

Technology Enabled Care (TEC) Business Case

1. EXECUTIVE SUMMARY

Technology Enabled Care is emerging as an inclusive term to describe a range of IT and digital solutions that can be used to support service user outcomes across the Care Pathway. It includes assistive technology, aids and adaptations, telecare and telehealth. TEC is seen as a key cornerstone of the A&C department's digital strategy.

The way in which care technology (CT) is currently being delivered is not achieving the Council's objectives or ambition for the use of technology. A diagnostic was commissioned through Hampshire County Council to understand the potential benefits of increasing the use of customer facing TEC in the Care Pathway.

The main conclusion from the review was that there is a compelling case for the transformation of the approach to care technology in LCC. Care technology transformation will support LCC's new strength-based approach, its new target operating model and provide a better service to service users and deliver a significant financial contribution to the council.

The preferred option set out in the diagnostic was the commissioning of a Countywide transformation approach, which would seek to develop a countywide service with responsibility for driving transformation of a Care Technology Approach.

This business case has considered three options in order to deliver a transformed countywide service for care technology based on the diagnostic findings. These include:

1. As-is - Retain existing Assistive Technology offer (Baseline)
2. Develop a managed TEC service, commissioned through a strategic partnership with Hampshire County Council.
3. Develop a managed TEC service, working with a strategic partner commissioned through an external market procurement exercise.

This business case recommends Option 2 as the preferred option. Financial benefits of £4.2m are possible by the end of the 2025/26 financial year, based on an increase in the number of service users offered TEC as part of care packages to 2,731 in 25/26, and assuming a reduction in commissioned care package costs of 2hrs/week for 75% of those with TEC installed.

Option 2 is expected to deliver the lowest risk of all the options considered due to the additional support for implementation offered through Hampshire County Council, who are leaders in the field and have the benefit of several years of experience in working with a strategic partner for the delivery of a Care Technology service.

2. STRATEGIC CASE

2.1 Strategic context

The business case contributes to several strategic drivers as outlined in the table below:

Strategic Driver	Details	Nature of Contribution
Strategic Pillar	Sustainable Finance	Direct contribution through MTFS target of £2m in 2024/25.
Strategic Objective	Well-being and opportunity Keeping people safe	Statutory duty to improve health of people in Leicestershire. TEC could contribute to achievement of outcomes around confidence and maintaining or regaining of independence TEC could allow service users to live safely for longer in their own homes and give greater assurance to carers and families

2.2 Case for change

A number of Local Authorities have been exploring how TEC takes a more central role in supporting user outcomes as part of support planning. Of note, Hampshire County Council's relationship with PA Consulting/Argenti prioritises service user outcomes with Argenti taking a brokerage role where there is clear evidence that TEC can play a role in improving user outcomes.

Other local authorities (i.e. Hampshire, Essex, London Borough of Barnett) have seen significant financial benefits through the implementation of strategies to increase the use of TEC across their Adult Social Care Pathway, particularly where they are working alongside a technology partner. Much of the benefits have been through avoided care costs from within the Care Pathway.

The way in which care technology (CT) is currently being delivered is not achieving the Council's objectives or ambition for the use of technology. Existing services are delivered in-house by an 11FTE team. Whilst it is believed reasonable outcomes are being achieved for some service users, there is no systematic approach to measuring them. There is a belief in LCC that much more can be done and there is an appetite to explore these options.

A diagnostic was commissioned through Hampshire County Council (working with their strategic partner PA Consulting) to understand the potential benefits of increasing the use of TEC in the Care Pathway. The diagnostic found that the current approach is fragmented and confusing to practitioners, referrers and service users, and failing to deliver high quality outcomes. The small in-house AT service provides limited unmonitored equipment, which the diagnostic suggested is unsustainable and demonstrates no measurable impact on demand for services.

The main conclusion from the review was that there is a compelling case for the transformation of the approach to care technology in LCC. Care technology transformation will support LCC's new strength-based approach, its new target operating model and provide a better service to service users and deliver a significant financial contribution to the council.

