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To: Adult Social Care Cabinet Committee - 23 November 2017

Subject: **INTEGRATED COMMUNITY EQUIPMENT SERVICES CONTRACTS**

Classification: Unrestricted

Previous Pathway of Paper: This is the first Committee to consider this report

Future Pathway of Paper: None

Electoral Division: All

Summary: This report provides Members information about the operation of the Integrated Community Equipment Services contract awarded to NRS Healthcare (Lot 1) and Technology Enabled Care Services contract awarded to Centra Pulse (Lot 2). Both contracts have been operational since 1 December 2015

Recommendation: The Adult Social Care Cabinet Committee is asked to **CONSIDER** and **COMMENT** on the content of this report.

1. Introduction

1.1 This report provides an overview and information about the operation of Integrated Community Equipment Services (ICES) contracts. It reports on where we were and where we find ourselves today. It also shares with Members some examples of achievements and challenges that will inform and support decision making in order to ensure continued service delivery.

2. Where we were

2.1 **Integrated Community Equipment Services** - Kent County Council (KCC) and Kent's Clinical Commissioning Groups (CCGs) embarked on a project in 2015 to review and redesign the provision of community equipment into an integrated health and social care service for adults and children across the whole of Kent (excluding Medway). The decision to embark on the project review and redesign was because the services delivered by two main providers, Kent Community Health NHS Foundation Trust (KCHFT) and Commercial Services Kent Ltd (CSK), did not provide the best level of coordinated provision and could not easily be held accountable either in term of standards of performance or in financial management.

- 2.2 Commissioners agreed a range of High Level Service Outcomes that they would want to see achieved as measure for successes. These can be seen at Appendix 1.
- 2.3 **Technology Enabled Care Services** – The Council delivered its Telecare (TC) services through two separate service providers. Installation and repair services were delivered through CSK. 24/7 monitoring services were provided through Centra Pulse Ltd. TC installation services would be unlikely to remain viable through CSK if they no longer provided ICES, and an opportunity existed, to commission an integrated solution.
- 2.4 Both opportunities would ensure greater effectiveness and efficiency for frontline staff within the Council and Healthcare and improved service effectiveness and customer experience. They would also ensure commissioners had an improved understanding of where resources were being spent.

3. Where we are now

- 3.1 **Integrated Community Equipment Services** - NRS Healthcare was awarded a contract for five years in July 2015 with a start date of 30 November 2015. The service was procured by the Council however it was commissioned, and is delivered in partnership under a Section 75 agreement with the seven Clinical Commissioning Groups (CCGs). Thanet CCG acts as lead CCG in this arrangement, representing all CCGs at the various governance, and operational meeting forums in place. The Council is the contract holder and manager. The total anticipated contract value for the life of the contract is £45 million. This is one of the largest community equipment service contracts in the country.
- 3.2 **Technology Enabled Care Services** - Centra Pulse was awarded a contract for five years in August 2015 with a start date of 1 December 2015. The service was commissioned and procured and is managed operationally by the Council, with no other partners. The service is an integrated service providing installation and monitoring of TC services through one source. The total anticipated contract value for the life of the contract is £7.5 million.

4. Key Findings and Achievements

- 4.1 **Integrated Community Equipment Services** - Kent is now in a stable position with major improvements in all areas of community equipment services. Financial visibility and performance monitoring are greatly improved. Considerable investment has been made by NRS Healthcare to equip two fit for purpose buildings/warehouses which provide capacity to deliver, recycle, clean and repair equipment in order to cope with Kent's demand. NRS Healthcare has also recently invested in new delivery scheduling software to increase delivery and collection efficiency. During 2016/17 nearly 93,000 service users were visited and 164,000 items of equipment were loaned to support health and social care needs.

