

CABINET

19 April 2016

Title: Procurement of a Replacement Children's and Adults Electronic Social Care System	
Report of the Cabinet Member for Adult Social Care and Health	
Open Report : Yes	For Decision: Yes
Wards Affected: All	Key Decision: No
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Accountable Director: Anne Bristow; Strategic Director for Service Development and Integration	
Summary: <p>The Council requires a database for Children's and Adult Social Care records in order to effectively discharge safeguarding duties, comply with a range of inspection criteria and to meet the statutory requirement to provide statistical data returns to central government departments.</p> <p>The database currently used for this purpose is known as SWIFT, and is supplied by Northgate Public Services (NPS). This database is old and no longer considered fit-for-purpose, being widely criticised by end-users and external inspectors alike. It is vital that LBBDD should have a solution that offers flexibility, adaptability and future-proofing. A system that has been developed using advanced technology with a clear long-term future is likely to offer this.</p> <p>Soft market-testing has shown that the current arrangement is also comparatively expensive. The current maintenance and support contract costs circa. £350k and initial market testing has suggested that there is a considerable saving to be made on annual maintenance costs.</p> <p>The contract with Northgate formally expired in 2012 however the annual maintenance and support contract is being renewed on a bi-annual basis. The current maintenance and support contract expires in April 2018.</p> <p>In June 2015, Elevate were commissioned to develop a Full Business Case for the replacement of the current social care systems, and as a result of this a capital bid (to fund a replacement) was submitted. This was approved in February 2016.</p> <p>This report requests authorisation to conduct a procurement exercise to secure a replacement Children's and Adults Electronic Social Care System, and sets out the case for doing so using the Crown Commercial Services Framework (RM1059).</p>	

Recommendation(s)

The Cabinet is recommended to:

- (i) Agree that the Council proceeds with the procurement of a new Electronic Social Care System in accordance with the strategy set out in the report;;
- (ii) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Cabinet Member for Adult Social Care and Health, the Strategic Director Finance and Investment and the Director of Law and Governance, to award and enter into the contracts and access agreements, for the initial and relevant extended periods.

Reason(s)

- To provide a fit for purpose Electronic Social Care system to support practitioners in ensuring the safeguarding of vulnerable children, adults and families.
- To provide a system that has sufficient technical resilience to meet the demands of Ambition 2020 and the dependent workstreams e.g. integration with health, productivity in Children's and Adults Social Care and the Community Solutions service.
- To provide a system capable of meeting the challenge of ongoing legislative changes, flexible working and more efficient assessment, planning and reviewing of vulnerable children and adults.
- To deliver significant financial efficiencies as set out in this report and the appended Full Business Case.

1. Introduction and Background

- 1.1 The Council currently uses SWIFT, supplied by Northgate Public Services (NPS), as the core database for storing all children's and adults social care records, via the Adult's Integrated Solution (AIS) and the Integrated Children's System (ICS).
- 1.2 AIS was implemented in 2006 and ICS was implemented in 2007. Regular system upgrades have also been undertaken in line with the current annual maintenance and support contract.
- 1.3 This database is old and no longer considered fit-for-purpose, being widely criticised by end-users and external inspectors alike. It is vital that LBBD should have a system solution that offers flexibility, adaptability and future-proofing. A system that has been developed using advanced technology with a clear long-term future is likely to offer this.
- 1.4 The contract with Northgate (for SWIFT) formally expired in 2012, but has been continued through a 'confidence and supply' exchange of correspondence, which itself is time-limited to April 2018. It should be noted that this 'contract' extension has not been novated to Elevate.
- 1.5 In December 2014, Northgate were acquired by Cinven, a European private equity firm. This has not impacted or altered the current contract with Northgate and SWIFT will still be fully supported until notified otherwise.