There is a strong financial case for transforming LCC's care technology approach. Delivering a broader and more comprehensive care technology offer will benefit its residents whilst also supporting achievement of LCC's financial objectives.

2.3 Scope

- Procurement and implementation of a TEC partner to provide a managed TEC service on behalf of Leicestershire County Council;
- Transfer existing service users into the new managed TEC service and consider HR implications on staff from the existing team.

2.4 Aims and Objectives

Commitment and investment is required in seven key areas to deliver a Technology Enabled Care (TEC) service that will maximise the value of Care Technology (CT) across Leicestershire:

1. Develop a clear vision, strategy and business case for care technology in Leicestershire;
2. Develop clear commissioning intentions that set the direction for growth and achievement of desired outcomes;
3. Establish care technology as part of the first offer for Adult Social Care, in doing so, creating an equitable service designed around service user outcomes;
4. Develop a programme of cultural change and engagement that drives high quality referrals, better understanding of care technology amongst practitioners and better outcomes for service users;
5. Embed a quality assurance framework into the service model for care technology. This will ensure operational reporting feeds into continuous improvement, that service user feedback and equipment reviews are captured and acted upon;
6. Robustly measure the financial and non-financial benefits of care technology, using the benefits realisation approach, processes and systems put in place by the new service model;
7. Assign accountability for the management of the end to end care technology service to drive mainstreaming, integration, service development and improvement across value chain.

The new service will be:

Outcomes and benefits focused not equipment led:

- Referrers refer based on outcomes they want to achieve for their service users and the risks they are mitigating;
- Referrers not required to refer for equipment (but can do if they want);
- Choices about the personalised care technology solution required to achieve outcomes and mitigate risks are made by care technology technical professionals.

Equipment agnostic:

- Focus of the service is on achieving the best outcomes for the service user using the most appropriate care technology device wherever it is and whomever has developed it;
- Not locked into a manufacturers / solution providers development roadmap.

Intuitive for referrers to access:

- New referral pathway including an outcomes focused referral form is embedded into the care management system;
- Care practitioners are involved in the co-design / co-production of the transformed service;
- Referrers are informed when the installation is completed and what devices are installed.

A strategic partner to DMT

- Service is visibly seen as the 'home of care technology' and a trusted advisor of care technology for Adult Social Care and beyond (health, other partner agencies etc.);

Able to accurately measure the financial and non-financial benefits:

- The financial benefit delivered through care technology will be accurately measured and support decisions on further investment and development of the service;
- The non-financial benefits of care technology will be tracked and measured to ensure better outcomes for service users are being achieved.

The driver of culture change:

- Drive and release culture change that will successfully embed care technology into mainstream.

Able to provide a monitoring service:

- Full monitoring service is provided ensuring that the full range of care technology solutions are available to services users. It is expected that this would use a family and friends response model rather than an LCC staffed response.

Able to offer a non-chargeable service:

- Non-chargeable service for service users for adult social care where there is a benefit delivered by the care technology service (reduce, avoid or delay);
- Unless palliative, safeguarding or end of life;
- Where there is no measurable benefit, service users are referred to a private pay service managed by District Councils where appropriate.

