

Forward Plan reference number: FP/755/07/20

Report title: Funding for Personal Protective Equipment resources	
Report to: Councillor Chris Whitbread - Cabinet Member for Finance	
Report author: Nicole Wood, Executive Director, Finance and Technology	
Date: 9 July 2020	For: Decision
Enquiries to: Steve Ede Head of Procurement (steve.ede@essex.gov.uk)	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval for Essex County Council (ECC) to establish a dedicated personal protective equipment (PPE) team until March 2022.

2. Recommendations

- 2.1 To agree to the draw down of £280,000 from the Health and Safety reserve to fund the creation of a dedicated team within Procurement Services to buy personal protective equipment (PPE) and manage the logistics required to provide PPE to our suppliers and to our services until March 2022.

3. Summary of issue

- 3.1 The Covid-19 pandemic has caused unprecedented demand for PPE internationally. Within Essex, supply shortages rapidly became a critical issue for social care providers. Working with colleagues from across the Council, Procurement Services quickly created a sourcing, warehousing and logistics operation to supply PPE to the social care market. Personnel for this operation were redeployed from a range of areas. In the near future these colleagues will be returning to their normal duties and will need to be replaced.
- 3.2 The need for PPE will continue and is likely to increase as the Council's services reopen. It will be necessary to supply a range of PPE to ensure staff safety and to provide reassurance to colleagues who are anxious about coming out of social isolation. At the same time, the Council expects there to be a continuing need to act as a provider of last resort to the social care sector, ensuring they have access to PPE when their normal supply routes fail. The expectation is that a PPE operation will be needed for a period of up to two years. This operation will ensure that the Council stays abreast of the guidance on PPE usage as and when it changes, liaising with front line services and our contracted suppliers as necessary. It will ensure appropriate stocks of PPE are maintained to meet anticipated demand and that logistics arrangements are in place to deliver stocks to where they are needed.

4. Options

4.1 Option 1 – Do Nothing

The Council has a statutory duty to keep its staff but does not need to have a dedicated team to supply PPE. However without the team there would be significant risk of short notice supply disruption to ECC or within the social care market if we were unable to provide emergency stocks of PPE.

4.2 Option 2 - Decentralised model

All Council services which require access to PPE could develop their own capability to buy and manage supplies. There is a risk that this could lead to inconsistent approaches, quality concerns and our buying power would not be leveraged. A significant operation would still be required for the adult social care market. Because of the inherent inefficiencies in this approach it is not recommended.

4.3 Option 3 – Recommended Option - Centralised model

Building on the learning from the last three months, the currently operation would be put on a more stable footing. The Council's buying power would continue to be leveraged and best practice shared across the Council's operations. This option is recommended.

5. Financial implications

5.1 Should Option 3 of this report be agreed, the cost of a dedicated PPE team in ECC until March 2022 will be taken from the Health and Safety reserve established to fund PPE requirements in relation to the Covid-19 pandemic.

5.2 The cost of the team is estimated at £280,000 for a period of 1 July 2020 to 31 March 2022. The breakdown of costs for the team are shown in table 1;

Table 1

	YEAR 1 July 2020 to March 2021	YEAR 2 April 2021 to March 2022	Total YEAR 1 & 2 cost
3 x FTES 1 July 2020 to 31 March 2022			
RFJ PLUS ON-COSTS			
1 x Category and Contract Manager	46,080.00	61,440.00	107,520.00
1 x Procurement Officer	27,840.00	37,120.00	64,960.00
1 x Warehouse Manager	46,080.00	61,440.00	107,520.00
Total funds requested	£120,000.00	£160,000.00	£280,000.00
Note: oncosts @ 28%			

5.3 A Centralised PPE model incorporating; sourcing, procurement, quality control. logistics and allocation of PPE will result in longer term financial benefits, using economy of scale in purchasing and maintaining a minimum stock level, which will mitigate exposure to price fluctuations.

6. Legal implications

- 6.1 Supply of PPE may be required in some cases to comply with our statutory duties under the Health and Safety at Work Etc Act 1974. It is not known how long the current issues will continue, and it may be that there is a reduced requirement for PPE depending on the availability of a vaccine. It is therefore recommended that the team should be engaged on terms which enable the early termination should it no longer be required.
- 6.2 It will be necessary to comply with the Public Contracts Regulations 2015 when procuring PPE. Although there was some ability to procure urgently, the position has now stabilised somewhat and it will become increasingly difficult to justify the use of emergency procurements.

7. Equality and Diversity implications

- 7.1 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc. on the grounds of a protected characteristic unlawful
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 7.2 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 7.3 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8. List of Appendices

Equality impact assessment

9. Background papers

None

<p>I approve the above recommendations set out above for the reasons set out in the report.</p>	<p>Date</p>
<p>Councillor Chris Whitbread - Cabinet Member for Finance</p>	<p>22 July 2020</p>

In consultation with:

<p>Role</p>	<p>Date</p>
<p>Executive Director for Finance and Technology (S151 Officer) Nicole Wood</p>	<p>22 July 2020</p>
<p>Director, Legal and Assurance (Monitoring Officer) Paul Turner</p>	<p>9 July 2020</p>