- 1.6 The current contract costs circa. £350k per annum. Initial soft market-testing has shown that this is comparatively expensive.
- 1.7 In June 2015, the London Borough of Barking and Dagenham commissioned Elevate to produce a Full Business Case for the potential replacement of the current Electronic Social Care System (Northgate SWIFT).
- 1.8 As part of the Full Business Case development, Elevate reviewed the suitability of the current system in relation to practitioners' needs in both children's and adults social care services, including how the systems might meet the new statutory health and social care requirements, as well as considering value for money. Each area has identified issues and grounds for concern surrounding 'fitness for purpose', an area which is also of concern in terms of supporting strategic commissioning requirements. Additionally, the lack of integrated portal/web-services functionality significantly inhibits the strategic direction of the Council in delivering its Customer Access Strategy and in achieving integration with NHS services and systems.
- 1.9 A series of workshops, interviews and an analysis of user confidence in the system, reached the general consensus that the current system was not user-friendly and may, in part, contribute to staff retention issues. The technology appears to be very dated, and is often cumbersome due to the constant speed and performance issues relating to system access.
- 1.10 The technical design is based on Oracle technology, and provides a traditional 'end-to-end' case management system, based on an integrated set of modules sitting on top of an underlying relational database. It is the main information repository for social care management information, containing approximately 215,000 overall cases and 14,000 live cases, covering both services, of which nearly 8,400 clients are receiving support from the Council in some form or other.
- 1.11 Ultimately, these factors combine to provide a compelling case for change, and as a result a Capital Bid was submitted for consideration in November 2015, requesting funding for the procurement of a replacement. This was formally approved in February 2016.
- 1.12 A copy of the Full Business Case can be found at Appendix 1, which is in the exempt section of the agenda as it contains commercial financial data and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2. Proposed Procurement Strategy

2.1 Outline specification of the works, goods or services being procured.

- 2.1.1 The recommended procurement approach is to use the Crown Commercial Services Framework (RM1059) for the procurement of an Electronic Social Care System. This Framework expires in August 2016, however, CCS have assured Elevate that this will be extended for a further two years.
- 2.1.2 There is a business need to ensure that the processes and systems required to support children's and adults services meet regulatory requirements, are fit-for-

purpose and capable of managing critical information. Considerable work is planned to develop the specification upon which a tendering exercise would be built.

2.1.3 A summary of the high-level requirements can be found at Appendix 2.

2.2 Estimated Contract Value including the value of any uplift/extension period.

2.2.1 The estimate contract value is set out at Appendix 3, which is in the exempt section of the agenda as it contains commercial financial data and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2.3 Duration of the contract, including any options for extension

2.3.1 The contract will be for 5 years, with an option to extend for a further two years.

2.3.2 The duration of the individual contracts based on a framework agreement does not need to coincide with the duration of that framework agreement, but might, as appropriate, be shorter or longer. In particular, it should be allowed to set the length of individual contracts based on a framework agreement taking account of factors such as the time needed for their performance, where maintenance of equipment with an expected useful life of more than four years is included or where extensive training of staff to perform the contract is needed.

2.3.3 Due to the long implementation period and the high costs involved in changing provider, we believe that the 5+2 year duration is admissible in this instance and complies with regulation 33 (3) of the Public Contracts Regulations 2015.

2.4 Is the contract subject to the (EU) Public Contracts Regulations 2015? If Yes and the Contract is for services, is it subject to the light touch regime?

2.4.1 This contract is subject to the EU Public Contracts Regulations 2015 and is not subject to the light touch regime.

2.5 Recommended procurement procedure and reasons for the recommendation.

2.5.1 The contract for Northgate SWIFT will remain with the Council until it expires in April 2018. It was agreed by all parties (The Council and Elevate) that the Northgate contract will not be novated to Elevate, as there is no advantage to doing this. It was also agreed that Elevate maintain the responsibility for all IT procurements, and will therefore conduct the procurement of a replacement Electronic Social Care System by default.

2.5.2 There is a need to procure an alternative system within an imminent timescale which the usual procurement route via a full open market tender process does not support. However, this can be achieved more quickly by the use of an appropriate Framework arrangement. It is proposed that the most cost-effective and efficient approach to procure a new system is option 4 (section 3.4 of this report) – through Elevate, via the CCS Framework, with a view to procuring the system in late-summer 2016.

2.5.3 The tender process will be conducted in compliance with European Union rules and principles and the Council's Contract Rules. As the recommendation is to procure via the Crown Commercial Services Framework (RM1059), the advert will be released to all suppliers/contractors part of it. This means that suppliers who are not in the Framework will not be able to submit a tender.

