

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Member for Adult Social Care and Health
Date:	25 July 2018
Title:	Technology Enabled Care Partnership Arrangements Permission to Spend
Report From:	Director of Adults' Health and Care

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1. Recommendations

- 1.1. That the Executive Member for Adult Social Care and Health gives approval to spend up to £31,380,000 in order to procure a new Technology Enabled Care service for an initial five years, to commence on 10 December 2018.
- 1.2. That the Executive Member for Adult Social Care and Health also gives approval to spend up to a further £36,030,000 in order to extend the Technology Enabled Care service contract by a further period of up to five years should that be deemed appropriate and required, bringing the total contract length to 10 years, at a cost of up to £67,410,000.
- 1.3. That the Executive Member for Adult Social Care and Health gives approval to extend the existing Technology Enabled Care contractual arrangements from 31 July 2018 for a period of up to six months, at a value of up to £1,160,000. This will provide a continuity of service during the procurement period, and allow for an implementation and handover phase, should this be required.

2. Executive Summary

- 2.1 The purpose of this paper is to seek approval from the Executive Member for Adult Social Care and Health to spend up to £31,380,000 over a five year period, and £67,410,000 over a ten year period, for the procurement of a new Technology Enabled Care (TEC) partnership arrangement from 10 December 2018. It also seeks permission to extend the current TEC contract for a period of up to six months, at a cost of up to £1,160,000, whilst the new service is procured and implemented.
- 2.2. Additionally this paper outlines the proposed future arrangements for Hampshire County Council's strategic TEC partnership following the end of the existing five-year contract, and seeks to:
 - Provide an overview of the TEC partnership.
 - Set out the background and scope to the TEC procurement project.

- Set out the timeline for procuring a future TEC partner.

3. Background

- 3.1. The original contract for mainstreaming telecare (now referred to as TEC) in Hampshire commenced on 1 August 2013 following a restricted tender that was open to the full national and European market. PA Consulting Ltd were awarded the contract, and formed the Argenti consortia/partnership as the delivery vehicle for the TEC project, alongside Red Alert and Medvivo, who were subcontracted to provide equipment installation and contact support services respectively.
- 3.2. Through positive working and improved outcomes for service users, the current Hampshire TEC partnership has been recognised as a successful strategic collaboration between the public and private sector, reducing costs in social care by investing in innovative technology, whilst also improving quality of life and maintaining service user independence in their own homes for longer. The intention is for the future TEC contract to extend and build on these outcomes, extending further into the sphere of delivering jointly with the successful bidder around TEC.

4. Current Contract Specification and Performance

- 4.1. The current contract covers fully managed TEC services with strategic and extended management input around the implementation, development and management of the services. This is primarily focused around individuals who have eligible social care needs that will be met by Hampshire County Council. The specification also includes capacity for innovation. Through our work to date, the current partnership has identified both innovative ways of working and additional cohorts who have benefited from service delivery (e.g. Dementia Pathway, missing persons). The future contract would place an increasing emphasis on innovation and potential future saving streams, particularly through working with Children's Services, Health and other public sector bodies and the private pay market (to facilitate support to a broader base of Hampshire residents and address wider demand, meet our wider welfare obligations and support the County Council's transformation ambitions).
- 4.2. Through the current contract the County Council has been able to deliver outcomes which can be demonstrated to carry benefits on a number of levels. Individual outcomes are the principal focus, with maintaining independence in the community, a core theme. For individuals, this has resulted in reductions in unnecessary domiciliary care packages or an avoidance of admittance to residential care, but also a greater sense of independence and security. For example, products used by individuals provide peace of mind for those at risk of falling, or reduce intrusive monitoring because of conditions such as epilepsy. These benefits extend beyond the direct impact for individual clients, providing significant support for informal carers. TEC services deliver multiple benefits, including enhanced peace of mind and reassurance and additional support in the caring role that realise specific and tangible benefits for individuals and families. In addition, the benefit to the social care system

cannot be underestimated through supporting carers; helping people use their own assets to support their families and loved ones more effectively which in turn increases longevity of informal care and maintains independence for longer.