3. ECONOMIC CASE

3.1 Options to be considered

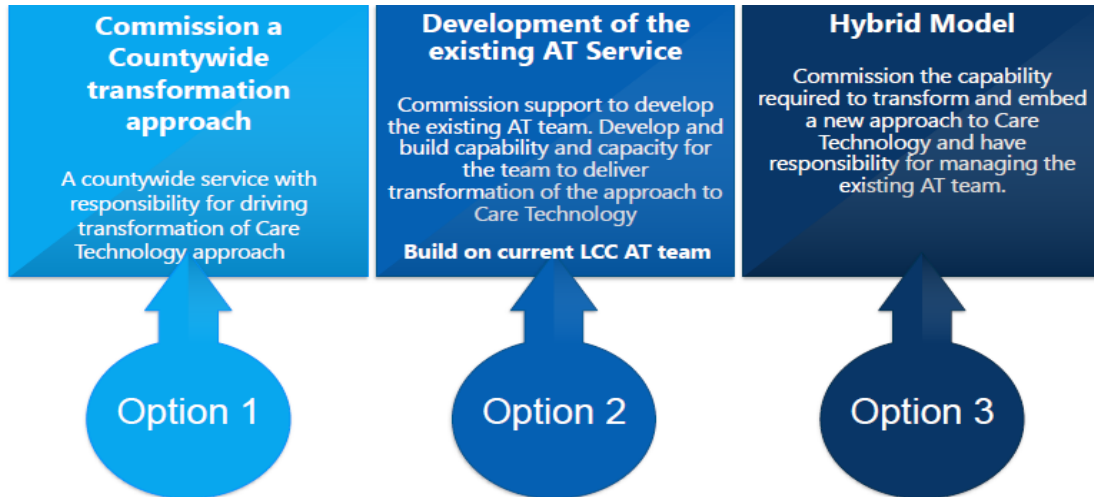
This business case has considered three options in order to deliver a transformed countywide service for care technology based on the diagnostic findings. These include:

1. As-is - Retain existing Assistive Technology offer
2. Develop a TEC service, commissioned through a strategic partnership with Hampshire County Council.
3. Develop a TEC service, working with a strategic partner commissioned through an external market procurement exercise.

3.2 HCC diagnostic findings – modelling of options subsequently ruled out for business case

Prior to the writing of this business case, a diagnostic was commissioned through Hampshire County Council (working with their strategic partner PA Consulting) to understand the potential benefits of increasing the use of TEC in the Adult Social Care Pathway. The diagnostic found that the current approach is fragmented and confusing to practitioners, referrers and service users, and failing to deliver high quality outcomes. The small in-house AT service provides limited unmonitored equipment, which the diagnostic suggested is unsustainable and demonstrates no measurable impact on demand for services.

The diagnostic proposed several options for developing a TEC service for Leicestershire, as set out below (taken from the diagnostic findings):

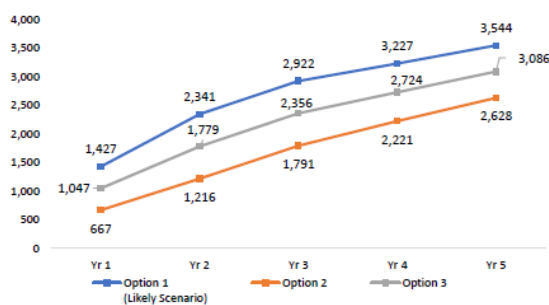


Growth of the CT service is projected to be slower in both the *Development of the existing AT service*, and the *Hybrid model*, with the development of the existing AT service showing the slowest growth as it involves the transformation of the existing team which is expected to take longer. While all options are expected to deliver a gross benefit to the Council, the diagnostic concluded that the *Development of the existing AT service* option was likely to achieve the least cumulative gross benefit due to slower growth. Net benefits for both these options were not modelled, as significant change is required to the current service to support these options, which is likely to involve considerable cost and time to achieve.

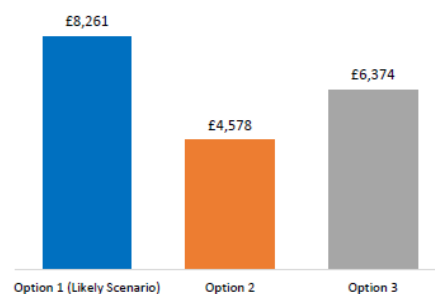
The main conclusion from the diagnostic review was that there is a compelling case for the transformation of the approach to care technology in LCC. Care technology transformation will support LCC’s new strength-based approach, its new target operating model and provide a better service to service users and deliver a significant financial contribution to the council.

