



Leicester  
City Council

[REDACTED]  
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[REDACTED]

Please ask for: Steven Forbes  
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Date: 5<sup>th</sup> June 2019

Dear [REDACTED]

**Re: Complaint made by [REDACTED]**

I write following the letter sent to you by [REDACTED] which alleges the 'mismanagement of the public purse' within the current contract between Leicester City Council and NRS and would take this opportunity to detail the actions undertaken by the authority with regard to those allegations.

NRS are the provider for the Integrated Community Equipment Loan Service which is a multi-agency partnership with all local authorities and NHS Clinical Commissioning Groups within Leicester City, Leicestershire and Rutland.

[REDACTED] was the NRS service manager at the South Wigston branch between June 2016 and February 2018

[REDACTED] made a number of Freedom of Information requests and a complaint against the ICELS Partnership Manager in February 2018 which were dealt with including a formal investigation into the complaint which was found to be unsubstantiated.

[REDACTED] then sent an e mail on 6<sup>th</sup> August within which he alerted us to the possibility of the misuse of public funds to the sum of £254,273.00 within the Integrated Community Equipment Loan Service (ICELS) over a period of nine months (August '17- April '18)

The basis of the information supplied by [REDACTED] was that equipment that had been returned to the NRS South Wigston depot was not recycled or scrapped in line with the correct procedures which would have ensured the ICELS received credit payments. [REDACTED] referred to these items as being 'Ghosted' and totalled some 6,500 individual items at a cost of £254,273.00.

If equipment had effectively been hidden from the ICELS within this 'Ghost list' this then gave an opportunity for NRS to gain financially by not paying the 80% credit and furthermore sell the equipment back to ICELS or any other commissioned service.

It is worthwhile explaining the model that is currently in place for this service is an 80% credit model.

Each item has a PUK number – this should be a unique number to identify each piece of equipment and to track this equipment through its lifecycle and always identify its location.

A piece of equipment being returned to the depot from the community has only two pathways:

1. Scrapped as the equipment is not fit for reuse and not cost effective to repair. This gives no credit to the service
2. The equipment is cleaned and returned to stock to be reused. This gives an 80% credit to the service and 20% to NRS.

It is in the interest of the equipment provider to recycle as much stock as possible as the more times an item is recycled and reused increases the profit margin for the provider and reduces the need for them to purchase new stock – which is an upfront cost to them

A scoping exercise was then undertaken by the ICELS Partnership Manager who sampled 30 lines from the spreadsheet to see if they could be accounted for within the service management information systems, none of the 30 could be found.

This appeared to corroborate the allegations being made and as a result a meeting was held on 12<sup>th</sup> October with Directors and Senior Managers where it was determined that further 'covert' investigations would be undertaken, and another 100 lines were reviewed by the Corporate Investigations Team and could not be accounted for.

On 7<sup>th</sup> November a meeting was held with Directors and Senior Managers and it was agreed that at this point and in order not to alert the provider, the ICELS Partnership Manager would supply 100 lines of equipment and ask NRS to supply the 'life history' of each item. This would be part of usual contract performance and the 100 items included 20 that were on the spreadsheets supplied by [REDACTED]

In late December it was clear that NRS could not account for the 20 items taken from the 'Ghost list' and from the experience and knowledge of both the Partnership Manager and the informed view of the Corporate Investigations team it was agreed that the council would approach NRS directly and ask them to provide an explanation.

The full set of data was supplied to the Director of NRS on 9<sup>th</sup> January and he was asked to conduct an investigation to account for the equipment and clarify if relevant credits had been made to the service with particular regard to high value items.

On 3<sup>rd</sup> April NRS delivered a final presentation into their findings which indicated a number of poor working practices had contributed to the confusion of ghosted items and in particular the issuing of duplicate PUK numbers, management of equipment in the community/warehouse and the accuracy of client records. NRS were however able to evidence that any outstanding credits had been made where relevant

As a result of the findings a detailed action plan was put in place to ensure NRS corrected those failures and put in place new procedures to effectively track equipment and to ensure client records were accurate. This action plan is monitored and overseen by the ICELS Service Manager.

The director of Adult Social Care and the Head of Service for Contracts and Commissioning met with [REDACTED] at his request and advised him of the investigation findings. At this meeting [REDACTED] made further allegations which again we investigated which resulted in no evidence being found to substantiate those allegations.

At all times this investigation has been overseen by the Council's Monitoring Officer, Strategic Director for Social Care & Education and the chief Financial Officer.

In conclusion the allegations made by [REDACTED] were subject of a robust investigation undertaken by both the ICELS Partnership Manager who has an in-depth knowledge of the service and the corporate Investigation team who brought both expertise and independence to the process.

Although clearly highlighting poor and inefficient practice, the investigation gave clear assurance to the authority that no fraudulent activity had taken place, all credits had been made where relevant and that no equipment had been hidden.

Should [REDACTED] have any further concerns we would be more than happy to investigate them.

Yours faithfully,

Steven Forbes  
Strategic Director  
Social Care and Education  
Leicester City Council