

## Response to Telecare Aware article: The £3+ million telehealth spend that has achieved...what?

October 2010

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*[Telecare Aware editorial note: Black text = original item; Red = PCT response; Purple = Telecare Aware response to PCT responses.]*

Ladies and gentlemen: the story you are about to read is true. Not even the names have been changed to protect the innocent. *That's because, as far as I [ed. Steve] know, no one involved in these events has done anything illegal, so they are all innocent.* In the words of Dragnet's Joe Friday "All we know are the facts, ma'am".

### The easily available public facts

Fact 1) A trial using 100 telehealth units had started in parts of the area covered by NHS North Yorkshire and York (ex. North Yorkshire and York Primary Care Trust, the largest PCT in England) in September 2009 and was due for evaluation in April/May 2010. ([See timeline on the final page of this PDF.](#))

Fact 2) At the end of January 2010 a reporter for a local newspaper reported that the PCT was [heading for a deficit of £8million](#) at the end of March, its financial year end. She also noted that it was planning to introduce the use of 100 telehealth units. ([TA note](#))

Fact 3) A [Tunstall press release](#) in June 2010 states "NHS North Yorkshire and York unveiled plans to purchase a further 2,000 Telehealth systems... Tunstall, was awarded the contract to provide the additional 2,000 systems following a competitive tender process." (Longer, undated [Tunstall version](#) of the release.)

**This press release was first published by NHS North Yorkshire and York. Tunstall asked for permission to post this press release on their website.**

*TA: An easy mistake to make - it reads just like a typical Tunstall press release of the time.*

Fact 4) The [PCT's website](#) (reflecting the plan set out in 1, above) currently says: "The Telehealth project in North Yorkshire and York is being rolled-out in two phases. The first phase runs until September 2010 and involves an investment in 120 Telehealth systems. In June 2010 we announced that the second phase of the project will involve the purchase of a further 2,000 Telehealth systems."

### The not so public facts

Fact 5) Pre-empting the outcome of the future evaluation, preparations for the additional procurement were being made in October/November of 2009: the invitation to tender was issued (not openly advertised) within the context of the old PASA Telecare National Framework Agreement in mid-December 2009. Three companies participated.

The NHS Purchasing and Supply Agency set-up a national framework for Telecare procurement(CM/RSC/05/4376). This framework was openly advertised and fully observed European Competition Requirements. One of the reasons this national framework was established was to eliminate the need for organisations to individually undertake their own procurement exercise, which saves time and resources. The framework is used by many NHS and Local Government organisations, and is seen to represent very good value for money.

NHS North Yorkshire and York elected to use this framework for its Telehealth requirement. Following best practice guidance, a mini-competition was undertaken, in which all primary suppliers on the framework were invited to participate. If an organisation elects to use the framework, they are prohibited from undertaking an open advert, they must select from the 13 suppliers who are part of the framework agreement.

*TA: Telecare Aware's point about the lack of open advertising was by way of explanation for readers who might be unfamiliar with the framework process. This was a process which assumed that the mini-competition announcement would reach all interested parties. In this instance it turned out to be an unsafe assumption. Will the Buying Solutions (BS) transparency policy resolve this and make future announcements public?*

Fact 6) The [£3.2 million procurement](#) (two thirds funded by the Strategic Health Authority, the rest by the PCT) was completed in March 2010.

The SHA has funded one third of the contract – ie £1million.

Fact 7) In addition to the upfront cost, the PCT committed to paying a substantial sum [*believed to be in the order of £500,000*] in annual maintenance and other charges.

Fact 8) The Tunstall RTX units do not meet requirements specified in the bid invitation. Specifically:

- to enable clinical staff to teleconference directly with a patient. **No bid could fulfil this requirement**
- to allow for the use of multi users in community settings, such as nursing homes and extra care schemes – **Only Docobo could fulfil this requirement but Tunstall had this development on their roadmap.**

The units are also several times the cost of alternatives that are in this marketplace.

*TA: So both requirements were dispensed with in order to keep Tunstall in consideration? It would be interesting to know what progress Tunstall has made on the second requirement.*

Fact 9) The PCT's invitation to tender had the standard 'get out clause' which stated that it reserved the right not to award all or any of the business to the service provider that scored best against the criteria.

**Bids were evaluated in accordance with the scoring system set out in the original mini-competition document. The contract was awarded to the highest scoring supplier.**

Fact 10) Of the 2,000 RTX units only 5 have been put to use since they were purchased. [*Source: an anonymous insider.*] **There are currently 135 patients referred for Telehealth in North Yorkshire and York.**

*TA: Not all of them may still be using the equipment, so that could still be only 105 units in use out of the 2100 paid for so far.*

### **And finally...**

Mr David Cockayne, who was Director of Strategy at NHS North Yorkshire and York at the time of the procurement and whose name keeps popping up in the above news items left the employment of the PCT in July and took up employment with Tunstall yesterday, 11 October 2010. [*This is a fact. But before readers jump to conclusions I wish to point out that there is **no evidence** that Mr Cockayne's employment is related to any of the above in any improper way and it should not be construed as such.*]