2.5.4 The table below summarises the expected tender timescales. Appendix 4 sets out the detailed procurement plan.

Cabinet approval	19 th April 2016
Advertise and send out tender application packs	25 th July 2016
Tender submissions to be returned	5 th September 2016
Tender evaluations (completion)	23 rd September 2016
Approval and award of contract	17 th October 2016
Start of contract delivery	October 2016

2.6 **The contract delivery methodology and documentation to be adopted.**

2.6.1 Service to be delivered by external providers. There will be a set of overarching framework terms and conditions that will apply to this service. At the end of the contract period, LBBB will be required to take provisions to continue with the contracted supplier, or undergo a re-procurement exercise.

2.7 **Outcomes, savings and efficiencies expected as a consequence of awarding the proposed contract.**

2.7.1 The outcome is the award of a contract to one or more providers of social care solutions that best meet the award criteria for the provision of a replacement social care IT system for the Council.

2.7.2 The savings are generated from the reduction of maintenance charges for a new system; the market leading suppliers typically charge considerably lower annual fees, which usually include all legislative changes (Northgate Public Services selectively charge extra for this).

2.7.3 The estimated savings generated by this exercise are set out at Appendix 3, which is in the exempt section of the agenda as it contains commercial financial data and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

2.7.4 In addition to the savings outcomes and savings outlined above, procuring a new system will provide LBBB with the opportunity to refine processes and embed practice improvements, as well as allowing the capture of all relevant data in the most efficient way possible. A modern and efficient system that allows flexible working and is easy to use will help drive productivity, improve service performance and increase customer satisfaction.

2.8 **Criteria against which the tenderers are to be selected and contract is to be awarded**

2.8.1 The evaluation criteria as detailed in the (Crown Commercial Services) CCS framework terms and conditions are as follows:

- Lot 6 covers the provision of software and associated services for Social Care.
- The framework suggests a price/quality split of 40%/60%, and that is the proposal of this report.
- Price will be evaluated based upon life cycle cost analysis, including implementation costs, consultancy, licensing, maintenance etc.
- Quality will be measured based upon functionality, adaptability, meeting the core specification, aesthetics and usability.

2.9 **How the procurement will address and implement the Council's Social Value policies.**

2.9.1 In line with the 'Public Services Social Value Act' public bodies are required to consider the way in which the services they commission and procure might improve the economic, social and environmental wellbeing of the area. This is governed by the Council's Social Value policies. This procurement has no impact upon these.

3 **Options Appraisal**

3.1 **Option 1: Do Nothing**

Do Nothing: Continue using current system	
Advantages	Disadvantages
<ul style="list-style-type: none">• No investment will be required in procuring and implementing a replacement system.• There is no dedicated resource time required for this option.	<ul style="list-style-type: none">• The current issues, user dissatisfaction, value for money and technical issues with the system will continue.• There will be no change or improvement to the existing systems, or the way users are working.• Technology 'future-proofing' of the system is unclear.• Systems integration with health systems is non-existent now, and likely to be difficult to achieve in the future specifically if the system is not fit-for-purpose.• Financial savings/efficiencies will not be realised.

3.2 Option 2: EU Procurement – Open Market

EU Procurement – Open Market	
Advantages	Disadvantages
<ul style="list-style-type: none"> All suppliers that provide a social care IT solution are able to submit a tender. 	<ul style="list-style-type: none"> The timescales are significantly longer than the framework procurement, which means that a solution may not be delivered within the required time. It is also a costly option as all tenders submitted must be evaluated, which means that resources will be required for longer periods of time.

3.3 Option 3: Implement a bespoke solution

Implement a bespoke solution – in-house or partner development	
Advantages	Disadvantages
<ul style="list-style-type: none"> LBBDD will be in control of the roadmap future development, and will have the flexibility to tailor the system to match changing requirements. LBBDD will own the system and will not be tied down to a supplier that could potentially disappear. Allows more scope for innovation when developing and designing the system. 	<ul style="list-style-type: none"> Due to the size and complexity of the system, it will take longer to implement than an off the shelf product. There are significant time constraints involved. A significant amount of time will need to be invested, particularly during delivery. The cost of developing a new system will be greater than an off the shelf product. Ongoing costs and the support in general would be difficult to ascertain and control. Selecting appropriate developers will require additional time to scope. Financial savings/efficiencies will not be realised.

