

Cabinet 16 May 2024	 TOWER HAMLETS
Report of: Somen Banerjee – Acting Corporate Director, Health & Adult Social Care	Classification: Unrestricted
Procurement of a Technology Enabled Care Transformation Partner	

Lead Member	Cllr Gulam Kibria Choudhury Cabinet Member for Health, Wellbeing and Social Care
Originating Officer(s)	Darren Ingram – Head of Living Well
Wards affected	All
Key Decision?	Yes
Reason for Key Decision	Financial threshold
Forward Plan Notice Published	24 th April 2024
Strategic Plan Priority / Outcome	5. Invest in Public Services

Executive Summary

Technology Enabled Care (TEC) can transform the way people receive their care and support. TEC is customer facing technology that can assist service users in achieving their outcomes, helping them to live independently, and with improved wellbeing, for longer. It should not be seen as a replacement for care, but rather as a means of care delivery that supplements other forms of care and support, such as commissioned homecare or informal care from a family member, to provide a holistic response and wider opportunities for meeting individual outcomes.

Despite the increased sophistication and evidence base for TEC tailored to the health and care population, many local authorities, including our own, mainly offer devices that work around a basic careline monitoring system. This has been our offer for many years. The transformation of the current Telecare service in Tower Hamlets will put us at the forefront of delivering expert assessments and using cutting edge technology that is just right for an increased number of our local health and social care population.

The Council has committed £2.939m growth and approved £4.933m savings associated with this transformation, which will deliver a net benefit of £1.994m over the Medium-Term Financial Strategy period (2024/25 to 2026/27 and a total net benefit of £5.3m over the five-year period of the project (2024/25 to 2028/29).

A key part of the transformation is implementing a 'hybrid model', with the Council continuing to deliver all aspects of the delivery of the Telecare service in-house and commissioning an expert TEC transformation partner to work alongside it to support the transformation and realisation of the benefits.

The purpose of this report is to obtain approval to start the procurement of the TEC Transformation Partner.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Agree to the use of the Eastern Shires Purchasing Organisation (ESPO) framework for Technology Enabled Care Services (Lot 2) for the procurement of the transformation partner to support delivery of the Technology Enabled Care Transformation.
2. To authorise the Corporate Director, Health and Adult Social Care, in consultation with the Mayor, to award the contract to the winning bidder.
3. To note the Equalities Impact Assessment / specific equalities considerations as set out in Paragraph 4.

1 REASONS FOR THE DECISIONS

- 1.1 Use of the Eastern Shires Purchasing Organisation (ESPO) framework for Technology Enabled Care Services (Lot 2) for the procurement of the transformation partner to support delivery of the Technology Enabled Care Transformation provides the quickest route to being able to award a contract and for the Council to start realising the benefits of the transformation project, whilst still ensuring that the market is tested, as Lot 2 requires a further competition exercise. The procurement timeline will be approximately three months to award, rather than nine to twelve months for a full procurement.

2 ALTERNATIVE OPTIONS

- 2.1 The alternative is a full procurement, which is unlikely to yield significantly different results given the main providers in the market, of the type of service the Council wishes to purchase, are all part of the ESPO framework. A standalone procurement exercise would significantly increase the procurement timeline and delay the realisation of benefits (i.e. savings) achieved from the Technology Enabled Care Transformation, which would impact the Medium-Term Financial Strategy.

3 DETAILS OF THE REPORT

- 3.1 The Council is embarking on a significant transformation of its Technology Enabled Care offer.
- 3.2 Improving care together: Our vision and strategy for adult social care in Tower Hamlets (2021) sets out the vision that the Council will work in new and innovative ways and use more Care Technology to empower residents to control their own care, remain independent and improve their health and wellbeing. Care Technology is one of the 11 work packages in the Adult Social Care Strategy and its transformation programme.
- 3.3 Care Technology transformation supports the priorities set out in the Council's Strategic Plan:
- Priority 2: Homes for the future - in particular the ambition to adapt homes for disabled residents. Care Technology can act as 'digital adaptations' enabling disabled people to better access their homes and remain in them for longer.
 - Priority 5: Invest in public services – providing high quality financially sustainable services for adults to meet their goals. Care Technology can support residents to achieve their goals, live more independently and reduce spend in adult social care. Care Technology also enables the Council to achieve its ambition to work in collaboration with the North East London Integrated Care System to deliver integrated health and care services.
- 3.4 Care Technology can transform the way people receive their care and support. Care Technology is customer facing technology that can assist service users in achieving their outcomes, helping them to live independently, and with improved wellbeing, for longer. It should not be seen as a replacement for care, but rather as a means of care delivery that supplements other forms of care and support, such as commissioned homecare or informal care from a family member, to provide a holistic response and wider opportunities for meeting individual outcomes.
- 3.5 Despite the increased sophistication and evidence base for Care Technology tailored to the health and care population, many local authorities, including our own, mainly offer devices that work around a basic careline monitoring system. This has been our offer for many years. The transformation of the Telecare service in Tower Hamlets will put us at the forefront of delivering expert assessments and using cutting edge technology that is just right for our local health and social care population.
- 3.6 Care Technology may range from the use of off-the-shelf products like Amazon Echo-dots to remind people to complete daily tasks, to more sophisticated monitoring systems that can alert family members to service user activity in the home, to enable them to respond to an incident.