The charts below, taken from the diagnostic findings, illustrate the anticipated growth in service users and cumulative gross financial benefits for each of the options considered in the diagnostic. This uses the ‘likely scenario’ for service user and benefits growth.

In option 2 the CT service will support 2,628 users at the end of year 5, and in option 3 the CT service supports 3,086 users at the end of year 5



Options 2 & 3 deliver a cumulative Gross Benefit of £4.6m and £6.4m respectively.



As a result of a projected difference in gross financial benefit of £1.889m (£8.261m-£6.374m) between the *Transformation approach* (Option 1) and the *Hybrid model* (Option 3), and £3.683m (£8.261-£4.578m) between the *Transformation approach* (Option 1) and the *Development of the existing AT service* (Option 2), it has been determined to rule out these options for further modelling within this business case.

This business case will focus on developing Option 1 from the diagnostic, which will be considered in Option 2 and 3 as set out in the business case, using the 'reduced growth and benefits' scenario in the interest of prudence.

3.3 Option Summary

Option 1 - As-is - Retain existing Assistive Technology offer

This Option proposes no changes to the current ways of working for the existing Assistive Technology team or the AT offer for adult social care service users.

This option would retain the existing arrangements and ownership of processes:

- Staffing structure to retain existing 11FTEs in existing job roles
- Referrals by Care Pathway staff to the AT service to follow existing process
- Expectation of continued full funding of AT service and costs of staff through IBCF allocation (expected to be £755k for 21/22)
- Retention of existing AT offer

The net service position for Option 1 of £0k (costs are balanced against IBCF allocation) has been used to measure potential MFTS savings or increased revenue costs for the other options under consideration. It has been assumed that IBCF funding will be available at the same level for any new service offer and will be used to fully or partially offset future service costs.

Option 1 is not considered to be sustainable; as technology continues to improve, the current AT offer is being left behind by what is available in the market, and the existing service demonstrates no measurable impact on demand for services.

Option 2 - Develop a TEC service, commissioned through strategic partnership with Hampshire County Council – RECOMMENDED OPTION

This Option proposes the development of a TEC service, which would be commissioned through a strategic partnership with Hampshire County Council via a direct award. The strategic partner would work alongside the Adult Social Care Pathway to establish care technology as part of the first offer for Adult Social Care, in doing so, creating an equitable service designed around service user outcomes. They would also help the Council to develop a program of cultural change and engagement that drives high quality referrals, better understanding of care technology amongst practitioners and better outcomes for service users.

This Option is recommended as it delivers the greatest net financial benefit to the Council of the options considered. Financial benefits of £4.164m are possible by the end of the 2025/26 financial year, based on an increase in the number of service users offered TEC as part of care packages to 2,731 in 25/26, and assuming a reduction in commissioned care package costs of 2hrs/week for 75% of those with TEC installed.

Option 2 is expected to deliver the lowest risk of all the options considered due to the additional support for implementation offered through Hampshire County Council, who are leaders in the field and have the benefit of several years of experience in working with a strategic partner for the delivery of a CT service. It is anticipated that this experience will enable faster implementation.

Option 3 - Develop a TEC service, working with a strategic partner commissioned through an external market procurement exercise.

This Option proposes the development of a TEC service, which would be developed by externally commissioning a strategic partner to work alongside the Adult Social Care Pathway. This is likely to be through an Open Tender Procedure and is expected to take at least 6 months. As in Option 2, the partner would work with the Council to establish care technology as part of the first offer for Adult Social Care, in doing so, creating an equitable service designed around service user outcomes. They would also help the Council to develop a program of cultural change and engagement that drives high quality referrals, better understanding of care technology amongst practitioners and better outcomes for service users.

This Option is not recommended, as while it is expected to deliver significant net financial benefits to the Council (£3.723m by the end of 2025/26 financial year), benefits are lower than option 2 as a result of the time taken to commission a strategic partner, and expected slower implementation without the support of Hampshire. There is also likely to be a greater requirement for project management support for implementation.