3.4 Option 4: Join an existing framework

Join an existing framework	
Advantages	Disadvantages
<ul style="list-style-type: none"> A reduction in tendering time and costs results in increased efficiencies and better value compared to a full tender process. Framework agreements comply with relevant EU procurement regulations. Mini Competitions within the framework secure competitiveness and are less time consuming compared to a full tendering process. 	<ul style="list-style-type: none"> They are closed to new providers for the duration of the agreement.

4. Waiver

4.1 Not applicable

5. Equalities and other Customer Impact

- 5.1 A robust and effective case management system is a key tool in safeguarding vulnerable children and adults in the borough by allowing accurate case oversight at individual service user level as well as providing the necessary macro-information to support solid performance management of services.
- 5.2 An application that lends itself to easy integration will allow for a more 'joined-up' approach for service delivery, allowing better commissioning of services and a more holistic, and therefore better, experience for service users.

6. Other Considerations and Implications

6.1 Risk and Risk Management

Risk Description	Mitigating Actions	RAG Status
Budget allocation proves to have been insufficient due to the complex nature the project realising additional pressures.	Project manager will inform the Project Team and Governance bodies of the resources required and expended at all stages of the project. Robust project management methodology deployed.	G
There are risks inherent in migrating data from one system to another, and this leads to slippage in the project timescale.	A data migration stream will need to take place where the appropriate resources are allocated, data is prioritised and sufficient contingency exists within the project plan for this complex component.	G
Lack of buy-in from staff in Children's and Adults social care services which leads to resistance to provide support during implementation.	Significant change management investment will be required to ensure staff are trained and familiar with the replacement system. This will require time, training and support.	G
Lack of availability of business resources and ICT staff to support the implementation and change, particularly in the context of other IT transformation projects ongoing.	The project manager will be responsible for taking an oversight of the project. Any conflicts will be raised and managed firstly by the Sponsor and then through the relevant governance arrangements.	G
Suppliers tend to underestimate costs, development and integration during the procurement phase and over promise on timescales during delivery.	Ensure a robust pre-procurement phase has been completed, with sufficient organisational and change management capacity to ensure timescales are realistic.	G
Social care services may change requirements during implementation, delaying the project and requiring additional work.	Service representatives responsible for engaging with the implementation should remain the lead throughout the duration of the project and participate in all stages of the work.	G

6.2 **TUPE, other staffing and trade union implications** – Not applicable.

6.3 **Safeguarding Children and Vulnerable Adults** - The implementation of a new case-management system, assuming a suitable system is procured, will have a positive impact upon the Council's ability to effectively safeguard vulnerable children, young people and adults. A more user-friendly, intuitive system will promote increased accuracy of recording, ensuring safeguarding managers can more easily have access to comprehensive information upon which to base decisions. Similarly, this will reduce the risk when cases are being handed between social workers (when staff changes occur).

In addition to the above, an easier to use system is likely to support the recruitment and retention of permanent social work staff (the current system has often been cited as a negative in exit interviews, as well as by Ofsted) which will support continuity and contribute toward reduced caseloads (as social work staff will not need to cover vacancies), all of which contribute towards a more effective safeguarding system).

6.4 **Health Issues** - Health and social care is being transformed so that individuals can have control over their own care. This makes having an effective database that is used to collect information the starting point if people and professionals are to feel confident about the medium in which information are collected, stored and shared.

It is important for the Council to have in place a system capable of meeting the challenge of ongoing legislative changes, flexible working and more efficient assessment, planning and reviewing of vulnerable children and adults.

6.5 **Crime and Disorder Issues** - Part of an effective strategy for improving community safety and reducing crime and disorder is an integrated response to offender management. This includes the work of the youth offending service, and that is, in principle, within scope for this system development and should therefore benefit from improved casework management. Additionally, substance misuse services are also within scope, with expected improvements in case recording, and reporting of management information to support commissioning and strategic planning.

A system which can better present information on vulnerable adults and children can also be expected to improve the ability of the partnership to identify such vulnerabilities and put preventive strategies in place for those individuals.

6.6 **Property / Asset Issues** - The Elevate ICT Service Transformation Strategy states that 75% of current back office infrastructure is either end of life or scheduled to be end of life within the upcoming 12 months requiring approximately a £2.5m replacement cost.