- 3.7 Digital technology is available that can be programmed to speak a person's first language, or to work via sensors attached to utilities within the home, without requiring the service user to interact with it at all – a benefit to some of the older population who may find manual use of technology a challenge.
- 3.8 By improving the digital and technological offer in social care, some of the challenges in care delivery can begin to be addressed such as sustainable funding, workforce pressures, information and advice and integration between health and care.
- 3.9 Following a diagnostic of the current telecare service, which identified significant opportunities to increase the use of technology the Council developed a business case which set-out how it would transform the current service. The business case identified that with additional investment into the service the Council could reach new cohorts of residents and support people earlier to help reduce, delay and prevent the need for more intrusive and costly social care interventions.
- 3.10 A growth bid and savings proposal was developed as part of the Medium Term Financial Strategy. The table below details the investment (growth) over the five-year project and the savings that will be delivered. For the three-year MTFFS period the Council has committed £2.939m growth and approved £4.933m savings associated with this transformation, which will deliver a net benefit of £1.994m over the Medium-Term Financial Strategy period (2024/25 to 2026/27) and a total net benefit of £5.3m over the five-year period of the project (2024/25 to 2028/29).

Expenditure/Income Category	Year 1 2024/25 £'000	Year 2 2025/26 £'000	Year 3 2026/27 £'000	Year 4 2027/28 £'000	Year 5 2028/29 £'000	Total over 5 Year Period £'000
Total Costs - Investment (Revenue)	£2,184.59	£1,735.92	£1,881.93	£1,786.46	£1,788.66	£9,377.56
Less Existing Budget (Revenue)	-£1,222.86	-£1,222.86	-£1,222.86	-£1,222.86	-£1,222.86	-£6,114.31
Total Costs - Investment (Capital)	£240.61	£262.25	£299.19	£385.33	£482.23	£1,669.60
Total Additional Costs (investment required over existing budget)	£1,202.33	£775.31	£958.26	£948.93	£1,048.02	£4,932.85
Additional Cost Avoidance/Savings	-£1,126.00	-£1,824.00	-£1,983.00	-£2,402.00	-£2,941.00	-£10,276.00
Net Costs/Benefit Care Technology	£76.33	-£1,048.69	-£1,024.74	-£1,453.07	-£1,892.98	-£5,343.15

- 3.11
- 3.12 The Council's telecare team currently provides a 24/7 telecare service to approximately 2300 residents. The telecare team is responsible for all delivery aspects of the service including sourcing, installing, monitoring and responding. The intention is to grow the telecare numbers to around 5,000 residents over the project.
- 3.13 The model developed as part of the business case is a hybrid model. This means that all operational aspects of the current Telecare service, such as the assessment, installation, monitoring, response, review, repair and maintenance of equipment will remain in-house. Alongside this the Council will commission a transformation partner, expert and experienced in delivering

Technology Enabled Care at scale, to work alongside the Council's in-house telecare service.

- 3.14 We are seeking a partner to provide expert support, specific to Technology Enabled Care around maximising the benefits of innovation including making the best of use current and emerging technologies, data driven practice; change management – service development and pathway redesign; culture change and training; benefits realisation and monitoring; and project management including the development of project governance. The partner will support development of an effective customer journey; commissioning and supply chain practices; and rollout to new cohorts, including with partners such as housing and health.
- 3.15 The contract length aligns with the five-year transformation programme and the annual contract value reduces over the life of the contract as the Council develops its own capabilities and is able to continue its continuous improvement journey with less external support.
- 3.16 The intention is to procure the service on a 3 + 1 + 1 basis. The total contract value across the five years of £1.7m includes a one-off mobilisation cost in year one. The contract value after year three would reduce should the available extensions be awarded. This contract length allows for a review of the project benefits in year 3 to take place. The table below shows the detail.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
TEC Transformation Partner service costs	£350,000	£350,000	£350,000	£250,000	£250,000	1,550,000
Mobilisation costs	£150,000	£0	£0	£0	£0	150,000
Total Costs	£500,000	£350,000	£350,000	£250,000	£250,000	£1,700,000

- 3.17 Having researched the market, for this type of service, there are a limited number of suppliers who could provide the expertise in the area of Technology Enabled Care required to support the transformation. There is a framework that has been developed by the Eastern Shires Purchasing Organisation (ESPO) that enables local authorities to purchase Tech Enabled Care products (Lot 1) and services (Lot 2). The ESPO framework has 32 pre-approved suppliers on it, including all of the main suppliers that would offer a hybrid service such as the one that the Council wishes to commission.
- 3.18 The use of the ESPO framework will allow for a faster mobilisation of this contract, due to the pre-selection of bidders who have all met financial and

quality pre-selection criteria and who are all operating in the care technology market. A speedier award and mobilisation of the contract will allow for earlier realisation of benefits (savings). It is anticipated that using the ESPO framework will allow for the tender process and contract award to be completed within three months of the Cabinet decision i.e. June to August 2024.