- 4.2 Prior to issue most core items of stock are owned by NRS Healthcare when they are in their warehouse. At the point of issue items are only then purchased by the Council or Health. When these items are no longer required they are collected by NRS Health and a credit is returned, which represents between 70%-80% of the original cost of the item. Equipment recycling performance has steadily increased throughout this financial year and at mid-year was in the region of 80%. This has ensured increased cash flow back into the partnership of some £2.5m, when loaned items were returned to NRS, and reduced the need to buy new items. Many special one off items can cost £000's. Spend in this regard has reduced by 30%-40% at mid-year. This has partly been achieved by the new clinical team at NRS Healthcare who assist in matching recycled equipment to demand. This new practice ensures that we do not carry large amounts of stock holding. Stock is the provider's liability.
- 4.3 ICES are managed on a NRS Healthcare purpose built stores management system called IRIS. This replaces the previous patchwork of systems and provides an online, amazon type, requisitioner experience when placing orders for service users. There are in the region of 2,749 trained and authorised prescribers who can access the system remotely and track the progress of their client's provision.
- 4.4 ICES have in place a robust governance structure consisting of:
- Quarterly ICES Partnership Board Meetings
 - Quarterly ICES Finance Meetings
 - Monthly Contract Management Meetings
 - Monthly Service Development Planning Meetings
 - Monthly Operational Management Meetings
 - Regular Equipment Review Groups
 - Monthly feedback to our Older People/Physical Disability Finance and Performance Divisional Management Team
- 4.5 NRS Healthcare launched the Kent Safe and Well Scheme www.safeandwell.co.uk in July 2017. This scheme is intended to give people who are not eligible for our services, or who wish to self-manage, independent access to trusted products and services. This includes a wide range of NRS Healthcare products which can be purchased privately as well as the option to request a private assessment or visit several approved retail outlets across Kent who have been vetted by NRS Healthcare and are part of the scheme.
- 4.6 **Technology Enabled Care Services** - Kent's Telecare Services continue to thrive but through a significantly improved operating model. Centra Pulse has developed an on line ordering system for 164 trained and approved prescribers to order TC packages on line. There is also access to a wealth of improved financial and performance data that is shared widely on a monthly basis. Some 8500+ service users receive TC services every month with in the region of 200 new users each month. TC has a very similar governance structure employed to ICES without the need for a Partnership Board.
- 4.7 Centra has a well-trained and well-resourced Kent installation team, supported by an experienced monitoring service, covering nationwide services. Centra

has maintained consistently high delivery and collection performance. This results in some £20,000 in credit being returned to the Council most months.

- 4.8 During December 2016 both contract lots were subject to Contract Maturity Reviews by the Budget and Programme Delivery Board. Presentations were made to the Board on 1 December 2016. The Board discussed services and observations were made to help support any improvements that may be necessary. These included closely monitoring performance and headline profitability.
- 4.9 During late 2016 Internal Audit reviewed arrangements in place to contract manage ICES and released their final report (RB15-2017) in January 2017. Internal Audit's opinion, and prospects for improvement, was good with levels of compliance rated substantial. This outcome provided assurance to Members and Senior Officers that the service was on track with clear prospects to achieve its objectives.

5. Key Issues and Challenges

- 5.1 **Integrated Community Equipment Services** - Since the contract award, NRS Healthcare has worked hard to maintain a trained and effective workforce able to cope with demand and natural attrition. Despite TUPE applying to staff that transferred a number have left. As the service evolves, recruiting the right staff and retaining those staff, has been a key focus. Although the sector does experience high staff turnover, there is now a stable team within Kent with a continuous recruitment campaign to cover natural attrition.
- 5.2 The mobilisation of this contract required considerable resource, determination and a strong project managed approach. The bulk of this fell to the Council, as the contract lead, to deliver. Health was able to supply some project input and support however it is not until recently, that this has been made permanent. This support is critical to ensure all CCGs have a point of commissioning contact and operational focus and consistency on these important services.
- 5.3 Since the contract award there have been challenges in terms of operational efficiency and it has taken some time for NRS Healthcare services to settle. Kent wide processes for the ordering and provision of equipment are greatly improved, however recycling remains a challenge. As a result of the contract's financial model NRS Healthcare's financial viability has not been what was anticipated. These challenges were discussed at the ICES Partnership Board on 3 July 2017, where NRS Healthcare summarised the issues that had arisen in the contract, along with their proposed variations required to take account of the activity differences supplied at tender, with actual performance data within the first year of the contract. It was agreed that the service was not operating at the level expected in the contract's lifecycle by either NRS Healthcare or commissioners. The final outcome was to create an options appraisal with CCGs and NRS Healthcare. Agreement was reached that there would be some variation in the credit model which will ensure the ongoing viability of the contract, whilst targeting NRS Healthcare to improve collection rates. Performance remains under review.

