

CHESHIRE EAST COUNCIL

Cabinet

Date of Meeting:	12 th November 2013
Report of:	Brenda Smith, Director of Adult Social Care
Subject/Title:	Helping Vulnerable People to Stay Independent Using Assistive Technology (Forward Plan Ref. CE 13/14-55)
Portfolio Holder:	Cllr. Janet Clowes, Health and Adult Care

1.0 Report Summary

- 1.1 Cheshire East Council is committed to helping people to stay in their own homes and remain as active and independent as possible. To support this, a number of services are being enhanced and spending increased so that more citizens can benefit from services that give them the choice to remain in their own homes. This report outlines one of the areas of service being expanded, preparing for further spending in future. It is part of a suite of developments across social care, housing and health and public health to increase good outcomes to achieve Outcome 5 in the Council 3 year plan: "Local People Live Well and for Longer".
- 1.2 Assistive Technology, including Telecare, is a range of equipment and services provided in peoples' own homes to enable them to remain independent and safe. These services can range from a simple alarm call system to alert friends and neighbours when assistance may be needed, to sophisticated monitoring of the movements of people with dementia.
- 1.3 A review of the research, national and local evaluation and feedback on assistive technology for people with social care needs has taken place. This concluded that such equipment and services are a value for money support that makes a very positive difference by allowing people to stay at home. There is a growth in the range and sophistication of technology which means there are new opportunities to use technology that will allow greater independence for longer.
- 1.4 There are two contracts currently that together allow the support to be provided and combine to form assistive technology services:
 - a. A contract for purchase of the equipment
 - b. A contract for purchase of the services that 'support' the use of the equipment (e.g. the call centre for the alarm system)
- 1.5 The contract for purchase of the equipment (contract A) is secured through a government framework agreement that is compliant with procurement rules

and regulations. This report seeks approval to continue and increase spending under this arrangement.

It should be noted that there may be a need for a further procurement exercise at the 4 year point (April 2018) dependant on the status of the framework used for the procurement exercise.

- 1.6 The current contract for services (contract B) expires on 31 March 2014. A procurement exercise is required to ensure continuity for existing customers and support the increasing use and development of these services.
- 1.7 It is anticipated that the Council will wish to substantially increase its own spending on assistive technology, both equipment and services, over the next 3-5 years as a preventative strategy. The proposed increases in potential spend are detailed in the decisions requested below. In addition it is likely that health partners and other partners will also want to consider increasing their spend. This report proposes establishing the ability for the Council to offer to purchase this on their behalf with appropriate management costs paid to the Council. This increase in the scale of purchasing also ensures an opportunity to secure a better price.
- 1.8 There are a growing number of people who use these services now either through social care assessments or in extra care housing. The review recommends that these services are consistent for citizens however they receive them; currently the choices are variable.
- 1.9 The Council intends to use call-off contracts under framework agreements with suppliers as this approach allow for flexibility of the amount and type of services that are purchased dependent on need and available budget.
- 1.10 The existing contracts have different end-dates, to align these a break clause will be incorporated in 2 years time to allow other contract spends to be incorporated.

2.0 Recommendations

- 2.1 That Cabinet approve a continued and increasing Council spend on assistive technology equipment (Contract A) to a cumulative maximum of £2.1 million over 5 years, which includes Council expenditure as follows:
 - Current eligible customers under Fair Access to Care services; £1.5 million
 - Extra care housing customers (Supporting People funding currently); £0.6 million
- 2.2 That Cabinet approve a higher total ceiling on the contract for equipment (Contract A) of £3.6 million over 5 years to allow for health and other partner spend in future to be purchased through the Council.
- 2.3 That Cabinet approve a procurement exercise to retender for assistive technology services (Contract B). This tender will secure a call-off contract

under an existing Framework Agreement by undertaking a mini-competition exercise with a supplier for up to four years, 2 years initially, with possible extensions of two one year terms.

- 2.4 That Cabinet approve a continued and increased Council spend on assistive technology services (Contract B) to a cumulative maximum total of £4.6 million over five years, which includes Council expenditure as follows:
- Current FACs eligible customers: £ 2.5 million
 - Extra Care housing customers: £ 2.1 million
- 2.5 That cabinet approve a higher total maximum level of spend under the call-off contract for assistive technology equipment services(Contract B) than the Council maximum in order to allow for future purchasing on behalf of partner organisations including health. That maximum to be set at a cumulative total over the five years of £6.2 million.
- 2.6 That Cabinet delegate authority to the Director of Adult Social Care to award the call-off contract to the highest scoring bidder following a legally compliant procurement exercise and subsequently enter into contracts.
- 2.7 That authority for the allocation of actual Council spending, up to the maximum approved in this report, is delegated to the Director of Adult Social Care, as part of budget setting processes.
- 2.8 That authority to work in partnership with and jointly commission assistive technology equipment and services on behalf of CCGs, health and other partners in future is delegated to the Director of Adult Social Care, subject to any further approvals required in accordance with the Council's Constitution.

3.0 Reasons for Recommendations

- 3.1 The commissioning review of assistive technology has been undertaken to establish the future place of this support in delivering on the Council's outcomes. This has concluded that there is substantial local, national and international evidence and feedback that assistive technology is very effective at enabling people to remain in their own homes. It allows the potential risks for frail or ill or learning disabled people living or being left alone to be mitigated. This independence increases the individual person's freedom, sense of well-being and physical independence. It also reassures carers that risks are managed and that staying at home is preferable to a care home.
- 3.2 For these reasons Cheshire East Council has been increasing its purchasing of these services each year since 2010. The Council is working closely with health partners in the CCGs to further expand the access to and use of assistive technologies including Telehealth which is specialist health monitoring equipment.
- 3.3 Analysis of the impact of Cheshire East Council's increased use of assistive technology since 2010 shows that people remain more independent with lower

cost support packages. In the financial year to March 2013 £979,000 net support costs were avoided through this approach based on individual customer analysis and an avoided cost calculator developed by colleagues in finance.