Procuring a new remotely hosted, browser based system will avoid the additional hardware renewal and on-going fixed costs, it will come with 24/7 supplier maintenance support and it will increase flexible working for staff.

7. Consultation

7.1 Consultation for this tender exercise has taken place through circulation of this report to all relevant Members and officers. The report and full business case was

also considered and approved by the Corporate Procurement Board on 29 February 2016.

- 7.2 Consultation for the Full Business Case was performed throughout the entirety of its development; they included Commissioning Leads, Group Managers and Practitioners. The FBC was formally approved by the Project Group in November 2015.

8. Corporate Procurement

Implications completed by: Francis Parker, Senior Procurement Manager

- 8.1 The value of this procurement would necessitate a full OJEU compliant procurement exercise if a framework is not utilised.
- 8.2 The use of the CCS framework would greatly reduce the timescales and resource required should the council decide to run their own tender exercise.
- 8.3 The CCS framework has a comprehensive supplier list offering the full breadth of software solutions within the social care arena. All suppliers have been through a pre qualification process which reduces risk. Suppliers on the framework are likely to have dedicated bid managers for the framework which normally increases the likelihood that they will provide bids.
- 8.4 Corporate procurement recommends the CCS framework as the preferred route to market. It is the most expedient route to market which is important due to the required timescales. The supplier list is large enough to provide a good level of competition and the price/quality split will allow sufficient quality which is important for such a large investment, whilst also ensuring value for money is obtained

9. Financial Implications

Implications completed by: Richard Tyler, Interim Group Finance Manager

- 9.1 The service seeks to procure a replacement Electronic Social Care system to ensure it is fit for purpose to meet the changing needs and requirements of the Council. The current contract costs £351k per annum and a decision to renew the contract would include additional hosting charges estimated at £95k a cost for which additional funding would need to be identified. Therefore the total cost to maintain the system would be £446k.
- 9.2 When the indicative annual maintenance costs arising from the market testing exercise are combined with the additional hosting charge of £95k, there will be a considerable saving, which will outweigh the capital costs over the life of the contract.
- 9.3 A capital bid has been approved to fund the implementation costs associated with the replacement system. There would also be a £500k contribution from the Adult Social care capital grant to contribute towards these costs.
- 9.4 The Council's software licensing budgets are currently managed by Elevate and further discussion will be needed to confirm how the savings generated from this

contract will be treated in relation to the elevate contract and associated savings targets.

10. Legal Implications

Implications completed by: Daniel Toohey, Principal Corporate and Procurement Solicitor

- 10.1 This report is seeking approval for the procurement of IT facilities and services for Social Care use. The contract is intended to be called off the Crown Commercial Service (CCS) Framework Local Authority Software Applications (LASA) RM1059, and is proposed to run for a period of five years, with a two year extension option.
- 10.2 The CCS framework from which the contract is to be procured was established under the Public Contracts Regulations 2006 (PCR 2006). Under the Regulations, a local authority may select a provider from an established Framework Agreement, in accordance with the call-off contract procedure laid down in the relevant framework agreement.
- 10.3 Although framework contracts under the PCR 2006 do not usually run for longer than four years from commencement, Central Government Guidance states that the length of call-offs under framework agreements is not specifically limited by the Regulations. It is therefore accepted that contracts called-off frameworks may extend beyond a four year period. It should also be noted that the provisions of the new PCR 2015 Guidance (replacing the previous PCR 2006) have now clarified that call-off contracts may extend beyond a four year period.
- 10.4 Furthermore, the CCS Guidance Notes on the LASA RM1059 framework states that call-off contracts under this agreement may be entered into for up to five years initially, rising to a maximum of seven years, including any extensions.
- 10.5 Provided the call-off procedure for this framework is adhered to, the procuring department may appoint a contractor from this CCS framework.
- 10.6 The Law and Governance Team are available to assist the client department with the review and execution of relevant contracts in respect of this procurement.

Public Background Papers Used in the Preparation of the Report: None

List of Appendices

- **Appendix 1** – Full Business Case (exempt information)
- **Appendix 2** – High Level Requirements
- **Appendix 3** – Estimated Contract Value and Savings (exempt information)
- **Appendix 4** – Procurement Plan