- 3.19 A full procurement would require a significantly longer time-frame with a tender unlikely to commence before September 2024 due to the need to develop the contract specification and the terms and conditions and undertake market engagement.
- 3.20 Any delay to the appointment of the transformation partner delays the transformation project itself and will result in risk that the MTFS savings won't be delivered.
- 3.21 The ESPO framework (Lot 2) requires further competition and so still offers a way to ensure competition and best value and the Council will be able to set its own criteria such as price / quality ratio.
- 3.22 Social Value will have 10% overall weighting in the tender evaluation process with the requirements being developed and defined during the preparation of the Tender Pack. This will include consideration of Social Value benefits that can reasonably be delivered within the proposed contract. Social Value benefits may include employment, apprenticeships, placements, executive and management time, or provision of equipment. The social value will be considered in the evaluation criteria for the overall tender as per the Council's procurement procedures. Bidders will be required to offer social value and community benefits based on a pre-populated matrix agreed upon by the service and procurement before the competition is issued.
- 3.23 The governance of the transformation project will be via the TEC Project Board, supported by a number of workstreams that report into it. The TEC Project Board will be established in June 2024 following the Cabinet decision to allow it to oversee the procurement of the transformation partner.

4 EQUALITIES IMPLICATIONS

- 4.1 The proposals will not impact on eligible assessed needs for care being met and will be based on individual assessments and outcomes. If care technology appeared likely to have a negative impact on a protected group, it would not be installed, and an alternative package of care would be commissioned.
- 4.2 The Council is working with Real DPO (Disabled People's Organisation) as part of its co-production service "Engaging Disabled People in the Transformation of Health and Care Services" to ensure that co-production sits at the heart of the transformation work and to ensure that a transformed service meets the needs of all residents who need it. As particular focus is on

how residents can be supported to engage with technology and addressing barriers to its adoption in people's homes.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:
- Best Value Implications,
 - Consultations,
 - Environmental (including air quality),
 - Risk Management,
 - Crime Reduction,
 - Safeguarding.
 - Data Protection / Privacy Impact Assessment.
- 5.2 This transformation project is a key MTFs saving for the Council. Delivering an improved Tech Enabled Care service will allow the Health and Adult Social Care directorate to better managed demand for adult social care services through preventing, reducing and delaying need and supporting residents to be independent for longer where appropriate. The commissioning of an expert transformation partner allows the Council to deliver the transformation project at pace, thereby realising the benefits (i.e. avoiding future costs quickly and represents best value.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The costs of the Strategic Transformation Partner to deliver the Technology Enabled Care program amount to £1.55m for the 5-year investment period of the programme (£350k per annum for financial years 2024-25 to 2026-27, reducing to £250k per annum for financial years 2027-28 and 2028-29). In addition, £150k for mobilisation costs in the first year of the contract 2024-25 will be provided, increasing the total contract value to £1.7m over the 5-year contract award period.
- 6.2 The costs of this contract are built into the Revenue costs of the program and will be awarded on a 3 + 1 + 1 contract basis, at the fixed prices above.
- 6.3 The Technology Enabled Care Transformation program has associated savings of £0.681m and cost avoidance of £4.252m to deliver from 2024-25 to 2026-27, a total of £4.933m over the 3 financial years of the MTFs period. Over the 5-year investment period of the programme, total savings are projected as £0.847m and cost avoidance as £9.429m, a total of £10.276m.
- 6.4 To deliver these savings and cost avoidance, investment of £2.134m revenue has been built into the MTFs for 2024-25 to 2025-27. The total revenue investment for the 5-year programme is £9.378m. Capital investment of

£0.300m has been built into the first year of the MTFS, and the total requirement over the 5-year programme is £1.670m. Capital investment after 2024-25 is subject to further submissions of MTFS bid approvals.

- 6.5 The projected net benefits of the Technology Enabled Care Transformation program are £1.997m over the 3-year period and over the 5-year investment period of the programme, the total net benefit expected is £5.343m.
- 6.6 The Transformation Program has key deliverables and targets set to achieve these ambitious benefits. Any delays in the award of this contract, and the commencement of the work of the Strategic Transformation Partner will impact the delivery of the savings targets and the recovery of the growth investment. This will have an impact on the overall financial position of the Health and Adult Social Care budget position and the delivery of the MTFS savings target.
- 6.7 The successful delivery of this program can lead to the implementation of a transformed service for ongoing benefits that can lead to efficiencies after the 5-year program is completed.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The Care Act 2014 requires the Council to promote the well-being of adults with care and support needs and carers within the local area.
- 7.2 There will be a need to ensure that any contract entered into represents value for money and that Best Value requirements are met.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE .

Appendices

- NONE.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

Officer contact details for documents:

N/A