

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Public Health
Date:	25 June 2014
Title:	Mainstreaming Telecare In Hampshire
Reference:	5818
Report From:	Director of Adult Services

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1. Executive Summary

- 1.1. The purpose of this paper is to seek permission from the Executive Member for Adult Social Care and Public Health to increase the value of the Mainstreaming Telecare in Hampshire contract. The original contract values were calculated to cover both business generated by Adult Social Care with additional amounts identified to provide room should other partners such as Health or Children's services wish to purchase services from us via this contract. However, the Telecare Strategic Partnership has proved so successful that the levels of referrals from Adult Services have absorbed this additional flexibility. As the department still wish to develop other areas of activity as defined within the existing contract specification the proposal is to increase the maximum available value of the contract for three years from up to £4,264,306 to up to £11,113,923 and for five years from up to £10,722,697 to up to £20,703,256.
- 1.2. It should be noted that these figures are up to values and expenditure would only be incurred should other partners commit to purchasing off this contract or evidence shows that additional benefit to the County Council will derive from that expenditure. The department has put in place processes to monitor performance and enable controls on expenditure linked to evidence of benefit or commitment to spend from other partners. This would rectify the position of the original business case albeit at a greater value. This will allow the department to continue to deliver existing benefits, develop additional planned activity and offer other partners the opportunity to purchase off this contract as originally planned.
- 1.3. On 29 June 2012 the County Council, via the Executive Member for Adult Social Care, took the decision to invest in the development of the

Mainstreaming Telecare project, which began delivery on 1 August 2013 and has quickly demonstrated that it is a highly innovative approach to delivering social care services. This approach was specifically designed to deliver high quality assistive technology social care services that can deliver measurable benefits but that would also be cost effective.

- 1.4. It is the County Council's judgement that as a full and transparent tender process was so recently undertaken (which was open to the full market in the initial stage and which delivered a clear and obvious winner) and that no requirements of the contract or specification have changed other than unexpected volumes an increase in the contract value as described in 1.1 is justified and appropriate. Our view is that a further tender process would produce the same outcome, deriving no further benefit. It is therefore considered that this is unnecessary and would simply add cost to the public purse and add additional bureaucracy.
- 1.5. This paper seeks to:
 - Provide contextual information for the telecare project
 - Consider the finance for the project and potential benefits
 - Highlight performance to date and projected performance

2. Contextual information

- 2.1. Hampshire County Council Adult Services department's vision for adult social care is one that places significant emphasis on re-ablement services and measures to avoid increasing dependency on care services as well as ensuring those that need long-term care are able to access appropriate good quality services. Increasingly, individuals are demanding that they are assisted to live as independently as possible for as long as possible and to have the ability to make choices about the care and support they receive, these desires are cornerstones of the vision the department has adopted. The development and mainstreaming of telecare and associated assistive technology is playing a major role in enabling Hampshire residents to achieve these aims. The provision of telecare will complement a range of other care and support services to ensure people are able to live safely, have their individual needs met unobtrusively and in ways that suit them, provide reassurance to carers and other family members and provide a access to help and assistance, 24 hours a day, should that be needed.
- 2.2. Telecare is technology based remote care enabling people to remain independent and stay in their own homes for longer. The development of telecare services and associated studies have shown that there are significant benefits to individuals who utilise these services, both those receiving assessed care packages and those who choose to purchase services for themselves. Telecare and associated assistive technology is less intrusive, enhancing people's sense of dignity and quality of life, can provide significant levels of confidence and reassurance for family

members and provide carers with levels of respite not possible or affordable through traditional care services. For example, the provision of monitoring equipment within the home may allow a carer to tend the family garden with the confidence that should their help be needed they will be alerted immediately or provide them with the confidence that while they sleep, telecare will monitor the cared for person and alert them should that need arise. Key reasons for referrals would be to prevent carer breakdown – telecare can provide a mechanism for additional respite, offer a falls prevention intervention or offer an alert to a loved one is someone is prone to wander. All of these types of benefits are simple solutions that can significantly improve people's lives and enable them to live more independently for longer.

- 2.3. Consultation was undertaken in early 2012 with a range of partners into the development of telecare in Hampshire and as part of the process a workshop was held with senior Adult Services managers to discuss delivery options and the preferred outcome was to appoint a contractor.
- 2.4. Following this work and an options appraisal of contracting options the decision was taken to develop a business case for the adoption of a Strategic Partner for the delivery of mainstreaming telecare in Hampshire
- 2.5. Entering into a strategic partnership with a third party organisation is fundamentally different from procuring a principal or main contractor to deliver telecare services. Contracted services are often entered into on the basis of a transactional relationship whereas partnerships imply joint objectives and required outcomes, where aims, values, decisions and risks are shared
- 2.6. The Executive Member for Adult Social Care gave approval to go out to tender for the Mainstreaming Telecare in Hampshire project on 29 June 2012. A tendering process was followed to ensure that organisations on the tender list have relevant experience, good references and are financially sound. The conditions of contract and service specification have also been designed to set clear required outcomes and quality standards whilst also defining the role of the Strategic Partner.
- 2.7. At the initial stage of the process 15 organisations or consortia submitted Pre Qualifying Questionnaires (PQQ). Following assessment of these 13 organisations or consortia were deemed suitable to proceed and were issued with Invitations to Tender (ITT). Finally, 5 organisations or consortia submitted completed tender documents.
- 2.8. All 5 tenders received were evaluated against criteria for scoring relative to the questions asked within the ITT. The ITT assessed quality of the service to be delivered and understanding the function of the Strategic Partner (70 percent) and Cost and Price (30 percent). Through the evaluation process one clear winner emerged, scoring very significantly higher than all other tenders submitted.

