

# **Title of report: To re-commission the technology enabled care and call monitoring service in Herefordshire**

**Decision maker: Cabinet Briefing**

**Decision date: Thursday 12 September 2024**

**Report by: Cabinet member adults, health and wellbeing**

## **Classification**

Open

## **Decision type**

Non-key

## **Wards affected**

(All Wards);

## **Purpose**

To approve the proposed approach to re-commissioning a Technology Enabled Care Service (TECS) in Herefordshire. This is a joint service between Herefordshire Council and NHS Herefordshire and Worcestershire Integrated Care Board (ICB).

The current contracts relating to technology related equipment and call monitoring end on 31 March 2025. This report details the intended approach to re-commission a new joint service from 1 April 2025, for up to five years. This is in line with both organisations statutory duty to provide community equipment, including telecare, as set out in the Care Act 2014.

## **Recommendation(s)**

**That:**

- a) **The joint re-commissioning of a new Technology Enabled Care Service (TECS) is approved to commence from 1 April 2025, for a period of two years with the option to extend annually up to a maximum contract term of five years. This will include all technology related equipment and call monitoring, as outlined in the below approach in paragraphs 5 to 14, up to a maximum contract value of £2.5million; and**

- b) **Delegated authority be granted to the Corporate Director Community Wellbeing to implement recommendation (a) including the tender process, award of contract and all operational decisions for the duration of the contract.**

## Alternative options

1. **Extend the existing contracts:** This option is not recommended. It is proposed to amalgamate all technology related equipment and call monitoring into one dedicated contract, therefore it is not recommended to extend existing contracts.
2. **Bring the service in-house:** This option is not recommended. There is evidence from a number of other councils, both within the Midlands region and similar geographic areas, that an in house service is not the most viable option, with many appointing an external provider. Even with potential TUPE arrangements in place, it would be challenging for the council or ICB to provide the equipment element of this service, but more importantly, neither organisation would be able to deliver a call monitoring centre.
3. **Partner with neighbouring councils:** This option is not recommended at this time. Initial research with neighbouring / regional councils suggests this cannot be achieved in the short term, particularly where there are operational service differences or if an external provider has recently been appointed. This option will continue to be fully investigated over the coming 12 / 24 months, to establish if a cross-council partnership will be viable.
4. **Do not commission a service:** This is not recommended. The council and ICB have a statutory obligation to provide community equipment, including telecare, for those with an assessed eligible health or social care need. The service also forms a crucial part of the council's prevention agenda, as it helps keep residents safe and independent in their own homes and communities for longer, delaying the need for more formal health and / or social care interventions.

## Key considerations

5. TECS is a joint contract with NHS Herefordshire and Worcestershire Integrated Care Board (ICB), delivered through a Section 75 agreement, with the council acting as the lead commissioner. The ICB currently funds 56% of the service, with the council covering the remaining 44%. A recent review of activity and funding, highlighted that this split is still accurate for health and social care provision.

As this is a joint contract, the re-commissioning of a new Technology Enabled Care Service will also be approved through the ICB's appropriate governance.

6. Herefordshire has a predominately older population, with over a quarter of residents (53,000 people) aged over 65. The older population has grown significantly over recent years and it is predicted that this trend will continue, with a 34% increase in over 65's by 2040. Furthermore, those aged 65 and over are more likely to live in rural areas, and 28% of this age demographic tend to live alone.

It is suggested that whilst people are living longer, due to improved healthcare, living and working conditions, they are not always living in good health. For example, 58% of people aged over 60 (compared to 14% aged under 40) are living with a long term health condition, such as diabetes, chronic obstructive pulmonary disease, chronic kidney disease, hypertension and dementia. There were also 7,840 people over 65 (14.8%) recorded as having a fall in the last year (2023 Director of Public Health Annual Report: Ageing Well in Herefordshire).

This presents a significant challenge when delivering prevention based, activity and demand led services, aimed at supporting an ever increasing, older population to live safely and independently at home. As the number of older people increases, so will demand and need for the Technology Enabled Care Service.

