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Report title: Social Care Case Management Programme: Interim Procurement Decision	
Report to: Cabinet	
Report authors: Nicole Wood, Executive Director, Finance and Technology, Helen Lincoln, Executive Director, Children, Families and Education, and Nick Presmeg, Executive Director for Adult Social Care	
Date: 26 May 2020	For: Decision
Enquiries to: Helen Lincoln, Executive Director for Children, Families and Education – helen.lincoln@essex.gov.uk or 03330 133118	
County Divisions affected: All Essex	

1. Purpose of Report

- 1.1. The purpose of this report is to seek agreement on the route to market for the interim contractual arrangements for social care case management (SCCM) systems.
- 1.2. This report also provides context and key information about SCCM systems used across the Council.

2. Recommendations

- 2.1 Agree to call off from the Crown Commercial Service (CCS) Data and Application Solutions (DAS) Framework (the Framework) to procure a contract for SCCM for an initial term of two years with the option to extend for a further three one-year periods, with the contract to commence on 23 July 2021.
- 2.2 Agree that the Executive Director for Children and Families, in consultation with the Executive Director for Finance and Technology, will make a decision on the statement of requirements, including whether or not the Youth Offending Case Management System is included in the new contract from July 2021.
- 2.3 Agree that the Executive Director for Children and Families, in consultation with the Executive Director for Finance and Technology, will make a decision on the award of the contract following an analysis of the most economically advantageous supplier using the award criteria in section 3.
- 2.4 Note that the decision on any extension will be taken by the Cabinet Member.
- 2.5 A request for funding to initiate the longer-term SCCM discovery and procurement project will be submitted when the critical team members are released from their work on the COVID-19 emergency.

3. Summary of Issue

- 3.1 The Council uses a suite of IT tools to support social care practice and facilitate care-related financial transactions. These tools support social work teams to achieve the Council's strategic aim to help people get the best start and age well. The capability of these tools, and the proposed approach taken to procuring them, also contribute to the Council's strategic aim to transform to achieve more with less. There is scope and demand from service areas to transform and improve the SCCM tools currently in use, to better support these strategic aims.
- 3.2 The current SCCM system is called Mosaic and is supplied by Servelec. Mosaic is used by social workers and support staff in both Children and Families and Adult Social Care, with approximately 3,300 system users. The system is also used by partners, providers, customers and their carers. The Council uses a bolt-on financial module to Mosaic called A4W, which is also supplied by Servelec.
- 3.3 The contract with Servelec Limited for Mosaic was signed in 2014 for a period of five years, with a right to extend for two years which was exercised by the Council in 2019, with the contract now set to expire in July 2021 and no further extensions are permitted under the terms of this contract. The A4W contract also expires in July 2021.
- 3.4 The ECC Youth Offending Team uses a case management system known as 'Core+ IYSS'. This system is also supplied by Servelec. This system has approximately 100 users. Since 1 May 2020, this system has been included in the contractual arrangements in place for Mosaic. An options analysis will be undertaken to decide whether to include this case management system in the call off procurement process for the SCCM or whether to procure the Youth Offending Case Management System separately. This decision is due to be made by the end of July 2020.
- 3.5 A project team has been set up within ECC to determine how the Council meets its needs for SCCM beyond July 2021. This will:
 - 3.5.1 Ensure continuity of critical systems for the medium term, beyond the contract end date of July 2021.
 - 3.5.2 Deliver improvements to the current systems and optimise the Council's usage of them.
 - 3.5.3 Align the Council's strategic aims through improving its technology, practice and processes.
 - 3.5.4 Understand and better meet service users' and practitioners' current and future needs. Social care is transforming so that individuals and communities are empowered to self-support and direct their social care; the Council needs technology solutions that enable this.

