark our service levels and return and recycle rates are exceptionally high. This is also evidenced by an NSS audit undertaken in 2016.

The equipment budget has been under significant pressure for a number of years and this pressure has escalated since the start of the Coronavirus pandemic in March 2020. The pandemic has resulted in four new pressures:

1. More patients were being supported at home for longer resulting in extended equipment loans and higher volumes of equipment being used.
2. Introduction of new programmes such as Single Handed Care and Postural Care has resulted in more equipment of a higher value being distributed.
3. Changing practice in care homes has resulted in the loan of more items, of higher value, for longer. This demand can only be met through purchase of additional stock.
4. Since April 2021 the situation has been compounded by sustained increases in supplier prices resulting from supply chain shortages. In most cases these increases are up to 25% with a few, specialist products, now commanding a 50% increase in price. Suppliers are warning of further price rises to come

Initially these pressures were met by use of contingency stock which had been purchased in anticipation of supply chain interruptions resulting from Brexit. Subsequently the pressure has been met through use of Government COVID funding (£159k in FY 21/22).

### Assessment

The Community Equipment Service remains an efficient service delivering best value. The majority of our procurement is through national framework agreements which result in best available value. Those purchases outside of frameworks are undertaken with every effort to ensure best value. The return and recycle rates are amongst the best in the industry.

The Professional Leads in the Equipment Service work closely with Referrers to scrutinise every non-core order and to agree lower cost alternatives wherever possible.

Demand changes resulting from Coronavirus will continue irrespective of pandemic status, this is now our new demand model. Continued demographic growth, pressures on community services and supply chain price increases will result in ongoing budgetary pressure which cannot be absorbed within existing budgets, which are 50/50 funded from Scottish Borders Council and NHS Borders. It is therefore necessary to increase the equipment budget.

It should be noted that increasing equipment purchase levels will result in an increase in associated storage, cleaning and distribution costs. This increase will be a step-change in nature and the service is rapidly approaching the point where additional staff and transport are required. Work will begin shortly in determining what this increase in operational costs will look like.

### Recommendations

It is recommended that:

1. The equipment budget for FY 22/23 be increased by £159k to match spend from FY 21/22. Funding of this budget increase should be on the existing 50/50 basis between Scottish Borders Council and NHS Borders.
2. The H&SCP is note the risk that further increases may be required throughout the year if supplier prices continue to increase above inflation and at short notice.
3. A further report will be considered in the near future which will identify further funding required to cover additional operational cost increases.