

Health Scrutiny Committee Briefing

Community Equipment Service (CES) – Suffolk Community Healthcare

22nd January 2014

1. Introduction

- 1.1. The Community equipment Service (CES) is part of Serco's 3 year contract to operate Suffolk Community Healthcare from 1st October 2012. The service provides equipment for the whole of Suffolk as well as Great Yarmouth and Waveney. It provides this service from 3 stores in Ipswich, Bury and Ellough. The service processes around 5,000 requests per month.
- 1.2. Prior to transfer to Serco on 1st October 2012, there had been a number of issues with the service in previous years. The issues included significant variance against the 7 day delivery target, failure to meet infection control standards and expansion beyond capacity of the 3 stores. These are referenced in NHS Suffolk's tender documentation (ref. Sect 5.2.2, Final feasibility study, Lot 3 CES final specification).
- 1.3. Previously the service was only measured against a single, 7 day delivery target. Under Serco's contract, additional service targets were introduced. This included targets for delivery of 4 hours, next day, 2 days and 7 days. It also included targets for collections of next day, 3 days and 10 days.

2. Service improvements

- 2.1. CES has operated in the same way for a number of years and transforming this service has involved challenging embedded working practices. The contracted service level is also significantly higher than the service has had to provide previously. The service is wide ranging, complex, geographically dispersed and integrated within other organisations' processes. As a result, change is taking longer to implement than was originally anticipated. Whilst significant progress has been made, we are clear that there are still improvements necessary.
- 2.2. Managerial changes were made in autumn 2013 and a revised improvement programme developed in collaboration with front line staff. This programme has involved a number of improvements including:
 - An evaluation of delivery and collection schedules. This means deliveries and collections are now made in every postcode on every day of the week (previously some post codes only received service on one or two days a week)
 - Improved flexibility working across multiple locations so that a more consistent service can be provided and the service behaves as a single entity

- Analysis of requisitioning and ordering processes which has resulted in the majority of orders being placed the next day
- Additional staff and vehicles being deployed in order to manage peaks in demand (for example to manage an increase in hospital discharges)
- Improved communication with stakeholders through the establishment of regular meetings with all customers and structured feedback
- Development of management information around key operational metrics enabling the comparison of performance across the county
- Streamlined administrative processes, enabling more time to be spent on the phone liaising with customers and suppliers
- An improved auditing and stock taking programme leading to more accurate inventory information
- A programme of infection control audits and inspections leading to actions being undertaken to improve the safety of the service

3. Performance

3.1. The move from a single 7 day delivery target to multiple targets for delivery and collection has made the service more complex. It also means that like-for-like comparison with previous years is difficult. However, it can be seen from the following table that the service is broadly in line with the level provided prior to transfer.

	July	August	September	October	November	December
2012	97.60%	95.50%	96.00%	96.30%	93.80%	94.10%
2013	94.31%	93.91%	93.23%	95.19%	97.79%	95.35%

Table 1: Delivery times - Percentage of requests met within 7 days

4. Stock availability

4.1. To date, CES stock has been sourced and procured through a buying consortium via a framework agreement negotiated through Suffolk County Council (SCC). This agreement is unmanageable with over 50 suppliers, and is without the contract management and delivery service levels required to manage the delivery times of suppliers. Under this historical agreement, Serco effectively has no control over CES supplier base and this has significantly affected Serco's ability to deliver the service and hold appropriate core stock.

4.2. Serco and SCC have been working together to resolve this issue, with Serco leading a procurement exercise across all core stock items. We are anticipating the conclusion of this by 31st January 2014, after which time there will be greater control of supplier performance.

4.3. As at 17th January 2014, stock levels at each of the stores is as follows:

Site	Core Stock Lines	Number of lines out of stock*	Lines of stock at re-order level
Ipswich	214	1	14
Bury St Edmonds	204	0	2
Ellough	201	0	7

*Right Angle Desk Top code M010

It can be seen from the above table that with the exception of one item (right angel desk tops), stock is available for all other items, with nearly all above their minimum stock levels, including wheeled commodes and toilet seat frames.

5. Special order equipment

- 5.1. Items that are not part of core stock are usually bespoke items that need to be made to order. As such, these take longer to order as the specifications are often complicated and the time to manufacture is usually around 8 weeks.
- 5.2. Special orders outstanding over the 8 week expected delivery time are 38 in total from 452 orders for all services. Specifically, 14 of these are SCC orders and the reasons for the exceptional time are being investigated.
- 5.3. Special order volumes are approximately 25 per day and at 15th January 2014, there were 56 special orders awaiting a purchase order across all services. This represents around 2 days of orders and is considered a normal level of work in progress. The oldest special order where the order has not yet been placed with a supplier was received by CES on 07 January 2014 and has been delayed due to some queries for further information required in order for the order to be placed.

6. Budget management

6.1. Serco experienced a system issue within the software reporting tool used for CES billing in June 2013 and as a result was unable to issue invoices for a period of time. Whilst this issue has been resolved, we recognised that there is outstanding work to clarify invoices issued at this time and we are in the process of concluding this with SCC.

7. Communication

7.1. Serco recognise that the communication with SCC colleagues needs to improve and are undertaking a number of steps to improve this including:

- Increasing local administrative resources to make it easier to contact the stores
- Establishing weekly meetings with SCC to resolve outstanding customer delays
- Establishing a monthly meeting with SCC to ensure the service is effective and to improve working relationships
- Reintroduction of the 'CES Board' from February 2014 comprising multiple stakeholders, following its suspension at the request of members of the group in the summer of 2013.