Outcomes for people receiving assistive technology under the current contract have been positive in terms of maintaining their independence. For example; an average of more than 3 people per month have avoided a permanent care placement as a result of assistive technology support.

- 3.4 In addition to social care spend some Assistive technology Services are currently commissioned under Supporting People budgets for vulnerable adults living in extra-care housing in Cheshire East; this provision is part of their tenancy agreement. The review of assistive technology commissioning recommended that assistive technology services for people in Cheshire East should be consistent for customers rather than being distinct services dependant on the funding stream. In future there is an opportunity to secure this support through these contracts. For this reason the spending calculations have incorporated that possibility in order to future proof these arrangements. Also the 2 year initial period will allow current extra-care housing arrangements to be aligned with this contract at that point.
- 3.5 In further addition the Council has been actively working with local health commissioners to seek a joint commissioning approach to incorporate Telehealth. This would provide customers with a seamless assistive technology response from health and social care. The future of integration with health means that we should anticipate that the Council may wish to purchase such equipment and services on behalf of the CCGs in future, for efficiency and value for money. It is for this reason that the recommendations are of higher maximum spend limits on the contracts, over and above the agreed maximum council spend. If the Council were to offer this to partners there would be an appropriate management fee to the Council.
- 3.6 It is the intention, within the broader review of charging for all services, to consider how and when full cost recovery can be introduced. Under the new contracting arrangements from April 2014, Cheshire East will continue to charge the full unit cost of the provider charge for service to customers; this is not full cost recovery.

4.0 Wards Affected

- 4.1 All wards affected

5.0 Local Ward Members

- 5.1 All ward members

6.0 Policy Implications

- 6.1 The recommendations within this report support the delivery of priority five of the Cheshire East Council Three Year Plan– people live well and for longer.
- 6.2 The recommendations also support the aspiration of Cheshire East to be a Council which enables and supports communities, families and individuals to flourish and be self-reliant, a Council that works in partnership with others to ensure the best outcomes for local people and a Council that ensures services are delivered in the way which gives the best value for local people.
- 6.3 The procurement of assistive technology equipment and services will be integral to a number of major change programmes within Adult Social Care. In particular, the intention to redesign practice and process of assessment and care management in Adult Social Care and the review of learning disability provision across the life course.

7.0 Legal Implications

- 7.1 The existing extension to the current assistive technology services contract (Contract B), under Cheshire East's non-compliance procedure is due to end on 31 March 2014 and cannot be extended further.
- 7.2 Replacement services must be procured by the Council in order to fulfil its statutory duties under the Health and Social Care Act 2010. Due to the potential contract values, the Council needs to undertake a competitive tender exercise in accordance with the Public Contracts Regulations 2006 and the Council's own Finance and Contract Procedure Rules.
- 7.3 Under the Public Contracts Regulations 2006, Framework Agreements can be put in place for a maximum term of four years. As these contracts will potentially be in place for a four year term in accordance with the overarching Framework Agreement, a re-procurement exercise will need to be undertaken. As the contracts will be entered into for a four year term, Legal Services will need to review the Framework Agreement terms and conditions and will advise on the termination provisions to determine whether the Council can terminate on notice together with provisions allowing the Council to apply appropriate penalties should the providers fail to provide the services to the required standard.
- 7.4 The contract for purchase of the equipment (Contract A) is secured through a government framework agreement that is compliant with procurement rules and regulations.

8.0 Finance

- 8.1 There is no obligation for the Authority to purchase services through the contract.

The deployment of assistive technology services has been established as a positive 'invest to save' option for adult social care with a return on investment rate of £3 of avoided costs for every £1 spent.

- 8.2 As assistive technology has been shown to reduce the need for more costly interventions it is proposed that the funding for this service should increase to maximise the impact for people in Cheshire East and the Council as the commissioner of social care. The current budget for Telecare is provided under section 256 of the NHS Act (2006) and under local the agreement for spending this money, the commissioning of Telecare services is supported by the local CCGs and NHS England.

- 8.3 The maximum level of cumulative spend by the Council over the 5 years is:

On the equipment contract (Contract A): £2.1 million (including possible Supporting People element)

On the services contract (Contract B): £ 4.6 million

9.0 Risk Management

- 9.1 Failure to commission the replacement service will mean that no services will be available to existing and potential future customers of Cheshire East from 31 March 2014.
- 9.2 The services provided enable the Council to fulfil its statutory duty under the Health & Social Care Act.
- 9.3 As with all contracts there is a risk that once contracts are awarded the preferred supplier will not be in a position to fulfil the contract. This risk would be mitigated through active contract management but in rare circumstances the service may need to be re-procured.
- 9.4 As the costs of the services under the contract are anticipated to rise as a result of the procurement exercise (i.e. the providers costs will have increased) the cost which is passed on to customers will rise substantially. There is a risk that this will be viewed negatively by current and potential customers and lead to negative publicity and a reduction in take up of the services. An engagement exercise will be undertaken to mitigate this risk.

10.0 Access to Information

The background papers relating to this report can be inspected by contacting the Officer named below:

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