

Transforming Community Equipment Services Programme

Review of the Outline Business Case

Introduction

Grant Thornton were appointed in August 2008 to carry out a review of the business case for the Transforming Community Equipment Services Programme (TCESP).

We were required as part of the review to provide an external commercial review of the new model of service delivery for community equipment to provide assurance to the Minister that his support of the model is well placed. We were also required to evaluate the methodology, approach and programme deliverables as set out in the TCES business case.

We can confirm that:

- **The preferred option - delivery of "the retail model" - is well-considered and is a practical and cost-effective solution.**
- **The methodology and approach taken by TCES is robust and the deliverables are clearly identified and articulated.**

The report sets out the detailed findings in support of the evaluation.

We reviewed both the original business case and a large volume of material relating to the introduction and piloting of the programme - known as Pulse documentation.

Following our preliminary review, we suggested that the business case should be re-drafted to comply with Department of Health Guidance, and we made a number of detailed comments on points to be addressed during the re-drafting.

This report comments on the re-drafted TCESP business case, following the numbered sections in the revised document.

1. Executive Summary

The re-drafted business case presents a cogent case for investment in an expanded programme designed to radically improve the assessment of need for and distribution of "community equipment" - aids to assist in improving daily living for people with disabilities.

The remainder of this section presents the essential features of the case as a useful summary for the reader.

2. Strategic Case

The policy context and key market demand and supply characteristics are set out. There is clearly massive need, although supported by a currently overly-complex supply chain.

The case for change is well made, indicating that "joined up government" of health and social service provision often does not work well from the users' perspective and is also inefficient. Logistics' costs in particular are excessive under the current business model.

There are also deficiencies identified in the product styles and range, generally this is not a consumer-friendly service.

Programme benefits are also identified in general terms.

This section of the report makes a good high-level case for change.

3. Economic Case

Following preliminary analysis and review with key stakeholders three options were identified for evaluation

- (i). The "**do nothing**" option is easily dismissed as being unable to meet most of the benefits criteria.
- (ii). The option of "**improving the supply chain**" does meet some benefits, **but would fail to develop the market sufficiently** to improve consumer choice and quality.
- (iii). The "**retail model**" option is expected to deliver wider consumer choice, improvements in quality, and lower prices. **It scores very well against the benefits criteria.**

SWOT analysis of each option is helpful, and draws attention to the need to mitigate weaknesses in the retail model as the preferred option.

The retail model demonstrates a small cost improvement over the "improved supply chain" option and produces nearly £2 billion of savings over 30 years against the "do nothing" option.

Significant risks affecting each option are also outlined.

The section concludes by making a good case that the retail model should be selected as the preferred option.

4. Commercial Case

This section begins with a diagram showing how the retail model will be operated.

New entities and procedures will need to be established, including an overall governance structure; a National Commissioning Body; a supply chain group; and a prescription clearing house. These will be supported by a national catalogue of products and a national tariff of product prices. An accreditation body is proposed to help manage quality control of retailers.

It is proposed that the Commercial Directorate should take responsibility for establishing and implementing the national programme at a cost of nearly £16 million. Whilst it may be possible to simplify aspects of the programme once it is established has operated for a while, the proposed structure is comprehensive. Strong project management is recommended, supported by the experience gained on the pilot projects.

The commercial case is well-made and this does not seem to be a high-risk investment, as long as the programme is properly managed and progress reviewed regularly.

5. Financial Case

Set up costs have been identified, and the overall cost does not seem excessive in terms of the cost-savings and quality improvements likely to be generated.

The operating cost model is fairly detailed and includes contingencies that could be flexed to give more comfort to the project management team, subject to a more detailed review of costs at the local business case stage for each service.

The costs have been fully considered for the business case stage.

6. Project management case

Indicative benefits realisation profiles are presented for both a locality and the national plan.

There has been detailed analysis carried out of the financial benefits likely to emerge from the national programme.

Significant and detailed work on pilot projects is available to inform the outline programme plan that is provided in this section.

Due recognition is given to the importance of involving a wide range of stakeholders and encouraging strong governance.

Whilst a detailed project plan will need to be produced as part of the full business case in each locality, there is sufficient evidence in the business case that the main issues have been considered and addressed.

Conclusion

A great deal of effort and a significant amount of investment (more than £3 million) has been made in devising and piloting the TCESP.

The re-drafted business case is a succinct document, summarising many supporting documents and analysis.

There is sufficient evidence in this case, combined with the evident enthusiasm and commitment of the TCES team, to take forward what appears to be a relatively modest investment in relation to the expected financial and quality benefits expected from the implementation of the programme.

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