- 4.3. Systemic outcomes have been demonstrated to be of similar or equal importance. The contractual arrangement has been framed within the County Council's on-going transformation programmes, with the TEC workstream delivering £1.42m of annual savings (net) of the cost of the contract. However, the outcomes for the system go beyond efficiencies, with impacts demonstrated in professional working practice, how assessments are carried out, and perceptions of what a social care intervention can be.
- 4.4. The TEC service has proven to be a useful vehicle to promote and instigate joint working between both Hampshire County Council Departments and externally with NHS bodies, the police and other local authorities.
- 4.5. Key points during the last five years are:
 - Net savings for Hampshire County Council for the first four years of the project as calculated through the agreed benefits realisation model are: £7,108,000 (By year: Year 1 £809,000, Year 2 £1,874,000, Year 3 £1,910,00, Year 4 £2,515,00), with a continued increasing trend into Year 5.
 - In excess of 9,600 service users, 14,300 installations and 18,200 separate referrals.
 - A reduction in time taken to install equipment, from 15 days to an average of 8.5.
 - High satisfaction rates of service users who feel that TEC has increased their feelings of safety and security (94%) and would recommend the service to others (98%).
 - In addition to those financial benefits recorded within the agreed model, there are significant preventative financial benefits not captured. By their nature these are difficult to quantify accurately, however we can conclude there has been a real impact in supporting informal carers thereby reducing the need for formally paid social care support. A reasonable estimation of the impact would be as much as £4,000,000 of prevented social care costs annually.
- 4.6 There are a small number of areas where the new contract would provide an opportunity for improved performance. These relate to sustained staff (referrer) satisfaction, uninstal rates, and private pay, the latter of which is discussed later within this report.
- 4.7 The current arrangements are due to end on 31 July 2018, at which time the tendering exercise for the next iteration of these arrangements would have begun.

5. Future arrangements

- 5.1. It has become clear over the life of the current partnership that the transformative nature of the digital TEC arena, and the way the current partnership has both developed and impacted on the work of the County Council, that an opportunity exists to significantly enhance any future partnership. The ending of the current contractual arrangement presents that opportunity.
- 5.2. The option to simply continue arrangements with the current format will not take full advantage of the opportunity that confronts us, in particular the highly ambitious opportunity to maximise potential commercial opportunities, efficiencies and ways of working differently to help the County Council transform services.
- 5.3. Our ambition is to work with an organisation or combination of organisations who are prepared to share in the risk and reward of helping the County Council transform; providing us with both strategic input, and delivering TEC services. The County Council's ambition is to maintain its leading role in the development and delivery of TEC services but push this further by making technology a central plank in the delivery of social care services and our broader service offer to citizens, as well as offering these functions to a wider set of authorities and organisations. It is expected that our future external partner would provide us with private sector insight, drive and ambition and work jointly with us to both, develop our innovative approach to service delivery for eligible social care clients and to become more commercial in our outlook and activity.
- 5.4. Whilst we see the central plank of this partnership being TEC and all its associated activity, we recognise and require that our future partner will play a key role going forward in the strategic development of our business. This will centre on TEC but will also encompass our broader agendas. Our approach to TEC has helped us shape and think differently about social care delivery; we envisage that this role will continue as the demand to transform social care increases over the life of this new contract.
- 5.5. To this end, it is expected that the future TEC partnership would include the following elements;
 - Continuing to offer our mainstream managed digital TEC service.
 - Providing key strategic input on the delivery and development of digital TEC services for the Department and County Council as a whole.
 - Providing strategic input on our overarching change agenda, in particular around the technology, workforce and efficiencies interface.
 - Working with a partner who understands the commercial opportunities and is prepared to work with the Department/County Council on a risk share basis in developing in a more focused approach to selling services.
 - Embedding innovation not just through our approach to digital TEC, but also in professional practice, seeking new ways of delivering services and ensuring that Hampshire is at the cutting edge of TEC and transformation.