3.6 Programme Phasing

- 3.6.1 Due to the size, complexity and risk associated with the SCCM programme, a phased approach is planned. The proposed approach is to create a programme that will run for approximately five years, comprising the following steps. This report is in relation to phase 1a and further governance will follow in relation to the remaining phases.
- 3.6.2 **Phase 1a:** An interim procurement process to ensure continuity of the Council's current systems for the medium term beyond July 2021. It is proposed that this will take the form of a call off from the Framework while a full review, scoping and specification exercise take place to inform a wider and long-term procurement exercise. Further details are set out in paragraphs 3.6.9 to 3.6.10 below.
- 3.6.3 **Phase 1b:** Planning the delivery of improvements to the current SCCM systems and a reset of the Council's strategic relationship with Servelec. This includes the identification of any funding or other resources required and any governance necessary to approve these.
- 3.6.4 **Phase 1c:** Governance to approve resources and preparations to mobilise the team to launch phase 2a.
- 3.6.5 **Phase 2:** Implementation of a new solution in the longer-term, beginning with:
- 3.6.6 **Phase 2a:** Planning for service and user discovery. This comprises eight weeks' planning, followed by further governance to approve resources required for phase 2b discovery.
- 3.6.7 **Phase 2b:** Discovery: commercial, market and sector research (six months +). Total funding requirements for the discovery phase will be confirmed on completion of the eight-week planning (phase 2a). The outcome of this discovery will inform plans for the next phase, which will include outline business case development and the commencement of the procurement process.
- 3.6.8 In the light of the COVID-19 Crisis a decision was taken to postpone the initial discovery and planning work for the long-term solution. Resources are not available to allow this work to commence although it is anticipated that work will recommence no later than September 2020. Phase 1a (the interim procurement) and Phase 1b (system improvement planning) will continue at pace to ensure continuity of SCCM systems beyond the current contracts.

Phase 1a

- 3.6.9 This report seeks approval for matters related to Phase 1a. It is proposed that a procurement process will be undertaken by way of a call off from the Framework using the Direct Award procedure specified in the Framework Terms, while transformation requirements, specification and scoping are considered and finalised.

- 3.6.10 It is intended that a Framework call off contract is entered for two years with an option to extend for three, one-year periods. The rationale for the approach for the contract term is to allow for service continuity while recognising complexity of the programme scoping requirements. This allows for comprehensive system user needs discovery work and requirements gathering, an appropriate OJEU-compliant procurement exercise and an implementation and contract mobilisation period. It is anticipated that it could take in the region of four years for all of the anticipated activity. The proposed approach will allow the Council to continue service delivery and prepare for service improvements without incurring double the cost of change (interim procurement and longer-term procurement).
- 3.6.11 The justification for using the direct award process is that it is for the purchase of goods and services which are intrinsically linked to the system already within the Council, because we already have the software, the items we wish to purchase are already present on the e-marketplace in the Framework and are of a type where the framework allows this. Procurement advice has confirmed that this is the case and further advice is set out in the legal implications.
- 3.6.12 It is proposed that we use award criteria of:
- Price 50%
 - Technical merit 5%
 - Help desk 5%
 - Quality 40%

4. Options

4.1 Option 1: Direct Award via the CCS DAS Framework (recommended)

- 4.1.1 Call off from the Framework using a Direct Award process and award a contract to Servelec for a period of two years with an option to extend for a further three periods of one-year each.

4.1.2 Advantages

- 4.1.2.1 A swift, value-for-money solution allowing service continuity pending transformation work.
- 4.1.2.2 Limiting the cost of change and fewer resources required to implement phase 1a as the contractor and system will be the same as the current system. A full implementation and training stage and associated implementation costs are not required.

4.1.3 Disadvantages

- 4.1.3.1 There is lack of immediate market competition and potential inability to demonstrate value for money. This is mitigated by the

fact that Servelec was appointed to the Framework following a competitive procurement and the costs for the Direct Award will be in accordance with those specified on the e-catalogue and these procured at the time of the Framework. A value for money exercise will be carried out at the time of the direct award process value

4.1.3.2 A competitive tender or framework mini-competition at this time would risk increased costs of service change, implementation costs, and resource costs for an interim measure with further service change, implementation costs, and resource costs once the transformation work is complete.

4.1.3.3 Multiple new system implementations would not demonstrate value for money and would create unnecessary expense and potential service disruption – a Direct Award to maintain current service would minimise both costs and potential service disruption pending transformation implementation.

4.2 Option 2: Extend the current contract above its current 4+1+1+1 agreed term (not recommended)

4.2.1 There are no further extensions permitted under the terms of the current contract with Servelec.

4.2.2 Advantages

4.2.2.1 Continuity of service as the current supplier is already in place.

4.2.2.2 The contractual terms and requirements are already in place.

4.2.2.3 Fewer resources would be required to implement an extension.

4.2.2.4 Offers a fast solution for the short term while the Council procures a longer-term solution.

4.2.3 Disadvantages

4.2.3.1 The current supplier may negotiate the terms and increase the price.

4.2.3.2 The current supplier may not agree to extend.

4.2.3.3 Required system improvements may be more difficult to achieve as interpretation of requirements between the Supplier and the Council differ on the current contract.