- 5.4 **Technology Enabled Care Services** - Centra Pulse has retained most staff that TUPE'd over on the contract start date. The staff group has expanded and grown to meet demand. They have a unique technical skill set that currently meets the demands of Kent users.
- 5.5 One challenge for Kent regarding Technology Enabled Care Services (TECS) is ongoing data quality and keeping pace with a high volume of service user changes. The Council can be the last to be informed or not informed at all. This can result in staff spending considerable time and effort trying to keep pace with changes in circumstance. The TECS contract works on a similar credit model to ICES so recycling is at the heart of what we do.
- 5.6 Technology moves at such a pace that we are aware products we supply today will be outmoded quite quickly. The TECS provider works closely with us to highlight and suggest areas of provision that we could change or strategies we should consider for the future. One of our greatest challenges will be the planned switch of the analogue to digital telecoms infrastructure in 2025. The Telecare Services Association are advising that by 2025 the analogue telephone service will be switched off as the UK telecoms infrastructure is upgraded to digital connectivity. This shift has major implications for the technology enabled care sector and the 1.7 million people who rely on Telecare in the UK.

6. Customer Experience

- 6.1 **Integrated Community Equipment Services** - During June 2017 NRS Healthcare successfully completed a service user feedback survey. 4000 cards were distributed and 83 returns received. This represents a response rate of 2.1%. In NRS Healthcare's experience their return rate is usually in the region of 1-3%. Of those returns the overall satisfaction rate with the service provision scored 9.4 on a 10 point scale. Usefulness of equipment received scored 9 points. Overall satisfaction with the service appears positive. Customer satisfaction has improved with only four complaints upheld since April. Out of 82,000 completed activities between April – August this represents only 0.004% of the total. There are however still some areas for improvement within customer services. Please see Appendix 2 for full feedback.
- 6.2 **Technology Enabled Care Services** - Centra Pulse carry out monthly telephone surveys and these have been consistently positive. As an example the survey carried out August 2017, resulted in good and excellent ratings of 95%. There are a number of one off case studies that have been "lifesaving" and illustrate the preventative agenda that underpins TC provision.

7. Conclusion

- 7.1 The aim of both contracts has been to achieve a more integrated approach to service delivery and in this regard both have delivered that objective. Both contracts are meeting most of the High Level Outcomes referred to earlier in this document and can now support our decision making.

- 7.2 Joint working with Health colleagues for ICES in particular requires good relationship management and considerable effort. We have a productive and collaborative relationship with good governance and communication routes.
- 7.3 There is further work to do to manage performance, finance and risks but we are in the most informed position we have been in terms of managing these risks and consequences. The wealth of Management Information now available enables commissioners and managers to interrogate data and challenge with greater confidence.

8. Recommendations

8.1 Recommendation: The Adult Social Care Cabinet Committee is asked to CONSIDER and COMMENT on the content of this report.

9. Background Documents

Integrated Community Equipment Service (ICES) - jointly funded by the County Council and NHS clinical commissioning groups (CCGs)
<https://democracy.kent.gov.uk/ieDecisionDetails.aspx?ID=748>

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