3.4 Risk profile comparison

Risk Description	Option One – Retain existing AT service Score (LxI)	Option Two - TEC service (Hampshire) Score (LxI)	Option Three - TEC service (External commissioned) Score (LxI)
Current financial situation of LCC does not allow an invest to save approach to be implemented straight away	8 (2x4)	12 (3x4)	12 (3x4)
Staff reluctance to embrace culture of digital solutions at centre of care/financial assessment stage	12 (3x4)	8 (2x4)	8 (2x4)
Diversity and complexity of District council offer may result in difficulty in implementation due to staff confusion	20 (5x4)	8 (2x4)	8 (3x4)
Customer reluctance to embrace care technology	12 (4x3)	8 (2x4)	8 (2x4)
Inability to deliver MTFS savings target of £2m by 2024/25	25 (5x5)	10 (2x5)	10 (2x5)
Lack of expertise/experience in new and emerging technologies leads to missed opportunities for use of TEC to offset care costs	20 (4x5)	5 (1x5)	5 (1x5)
Lack of experience in working with a strategic partner leads to longer/more resource intensive change implementation	0	8 (2x4)	16 (4x4)
IBCF funding reduction in future years reduces ability to deliver the service	10 (2x5)	6 (2x3)	6 (2x3)
Total Scores per option	107	56	65

Risk scores are calculated by taking the probability of the Risk occurring and multiplying it by the Impact of the risk should it occur. The score for each element goes from 1 – 5, with 1 being the lowest level and 5 being the highest.

4. FINANCIAL CASE

4.1 Service Options taken from detailed Cost Benefit Analysis

Scenario Description	FY 0 £k	FY 1 £k	FY 2 £k	FY 3 £k	FY 4 £k	FY 5 £k	Total £k	Total (Savings) /Costs £k
Option 1 Service Baseline Costs	£0	£0	£0	£0	£0	£0	£0	£0
Option 2: TEC service (Hampshire route)	£84	(£303)	(£1,117)	(£1,049)	(£919)	(£860)	(£4,164)	(£4,164)
Option 3: TEC service (external commissioned route)	£89	£278	(£1,145)	(£1,085)	(£957)	(£903)	(£3,723)	(£3,723)

This business case recommends Option 2 as the preferred option for implementation based on the Financial Case.

To deliver the project, a team costing £98k based on current effort estimates over the period November 2020 to December 2021 will be required, which will be funded through existing salary budgets. These will be verified once a detailed implementation plan has been developed, following approval by Cabinet in January 2021 to the proposed commissioning approach, and in conjunction with the identified strategic partner. This option would also include additional contractual costs of approximately £393kpa (rising to £473k in year 5) plus a £250k one-off mobilisation fee in year 1, however based on the diagnostic findings, benefits are expected to pay back the initial investment costs within the first year of implementation.

The total investment requirement for the council is expected to be £4.1m over five years, which includes anticipated contractual costs of £2.3m for the provision of a managed service, and internal staffing and other service costs of £1.8m to support the new service model

This option is likely to cost less to implement than Option 3, which will require more project and change management and support to deliver (at a cost estimate of £141k). Annual contractual costs are expected to be slightly lower than Option 2 at £357kpa (rising to £430k in year 5, with the same £250k one-off mobilisation fee in year 1), however a delay in the achievement of the benefits set out in the diagnostic against Option 2 is expected due to additional time required to commission externally and to mobilise internally.