7. The Technology Enabled Care Service is designed to provide appropriate equipment to meet the assessed eligible needs of people of all ages, to help:
  - I. Manage long term health conditions
  - II. Prevent and reduce unnecessary admission to / delayed discharge from hospital
  - III. Prevent and reduce the need for more formal health and social care services, including admission to care homes
  - IV. Enable more people to remain living safely and independently in their own homes and communities for longer

The equipment provided depends upon assessed need, but can include lifeline units, falls detectors, motion sensors, fire / smoke alarms, epilepsy watches and GPS trackers.

8. The service comprises the following main functions:
  - I. Sourcing and purchasing appropriate equipment (core stock and special bespoke equipment)
  - II. Delivery and installation
  - III. Collection and cleaning
  - IV. Maintenance and repairs
  - V. Storage
  - VI. Reactive and proactive call monitoring via an alarm receiving centre
9. In 2023, approximately 2,800 items of equipment were delivered and 650 items collected. The call monitoring centre received in the region of 75,000 calls and made 29,000 calls in the same time period. There are currently around 35 active prescribing practitioners using the service across the council, although this may increase during the life of the contract.
10. In 2023, nearly 3,300 individuals were supported with technology related equipment, which is an increase of 11.6% since the community equipment contract commenced in 2020. The largest age categories accessing the service are 75 to 94 and, on the whole, these have also continued to steadily increase since 2020.

	2020	2021	2022	2023	Increase
<b>Numbers of equipment clients</b>	2,943	2,866	3,128	3,285	11.6%

Ages of equipment clients	2020	2021	2022	2023	Increase
<b>65 – 74</b>	382	394	405	400	4.7%
<b>75 – 84</b>	988	996	1,154	1,119	13.3%
<b>85 – 94</b>	1,077	1,224	1,359	1,309	21.5%

11. It is difficult to benchmark Herefordshire’s technology related equipment service with other councils as a number of different systems are in operation, including in house services, external providers, outright purchasing of equipment and credit models. The Herefordshire service is run on an 80 / 20 credit model, which is in line with other regional councils. It is proposed to continue with this approach, whereby the council and ICB receive 80% of the value of all returned core stock equipment.

This approach does not cover special bespoke equipment, which is purchased separately to meet an individual’s unique identified needs, when core stock equipment is not appropriate. This equipment is purchased via the provider, but owned outright by the council and ICB.

12. Alongside retaining the current equipment credit model approach, it is also proposed for the new service to remain largely the same as the existing equipment provision, along with including the reactive and proactive call monitoring via an alarm receiving centre. A number of service efficiencies are being considered as part of the re-commissioning, to ensure improved service delivery and value for money, including management and equipment costs and a streamlined prescriber process.
13. The contract will contain significant key performance indicators, particularly around the installation and collection of equipment in an appropriate timeframe to meet demand levels. This is important to ensure the county’s most vulnerable residents are fully supported, in a structured and timely manner, to ensure they’re safe and independent in their own homes and communities.
14. The proposed timetable for re-commissioning this service via an open tender process, in order for a new contract to commence on 1 April 2025, is outlined in the table below:

<b>October 2024</b>	The procurement process launches, following the required call in period
<b>November and December 2024</b>	Closing date for all tender submissions Evaluation of all tender submissions and decision to award contract

<b>December 2024 to March 2025</b>	Service mobilisation and transition, as required
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## **Community impact**

15. This service supports the ambition for ‘good health and wellbeing for everyone’, as highlighted within the Herefordshire Joint Local Health and Wellbeing Strategy 2023 – 2033. It forms a crucial part of the prevention first approach, which states:
- “Prevention and early intervention are critical to the long-term sustainability of our health and wellbeing system and are an investment in the future economically, morally and socially. Whilst there is no universal definition of prevention, it can normally be described in terms of three levels – delay, reduce and prevent”.
16. The service promotes independence by supporting predominately older aged adults to remain in their own homes and communities for longer, delaying / preventing the need for more formal health and social care interventions. As mentioned in paragraph 7 above, the service is designed to provide appropriate equipment to meet individuals assessed eligible health and social care needs, to help:
- I. Manage long term health conditions
  - II. Prevent and reduce unnecessary admission to / delayed discharge from hospital
  - III. Prevent and reduce the need for more formal health and social care services, including admission to care homes
17. The service also supports families and carers, through the provision of appropriate equipment, offering peace of mind that loved ones are safe and protected in their own homes and communities.