4.2.3.4 This may not be lawful under the terms of the Public Contracts Regulations 2015.

5. Issues for Consideration

5.1. Financial Implications

- 5.1.1. The current Servelec contract costs total circa £424,000 per annum; these include:
- i. Mosaic service contract (a proportion of which is variable, based on a per user per month basis, at an average of circa £30,500 per month) – £365,000.
 - ii. A4W service – £44,515.
 - iii. Youth Offending Case Management System – £29,000 for the contract period from May 2020 to July 2021.
- 5.1.2. A budget of £423,515 is in place to support the current contracts. Any variance between the contract cost and the budget available, due to changes in user numbers, are expected to be managed within the Technology Services budget.
- 5.1.3. It is anticipated that there may be some movement within the pricing through the interim procurement, as the overarching SCCM contract will have been in place for seven years at the point of expiry. Early market analysis has indicated that the pricing variation could be within 2% of the current pricing; this would equate to a movement in price of circa £8,500.
- 5.1.4. This pricing estimate is indicative, however, and cannot be confirmed until the clarification process is undertaken as part of the formal procurement process; value for money will be assessed through the contract clarification process.
- 5.1.5. Opportunities will be sought to absorb any additional costs arising through the Procurement, within existing business capacity. However, increased costs remain an inherent risk that will be appraised through the initial phases of the programme and subject to a further decision as appropriate.
- 5.1.6. Funding to support phase 1 of the overarching SCCM programme, including the resource costs to deliver the interim procurement to September 2020, have been approved through a separate Cabinet Member Action (CMA). No additional funding is currently being sought at this stage to support this procurement. A further funding request is anticipated in July 2020, confirming the additional costs to deliver the discovery planning (phase 2a). These costs are currently estimated to be in the region of £250,000.
- 5.1.7. The overall programme cost (phases 1 to 3) is expected to be in the region of £6m–£7m, based on the current estimate of required resources, excluding any allowance for contingency. This does not include opportunity costs or any additional third-party contract costs relating to the provision of the current or any new solution.

- 5.1.8. These cost estimates will be validated and supported by further sector research during the discovery phase and subject to further decision making.

5.2. Legal Implications

- 5.2.1 The Council is a contracting Authority for the purposes of the Public Contracts Regulations 2015 (PCR). The proposal is that the Council would call off from a framework agreement, requesting a tender from its incumbent supplier, Servelec without a call for competition with other suppliers on the relevant part of the framework.
- 5.2.2 The framework agreement must be used in accordance with the way the framework was advertised and following the instructions for use. It can be lawful to use a framework without competition provided those rules are followed and provided the terms of the contract (including price) can be determined by using the framework.
- 5.2.3 The Council can argue that it has the grounds to use the Direct Award process in the Framework as set out in section 3 of the report. Clearly only a court could decide whether this was correct
- 5.2.4 The price and other terms of the contract will be as set out in the framework terms and neither Servelec nor the Council will be permitted to negotiate these. On that basis the Public Contracts Regulations 2015 allow us to use the framework without competition.

6 Equality and Diversity Implications

- 6.2 The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires the Council to have regard to the need to:
- (a) Eliminate unlawful discrimination, harassment and victimisation and other behaviour prohibited by the Act. In summary, the Act makes discrimination etc on the grounds of a protected characteristic unlawful.
 - (b) Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - (c) Foster good relations between people who share a protected characteristic and those who do not including tackling prejudice and promoting understanding.
- 6.3 The protected characteristics are age, disability, gender reassignment, pregnancy and maternity, marriage and civil partnership, race, religion or belief, gender, and sexual orientation. The Act states that 'marriage and civil partnership' is not a relevant protected characteristic for (b) or (c) although it is relevant for (a).
- 6.4 The equality impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a

particular characteristic. Neither the decision on the procurement approach, nor the recommendation to receive a further programme funding request at a later date, will result in any change to current services or systems. Further equality impact assessments will be carried out before any subsequent key decisions are taken.

7. List of Appendices

Equality Impact Assessment

8. List of Background Papers

None