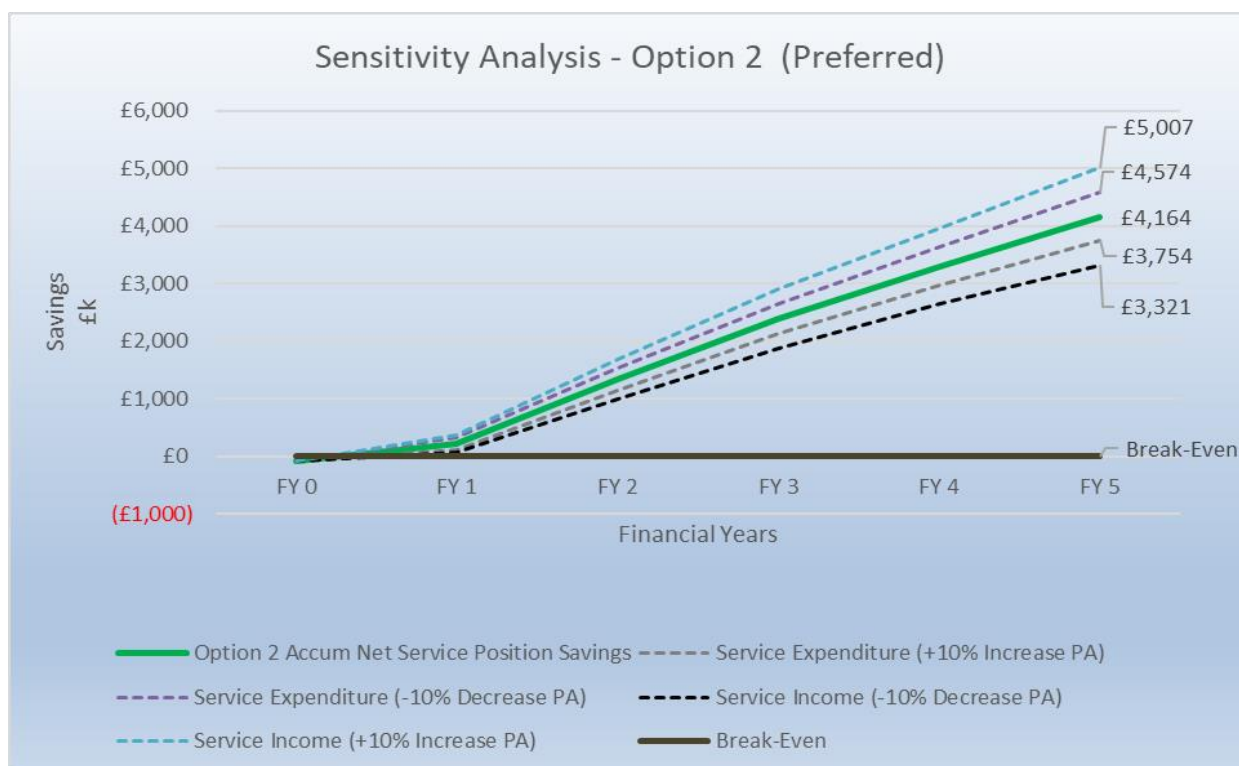
Option 2 is expected to deliver the lowest risk of all the options considered due to the additional support for implementation offered through Hampshire County Council, who are leaders in the field and have the benefit of several years of local authority experience in working with a strategic partner for the delivery of a CT service.

Scenario modelling completed by the Hampshire CC diagnostic suggest a range of potential incremental net savings ranging from £2 - 5.2m over a 5-year period taking into account a potential for slower

growth in service users and a lower number of service users seeing a financial benefit from the prescribing of TEC.

The cost-benefit modelling undertaken for the purposes of this business case uses the reduced growth and benefits scenario from the Hampshire CC diagnostic in the interests of prudence, but also includes existing IBCF funding for Assistive Technology which currently offsets the cost of providing the service. Assuming IBCF were to continue to fund a TEC service for LCC over the 5-year modelling period to the same amount as it does currently, the potential net financial benefit of a transformed approach to care technology in LCC is significant. Using the reduced growth and benefit scenario to develop Option 2, the suggested incremental net benefit is expected to be in the region of £4.164m by 2025/26, based on conservative growth of the service to 2,731 users (including 295 reablement users).

The sensitivity analysis below shows that the scheme will still deliver a significant return on the initial investment should a range of potential scenarios around increased or decreased service expenditure and income materialise.