- Working to maximise efficiencies, working practice and integration of our own services to address, through digital solutions, key Departmental challenges such as delayed transfers of care, hospital avoidance, workforce capacity and lack of care resource.
- Leading with us on the integration agenda by helping us work with NHS colleagues around digital care opportunities and innovations that bridge the gap between health services and social care, making Hampshire an exemplar of integration and innovation.
- Working to mutually develop and offer appropriate TEC services and options for external health agencies, through selling services. In particular, where we can identify mutually beneficial activity.
- Providing cross-sector opportunities that are either commercially viable or offer new ways of working and help us manage demand and assist individuals, families, groups and communities to help themselves in better ways than are currently available.

5.6. These points represent a different set of principles to other contractual or commercial arrangements the Department currently has. This is due to the view that this opportunity should be grasped as an ambitious move to transform how the County Council does business; with individuals, with internal Departments and with external authorities, agencies and partners.

6. New TEC Service Contract

6.1. Our intention is to seek a partner that is capable of delivering our core TEC requirements as a managed service and can build on the achievements described within this report, whilst delivering the innovation, commercial capability and significant and meaningful strategic input that is required in future years.

6.2. To this end, the new service specification will require four key elements from the new provider:

- i) The core service delivery of TEC products to individuals with an eligible social care need. As part of this, to work with Adults' Health and Care to fully explore and analyse referral data to ensure that TEC forms a key part of our Strength-Based Approach to care. It would be expected, for example, that current users of TEC in Hampshire would increase from circa 9,500 per annum to approximately 12,500 per annum within the life of the initial 5 year contract;
- ii) To act as a strategic partner, working closely with the County Council to innovate around TEC, continuing our reputation as a national leader in this area of social care;
- iii) To provide consultancy to the County Council, focusing on its wider transformation and increasing demand for services to be delivered differently. As part of this, to work in partnership to increase the sold services available from the County Council.

- iv) To further develop the private pay market, exploring options for promoting TEC to the significant self-funder market in Hampshire, expanding this area of the Adults' Health and Care offer.
- 6.3. As this arrangement and partnership will be central to our future social care services, it is proposed this contract would sit on a longer term arrangement of a minimum of five years, with an extension of up to a further five years, bringing the maximum contract length to 10 years.
- 6.4. The outcomes and performance measures expected as part of the new contract reflect the desire to build on the successes to date from the current contract, alongside new areas where improved performance is sought. These measures will relate to:
- Net financial benefit of service to the County Council;
 - The percentage of TEC service users who avoid an increase in their package of care, or admission to other forms of care;
 - Customer, staff and responder satisfaction;
 - An assessment of Strategic Fit and cultural alignment;
 - Average time from referral to installation, and the installation or replacement of equipment within agreed timescales;
 - Responses to alerts within agreed timescales;
 - The number of service user annual reviews completed.

7. Procurement Timelines

- 7.1. The Prior Information Notice (PIN) for the procurement exercise was published on 9 February 2018, formally beginning the procurement timetable.
- 7.2. The pre-qualifying questionnaire will be published on 18 July 2018. Based on current timelines, the formal invitation to tender will be published on 24 August 2018 with a deadline for responses by 10 September 2018. After this time it will be known if a viable provider can deliver the specification as proposed.
- 7.3. Following a successful procurement exercise, the contract is expected to be awarded on 10 December 2018. In order to ensure continuity of service between the current contract ending on 31 July 2018 and the award of the new contract, an extension to the current contract is proposed for up to six months.
- 7.4. A briefing will be made available to the Executive Member for Adult Social Care and Health once the new TEC contract is in place and final arrangements for its implementation and monitoring have been agreed.

8. Finance

- 8.1. The contract value is anticipated to be up to £31,380,000 for the first 5 years and up to £36,030,000 for the subsequent 5 years; therefore permission is sought for the total value of £67,410,000. Permission is also sought for up to £1,160,000 for an extension to the current TEC contract.