- 2.9. Subsequently the Executive Member for Adult Social Care gave permission to award the resulting contract on 19 March 2013. Following this the contract with Argenti (the winning contractor from the process) commenced on 1 August 2013.
- 2.10. The original business case for Mainstreaming Telecare in Hampshire detailed a growth for telecare services based on previous patterns of referral. It also made an assumption of slow take-up that commonly follows the introduction of a new service. In particular the assumptions were that referrals for the service would flow at a rate of five per week in the first year. At the time of producing the business case these judgements were based on evidence of referral rates from a number of years telecare provision within Hampshire and experience elsewhere on implementation of new services. The overall projections for the referral rate were 600 in year one with a further 1050 connections in year two.
- 2.11. Six months into the life of the contract and referrals are running at between 40 and 50 per week with no anticipated reduction, this is a rate 10 times higher than anticipated. This very significant success in implementing the Telecare Strategic Partnership does mean that projected workflow from the County Council's Adult Services Department alone will outstrip the capacity of the contract value early in the life of the proposed contract term of five years. This success is derived from the approach the County Council has developed with its Strategic partner, delivering a high quality training programme for staff based on practice and culture change, effective system re-engineering (internal Hampshire County Council processes) and a rigorous and targeted approach to referrals that is designed to maximise outcomes for individuals whilst ensuring an efficient use of public resources. This approach is considered ground breaking in the levels of success it is achieving, particularly as this success is measurable and verifiable, an achievement few others can claim.
- 2.12. Between 1 August 2013 and end March 2014 1,200 clients have been referred to the service, outstripping the year two target in the first 8 months of the contract. In addition, service user surveys, feedback from staff and performance monitoring information show that the service is highly responsive to clients needs and delivering a highly effective social care service that complements very well more traditional forms of care.
- 2.13. In addition, managing the current flow of referrals has meant that the department and our Strategic Partner have not been able to pursue key elements of the specification, namely develop viable telecare offers for other partners (e.g. Health, Children's Services), invest sufficient resources in development opportunities that would benefit the department and service users or role out at scale a good quality private pay offer. This is unlikely to change under the current arrangements.

3. Finance

- 3.1. The funding of the Mainstreaming Telecare in Hampshire project was based on the principle that the delivery of the service would fund itself, either through savings made by the department through more cost effective social care interventions (telecare itself) or via other partners buying from the contract. Therefore the original contract award was based on an 'up to' value which took into account these principles.
- 3.2. The commercial arrangements for the Mainstreaming Telecare in Hampshire project are based on an assumption that the cost of the contract will be covered by identified and verified savings. Savings as detailed in the business case of 29 June 2012 are anticipated to be a mixture of cashable savings and avoided costs, in particular reductions in usage of domiciliary care, avoidance of admittance to residential care and reductions in carer breakdown. Where this contract is used to deliver activity for other parties, e.g. Health or other parts of the County Council, their financial contribution would cover the transactional costs to the County Council.
- 3.3. As stated in 2.11 the referral trajectory for individuals eligible for services from Adult Services is far higher than expected. The original business case predicted a figure of 5,600 live telecare deployments by the end of year five of the contract. The current trajectory shows this will in reality be over 8,900. Our expectation is that these deployments will continue to show a net financial benefit to the department but this will be monitored throughout via the benefits realisation programme.
- 3.4. Adult Services alongside our Strategic Partner have developed a robust benefits realisation programme. This is managed by the departments Performance team and captures data from referrals including costs savings accruing through the deployment of telecare.
- 3.5. As of mid-March 2014 the benefits realisation programme we have developed for telecare services reported an expected average net saving per telecare deployment of £847 (excluding any payments by results costs of up to 15%). This would be on track to deliver an annualised gross saving to the department in the first year of deployment of £1.062m based on deployments within the first six months of the contract alone, and if this continues would be on track to meet the £1.600m year one contract costs and budgeted net savings target of £315,000 in the 2013/14 financial year, in addition to a proportion of the £1.420m in the 2014/15 financial year (with year one of the contract spanning both financial years).
- 3.6. Additional Adult Services activity is planned that will deliver services to individuals who are identified as on the cusp of requiring social care interventions and where benefits to the department can be identified through providing telecare services. Prior to a commitment to invest in this activity via this contract evidence will be gathered to substantiate

assumption about any accrual of benefits in doing so. Working closely with the Community Independence Team (CIT) we have been able to identify that a cohort of 2500 could benefit from this approach over the remaining life of this contract. A specific benefits realisation programme will be put in place to test the validity of our assumptions of predicted benefits. This would be an additional transactional cost to the department but this would be moderated via the benefits realisation programme.