As set out in the benefits realisation profile below, the initial investment is likely to result in a net financial benefit within the first year of implementation of the new service. Should the new service and scale of the changes required take longer to implement than expected, the payback period on the initial service investment may be impacted however would still be likely to fall within the first 2 years post-implementation.

4.2 Benefits realisation Profile – Option 2 (preferred)

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	Total
	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)	(£k)
Project Costs	84	87					111
Cashable Operational Benefits		(391)	(1,117)	(1,049)	(919)	(860)	(4,336)
Total	84	(303)	(1,117)	(1,049)	(919)	(860)	(4,164)
Benefits Realisation Dates:		31/3/22	31/3/23	31/3/24	31/3/25	31/3/26	31/3/26

5. COMMERCIAL CASE

5.1 Commercial approach for preferred option

The preferred option would require a contractual arrangement to be made with Hampshire County Council, to act as a strategic partner in transforming the technology enabled care offer within LCC. This is anticipated to take the form of a direct award to Hampshire County Council (following a council-to-council trading arrangement via their sold services) and it is not anticipated any external procurement exercise will be required, subject to approval by the Commissioning Support Unit and any resulting legal advice.

There are potential HR considerations for the existing AT team within the Council, which will need to be fully explored in order to progress with this approach.

6. MANAGEMENT CASE

6.1 Proposed Governance

Robust Arrangements are in place to manage the project including a Project Board which reports into A&C DTDB and the Transformation Delivery Board. Independent project assurance will be carried out by the Transformation Unit PMO Manager.

Several management controls are in place including the maintenance of issues and risks by the Project Manager through Project Board meetings. The detailed arrangements for change control will be set during the Project Initiation phase.

It is recommended that a light touch project management approach is undertaken. The key deliverables will be the development of the service specification, detailed job descriptions (including JE) for new roles, transition plan for existing AT staff, implementation plan (developed in conjunction with strategic partner), training plan (as part of implementation of new approach), and development of performance management approach and metrics/measures which are likely to form part of Project Initiation. Project deliverables will be defined in more detail during the Project Initiation phase.

Consideration will be given to involving internal audit in reviewing service performance and benefits realisation.

6.2 Project Board Roles and Responsibilities

Roles	Name	Responsibilities	Designation
SRO	Nigel Thomas	Accountable for the business case throughout the project. Accountable for benefits realisation approach. Chairs Project Board.	Assistant Director (Strategy), A&C
Project Manager	Matthew Norman	Reports to Project Board. Reviews issues and risks in relation to continued viability of the business case. Assess and updates the business case at the end of each project stage.	Project Manager
Senior User	(Care Pathway Rep Heather Pick/Tracy Ward)	Development of service specification Project Board Member	Assistant Director, Care Pathway, A&C
Senior Supplier	Claire Jones	Development of service specification Project Board Member	Head of Direct Services
Project Assurance	Renata Chantrill Judith Spence (or rep)	Project Board Members	Transformation Business Partner Finance Business Partner
Performance management	Matt Williams	Development of performance management approach and metrics/measures	Service Development Business Partner, BIS

6.3 Key project milestones

Activity	Proposed Timeline (TBD in conjunction with strategic partner)
FBC Approval	December 2020
Report to Cabinet	February 2021
Develop service specification	February – March 2021
Project Initiation	March – June 2021 in conjunction with strategic partner
Benefits realisation plans	To be developed as part of Project Initiation
Delivery	July 2021 – March 2022

7. DOCUMENT HISTORY

	Name	Comments	Date
FBC Completed by:	Matthew Norman/ Renata Chantrill	Amendments made to document prior to A&C DMT sign off	7/12/20
Approved by SRO:	Nigel Thomas, Assistant Director	Final approval received at DMT meeting	23/12/20
Approved by TU Business Partner:	Renata Chantrill		18/12/20
Approved by Finance Business Partner:	Judith Spence	Final approval received at DMT meeting	23/12/20
Other validation as appropriate	A&C DMT	Approval received at DMT meeting	23/12/20