## **Environmental Impact**

18. Herefordshire Council provide and purchase a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire’s outstanding natural environment.
19. The environmental impact of this service has been considered within the contract, which includes appropriate requirements on the provider to minimise waste, reduce energy and emissions, consider opportunities to enhance biodiversity and support the council to meet its carbon reduction targets. This will be reported through ongoing contract management arrangements.

## Equality duty

20. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
21. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our provider will be made aware of their contractual requirements in regards to equality legislation.
22. This service will have no negative impact on any group with a protected characteristic. An equality impact assessment (appendix A) has been prepared, which highlights that this service is available to anyone with an assessed eligible health or social care need, in order to maintain users' safety and independence. Therefore, it positively helps to advance equality of opportunity between different groups.

## Resource implications

23. The indicative budget for the new Technology Enabled Care Service is £0.5million per annum, for each year of the contract duration. This annual figure includes an indicative inflationary uplift of 3% on the current budget. This budget reflects the current levels of demand and service costs.
24. The council contributes 44% towards the annual contract costs, with the ICB covering 56% of the costs, which is in line with current activity levels and the Section 75 agreement between the two organisations.
25. The total budget will be fixed for the first two years of the contract (2025/26 and 2026/27), then should extensions to the contract be awarded, inflationary uplifts to the budget will be subject to negotiations at the time and in advance of the contract extension period.
26. At the end of each financial year, as part of the budget setting cycle, all activity and demand will be reviewed, in order to help inform future budget considerations.
27. There could be additional revenue implications, as this is an activity and demand led prevention based contract, which is dependent upon fluctuations in service demand or strategic decisions around the provision of technology related equipment. An estimated annual value of £0.5million is in line with current spend and demand, but it is predicted that this will increase over the lifetime of the contract.
28. There are several staff employed by the current provider to deliver the service. Under Transfer of Undertakings (Protection of Employment) or TUPE regulations, where a service transfers to

a new provider, which is fundamentally or essentially the same as those carried on before it, employees will automatically transfer to the incoming provider, where there is an organised grouping of employees that has as its principal purpose the carrying out of the relevant activities on behalf of the council, on their existing terms and conditions. TUPE regulations offer protection to staff in relation to their employment and benefits, where there is a service provision change.

29. All costs associated with delivering the service, will be met by the provider, including property / premises, rent, utilities, vehicles, fuel, IT systems, consumables, insurance, training and staffing.

Revenue or Capital cost of project (indicate R or C)	2025/26	2026/27	Future years	Total
	£000	£000	£000	£000
Technology / telecare service costs (R)	398	398	1,194	1,990
Call monitoring costs (R)	57	57	171	285
<b>Total **</b>	<b>455</b>	<b>455</b>	<b>1,365</b>	<b>2,275</b>

\*\* This figure includes an indicative inflationary uplift of 3% to the current budgets of £441k.

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2025/26	2026/27	Future years	Total
	£000	£000	£000	£000
NHS Herefordshire and Worcestershire Integrated Care Board (ICB)	254	254	762	1,270
Herefordshire Council base budget funding	201	201	603	1,005
<b>Total</b>	<b>455</b>	<b>455</b>	<b>1,365</b>	<b>2,275</b>

Revenue budget implications	2025/26	2026/27	Future years	Total
	£000	£000	£000	£000
There are no budget implications. It is assumed the cost and funding are equal				
<b>Total</b>				

## Legal implications

30. Section 75 of the NHS Act 2006 allows partners (NHS bodies and councils) to contribute to a common fund, which can be used to commission health or social care related services. This power allows the council to commission health services and NHS commissioners to

commission social care. The power in s75 enables the joint commissioning by the council and the ICB of TECS.