- 3.7. Other costs that make up the proposed contract value are those that would be borne by partners. Our principle partner is Health where we have jointly identified that significant benefits could be accrued by them in delivering telecare around falls prevention. Other partners will include Children's Services where early intervention activity can be developed via the Integrated Disabilities Team. However, these elements of the contract will be paid for by partners should they choose to develop an assistive technology based approach. This element would in reality carry no transactional cost for the department but need to be included in the contract value to enable the actions outlined above. It should be noted that whilst there are no transactional costs there may well be some financial benefits the department could realise by facilitating this activity. Some consideration of this is included in the financial charts in the exempt appendix.
- 3.8. We have also included a 10 per cent contingency and 15 per cent payment by results element as per the original contract value.
- 3.9. The tables in the exempt appendix detail the financial projections for three years and five years based on the description above.

4. Legal Implications

- 4.1 In exercising its functions the Executive Member must have due regard to the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited under the Equality Act and advance equality of opportunity and foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

5. Equalities Impact Assessment (EIA)

- 5.1. A full EIA was undertaken for the original business case and the following key areas were highlighted:
- 5.2. The project to mainstream telecare in Hampshire is one that seeks to expand and improve the delivery of telecare and associated assistive technology services to all residents of the area. It will seek to replace the ad hoc and limited delivery of services with a fully managed service provided via a strategic partner to the authority.

- 5.3. The business case to the project details expected efficiencies to the department through avoidance of recourse to more expensive care provision, for example, avoidance of admittance to residential care. This would also benefit individuals who would be able to maintain independence for longer in their own homes. This project would extend the opportunity to receive telecare service to significant numbers of the Hampshire population, either through care management or via self funded care. It may be that there are individuals or groups who have traditionally resisted the use of assistive technology. It will be the role of the provider to ensure technological solutions are culturally sensitive and develop a personalised response to service delivery.
- 5.4. We have reviewed the existing EIA and as no substantive changes to the requirements of the contract are planned and delivery of the partnership and service are following the intended trajectory the existing EIA has been updated to cover the actions detailed in this report. In addition, work has been undertaken to ensure that people who do not speak English or who are deaf or with hearing loss are fully able to access the service. In the case of language translation services are used at assessment and install if that is required and our telecare monitoring service subscribes to Language Line. For those who are deaf or have a hearing loss specialist equipment is used to enable them to fully benefit from the service.
- 5.5. Consideration has also been given to potential deprivation of liberty deriving from the deployment of monitoring equipment, specifically door sensors and GPS enabled devices. Whilst discussion of this is on-going nationally, the County Council takes the view that rather than restricting an individuals freedom of movement equipment such as this enables greater freedom as it often effectively replaces potentially more restrictive solutions, whilst at the same time alerting carers that a loved one may have wandered and maximising their safety.

6. Future direction

- 6.1. The County Council's view is that as the tender process was undertaken very recently, that there was one very clear winner and that other than the unanticipated increase in referrals no substantive change is proposed, i.e. no change in the requirements of the contract or specification, that the proposed increase in the maximum contract value is justified and appropriate and should proceed.

7. Recommendation

- 7.1. That the Executive Member for Adult Social Care and Public Health gives permission for the increase in the Mainstreaming Telecare in Hampshire contract up to a maximum of £20,703,256 over five years, with a breakdown of a maximum of £11,113,923 for the initial three year contract term and a maximum of £20,703,256 for the full five years should that option be enacted.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Mainstreaming Telecare in Hampshire	4584	22 March 2013
Mainstreaming Telecare in Hampshire – Business Case	3923	29 June 2012
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1. A full equalities impact assessment (EIA) was undertaken for the original business case and the following key areas were highlighted:
- 1.2. The project to mainstream telecare in Hampshire is one that seeks to expand and improve the delivery of telecare and associated assistive technology services to all residents of the area. It will seek to replace the ad hoc and limited delivery of services with a fully managed service provided via a strategic partner to the authority.
- 1.3. The business case to the project details expected efficiencies to the department through avoidance of recourse to more expensive care provision, for example, avoidance of admittance to residential care. This would also benefit individuals who would be able to maintain independence for longer in their own homes. This project would extend the opportunity to receive telecare service to significant numbers of the Hampshire population, either through care management or via self funded care. It may be that there are individuals or groups who have traditionally resisted the use of assistive technology. It will be the role of the provider to ensure technological solutions are culturally sensitive and develop a personalised response to service delivery.
- 1.4. We have reviewed the existing EIA and as no substantive changes to the requirements of the contract are planned and delivery of the partnership and service are following the intended trajectory the existing EIA covers the actions detailed in this report.

2. Impact on Crime and Disorder:

- 2.1. There are no identified direct impacts on crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The proposal to mainstream telecare in Hampshire may reduce the number of domiciliary care visits, therefore, reducing travel.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The delivery of telecare services are minimal impact services. Technological development will mean more efficient equipment and better services for individuals. The further development of low power equipment and more efficient battery cells should aid in this.