- 8.2. Contract costs are based on average lifetime of service costs per new installation and include an allowance of 1.75% per year for inflation.
- 8.3. Allowed for within this total contract cost is expenditure for services that, if a commercial agreement can be reached, will be recovered from potential purchasers such as other Departments within Hampshire County Council, local authorities and Health. Approximately 50% of the cost that approval is sought for would relate to Hampshire Health and Adult Social Care activity.
- 8.4. The current telecare services annual budget in 2018/19 is £3,266,000, which includes contract payments for equipment & service costs, service management & development, performance by results and ad hoc costs.
- 8.5. Any services sold as per 8.3 will be on the basis of full recovery including a contribution towards overheads.
- 8.6. In financial terms it is anticipated that this new arrangement will not only maintain the existing level of budgeted savings but build upon this with a further £200,000 budget saving per annum. This is in addition to contributing to further managing down the cost arising from the growth in demand for social care services.
- 8.7. Whilst a maximum spend level for the five and ten year period has been estimated for this approval the annual spend will be monitored and managed within the value of the annual budget approved by Full County Council in each of the years.

9. Equalities

- 9.1 An Equalities Impact Assessment has been undertaken (see integral appendix B) in respect of the proposed recommendation. The impact has been assessed as either positive or neutral in relation to all statutory considerations.
- 9.2 It has been identified that there would be positive impacts in terms of age, disability and poverty, and neutral impact in relation to all other protected characteristics.
- 9.3 Services will be monitored to ensure they deliver support to all recipients of TEC, and take account of likely impacts and equality issues that need to be addressed to provide services to individuals in Hampshire. The provider of these services will be required to demonstrate through the tendering process how they will ensure the service delivers support to individuals from the whole population in Hampshire and in particular, those groups that may have not previously been in receipt of support services.
- 9.4 The new contract would continue to extend the opportunity to receive TEC 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.

10. Legal

- 10.1 The proposals to tender the contracts for these schemes will be compliant with Hampshire County Council Standing Orders, and are subject to the Public Contracts Regulations (2015).
- 10.2 Legal advice is contained in the Exempt Appendix.
- 10.3 It is for the Executive Member as decision maker to 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.

11. HR Implications

- 11.1. TUPE will apply should the current provider of the service change. This will be dealt with in accordance with normal procurement processes and the staffing situation at the relevant times.
- 11.2. Existing Hampshire County Council staff will not be affected by this proposal, however, two posts are dedicated to working within the TEC partnership and it is expected that this will continue within the new contract.

12. Conclusion

- 12.1 The end of the initial five year contract for providing TEC services has provided an opportunity for the future contract to extend and build on the outcomes achieved, extending further into the sphere of delivering jointly around TEC.
- 12.2 A procurement process is in place to secure a new provider who will deliver services in line with the new specification, working to the four key elements around TEC delivery, strategic partnership, consultancy and private pay, helping Hampshire continue to lead nationally the development of TEC in social care.
- 12.3 In order to award the new TEC contract, permission to spend up to £67,410,000 is sought from the Executive Member for Adult Social Care and Health, over a period of 10 years. Permission is also sought to extend the current TEC contract for a period of up to six months, at a cost of up to £1,160,000, whilst the new service is procured and implemented. Spend will be monitored and managed within the value of the annual budget approved by the County Council.
- 12.4 Subject to a successful procurement exercise, the new TEC contract will be in place from 10 December 2018.

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	No
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	No
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

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.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

An equalities impact assessment has been carried to understand the impact that the proposals in this report would have on the people who use the services, their families and carers. It has been identified that there would be positive impacts in terms of age, disability and poverty, and neutral impact in relation to all other protected characteristics. The full EIA can be found here <http://documents.hants.gov.uk/equality-impact-assessments/ProcurementofTechEnabledCareContract-EIA-20180604.pdf>

As staff will not be impacted by the proposals within this report, an equalities impact assessment has not been carried out in respect of those who work in the current TEC service.

2. Impact on Crime and Disorder:

2.1 No impacts have been identified.

3. Climate Change:

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

No impacts have been identified.

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

No impacts have been identified.