31. The council will be required to comply with the council's Contract Procedure Rules and to engage with commercial services.
32. The new Procurement Act 2023 will replace the Public Contracts Regulations 2015 and is due to come into force on 28 October 2024. Provided this date does not change (and the council commences the procurement activity for TECS before this date), the TECS procurement will be governed by the existing 2015 Regulations.
33. In the event of a change in service provider, the TUPE Regulations will apply as a matter of law to transfer the incumbent provider's existing staff, who are "wholly or mainly" (approximately 70% of their time) engaged in the provision of the services, to any new provider.

## **Risk management**

34. The re-commissioning of TECS poses some risks and opportunities, as highlighted in the table below:



<b>Risks</b>	<b>Mitigation</b>
The recommendation to approve the proposed approach to re-commissioning a new service is not agreed by Cabinet.	The existing technology related equipment contract does not end until 31 March 2025, therefore there is sufficient time to develop alternative arrangements, if necessary.
The council governance timeline is unfortunately not aligned to that of the ICB. Therefore, there is a risk that the recommendation to approve the proposed approach to re-commissioning a new service is not agreed by the ICB.	The council has a strong partnership and working arrangements with the ICB and a commitment within the Section 75 agreement. There have been joint meetings between the two organisations, throughout the process, in order to foster a co-ordinated approach.
Risk of challenge from providers, during the procurement process.	Work has been, and continues to be, undertaken with the council's Procurement and Legal Teams, to create a robust procurement process, in order to minimise the likelihood of challenge.
There is not enough interest from experienced providers to deliver the service.	The council received responses from a number of experienced providers, during a recent soft market testing exercise. We are confident that there will be sufficient interest in this service and contract.
<b>Opportunities</b>	
The Commissioning Team has liaised with neighbouring and regional councils, to better understand other areas' approach and contracts, to ensure we are delivering best practise and value for money.	This relationship will continue going forward, particularly as we explore partnership opportunities for a shared cross border / regional service.

35. The TECS contract falls within the Community Wellbeing directorate, so any associated risks in relation to service delivery, spend or budget would be entered on the directorate risk register.

## **Consultees**

36. As part of the re-commissioning, engagement has taken place with a number of different groups, including:
- I. Service users via an online survey (completed with support from practitioners) and telephone survey calls using a random sample selection of individuals who have used the service within the last 12 months.
  - II. Social care practitioners (prescribers), who use the service to arrange equipment for their clients, via MS Teams feedback sessions, which had 21 attendees, and an online survey.
  - III. Internal service / area managers, with expertise in technology and social care, via multiple MS Teams engagement and scoping sessions.

37. Informal consultation and research was also carried out with other local and regional councils, as a benchmarking exercise, including Birmingham City Council, Shropshire Council, Warwickshire Council and Worcestershire County Council.
38. A soft market testing exercise has been completed, to better understand the provider market and help inform the re-commissioning approach.
39. A Political Group Consultation was also held on 16 September to discuss the re-commissioning of the Technology Enabled Care Service. The session was attended by seven councillors, representing four different political parties.

## Appendices

Appendix A: Equality Impact Assessment

## Background papers

None identified.

## Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published		
Governance	John Coleman	Date 04/09/2024
Finance	Wendy Pickering	Date 10/09/2024
Legal	Emma-Jane Brewerton	Date 05/09/2024
Communications	Luenne featherstone	Date 27/08/2024
Equality Duty	Harriet Yellin	Date 27/08/2024
Procurement	Carrie Deeley	Date 05/09/2024
Risk	Jessica Karia	Date 28/08/2024
Approved by	Hilary Hall	Date 06/09/2024