Forward Plan reference number: FP/406/05/22

Report title: Procurement of Social Care Case Management Platform	
Report to: Cabinet	
Report author: Councillor Christopher Whitbread - Cabinet Member for Finance, Resources and Corporate Affairs. Councillor John Spence – Cabinet Member for Adult Social Care and Health. Councillor Beverley Egan – Cabinet Member for Children's Services and Early Years.	
Date: 19 July 2022	**For:** Decision
Enquiries to: Nick Presmeg – Executive Director, Adult Social Care, nick.presmeg@essex.gov.uk	
County Divisions affected: All Essex	

Confidential Appendix
This report has a confidential appendix which is not for publication as it includes exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended.

1.   Everyone's Essex

1.1. Everyone's Essex sets out strategic aims to help improve outcomes for Essex residents. Within those aims are a series of commitments to improve the lives of children, families and vulnerable adults, by:

- Promoting independence through working with key partners.
- Strengthening family resilience and stability by tackling the drivers of family instability.
- Improving safety and outcomes for vulnerable adults and children.

1.2. Essex County Council has a strong record of delivering excellent, value for money services and it is essential that the Council has the systems and technology in place to support delivery of social care provision within the county.

1.3. A Social Care Platform (SCP) that effectively stores and retrieves case management information for vulnerable children and adults is a legal statutory requirement, and there is scope and demand to improve the long-term provision of critical social care systems to meet the future needs of the Council, particularly around management of payments between customers, carers and providers.

1.4. Having a good SCP that meets the Council's future needs and supports effective case management will enable social workers and practitioners to continue delivering excellent services to citizens of Essex. This will be achieved through the safe collection, storage and sharing of information to deliver tailored and timely support to the citizens of Essex, therefore improving their chance to achieve their potential, and live safely and independently.

1.5. The system will help monitor, manage and deliver the new duties and responsibilities that will arise from the Health and Care Act 2022, including care charging reforms, CQC inspection regimes and partnership working with NHS and other partners.

2. Recommendations

2.1. Agree to procure an integrated Social Care Case Management Platform (SCP) for adults, children and finance to satisfy all the Council's social care case management requirements.

2.2. Agree that the contract length will be seven years with the opportunity to extend for up to a further three years.

2.3. Agree that the contract will be procured using the restricted procurement procedure and that the high-level evaluation criteria will be 20% price: 80% quality (of which 5% of the quality score will assess social value).

2.4. Agree that Executive Director, Adult Social Care is authorised to approve the detailed evaluation model.

2.5. Agree to drawdown the following funding from the Technology and Digitisation Reserve to procure and implement the new Social Care Platform:

2022/23 £1.846m
2023/24 £6.123m
2024/25 £3.551m

2.6. Agree to ring-fence an additional £1m from the Technology and Digitisation Reserve for contingency for the programme, which, if required, would be subject to a further decision to draw down.

2.7. Agree that the Cabinet Member for Finance, Resources and Corporate Affairs is authorised to agree the terms of, and award the contract to, the successful supplier following completion of the procurement process.

3. Background and Proposal

3.1. A Social Care Platform (SCP) that effectively stores and retrieves case management information for vulnerable children and adults is a legal statutory requirement. The SCP is a service critical system, and the information and data it holds is essential in delivering and maintaining good outcomes for the people of Essex.

3.2. Over 4,000 ECC staff use the existing systems, Mosaic and Abacus, typically spending 30-40% of their time on case management. It is critical that a new solution meets the needs of social care practitioners and the wider organisation to enable the delivery of quality services to Essex residents.

3.3. Over the last 15 years, ECC has had several different SCP solutions, both in-house and externally procured platforms from experienced suppliers in the market. ECC currently uses two separate solutions that are not integrated, and it is recommended that to provide stability and consistency to frontline staff, a long-term integrated and intuitive solution is procured. Although the existing contracts contain mechanisms for extension until 2026, it is proposed that a new solution is procured in advance of this date so that ECC have an integrated system in place earlier than this.

3.4. There is scope and demand from service areas to improve the current system so that it meets ECC's requirements. The current and potential new systems that are available in the market have been assessed against five Critical Success Factor (CSF) themes; User Experience, Future Proofing, Technical, System Capabilities, and Compliance.

3.5. The current system is not a viable solution for ECC's requirements in the longer term. It meets 56% of ECC's requirements for a 'good' SCP, with shortfalls identified across several areas, including:
   – **Poor usability** - a non-intuitive user experience increases the time practitioners spend on system tasks.
   – **Lack of integration** with other systems impacts ECC's financial management capability and the service user experience.
   – **Poor system support** impacts on the ability of ECC staff to do their job effectively.
   – **The reporting functionality is not fit for ECC's requirements** which impacts on ECCs ability to report efficiently to regulators.
   – **A limited portal offering** to citizens, providers, carers & organisations impacts ECC efficiency and the user experience.

3.6. Through benchmarking data and market engagement with suppliers, it is estimated that a new system could deliver much closer to 100% of ECC's requirements for a 'good' SCP. A new system is likely to score higher across all CSF themes and satisfies more of ECC's requirements. A new system will help monitor, manage and deliver the new duties and responsibilities that will arise from the Health and Care Act 2022, including care charging reforms, CQC inspection regimes and partnership working with NHS and other partners.

3.7. Any new solution needs to provide an integrated finance system providing more robust and reliable financial interoperability.

3.8. As social care practice evolves and technology advances, ECC needs to understand how the market and case management solutions have changed, particularly around facilitating information sharing with partners. This is something that will be evaluated as part of the procurement for the new SCP.

3.9. Since the Covid-19 pandemic, ECC has reimagined ways of working and has adapted quickly to a hybrid approach. The hybrid working model is a long-term solution, blending remote, face to face and community/ field-based working. It is

essential that the new solution can support this ambition for our employees by supporting remote working, both now and in the future.

3.10. The programme's vision is to 'Transform the way we work with adults, children and their families to improve their outcomes' through service led change, enabled by professional Programme delivery. Delivering the vision will be determined by the programme's ability to meet the objectives and Critical Success Factors (CSFs).

3.11. The existing contracts for the Council's SCP expire in July 2023. Whilst both contracts have options to extend for further periods until July 2026, it is proposed that ECC go to market for a new solution now for the reasons set out in this report and to allow sufficient time for an implementation period before any replacement system is fully functional.

3.12. It is therefore recommended that ECC go to the market in August 2022 to procure a solution for the long-term provision of an integrated critical social care system:

The Product: ECC is looking to source a single supplier, integrated system to support provision of Adults and Children's services, along with the associated Finance requirements. It is considered that an off the shelf product will be available in the market that can be configured to ECC's requirements. The system will need to meet ECC's social care case management requirements, and ECC will work with the successful supplier to directly integrate with other ECC applications as required. ECC is seeking a fully managed and fully hosted service model with an aim to create a partnership way of working with the successful supplier.

Contract Duration: The contract will be awarded to a single supplier for 7 years, with the opportunity to extend for up to a further 3-year period.

Procurement approach: Procurement of the new solution will be through a restricted tender process. Alternative routes to market have been reviewed and due diligence has been carried out to determine which routes are viable. The proposed contract duration has ruled out the use of any current frameworks as these do not allow for contracts of this length to be awarded. A restricted procurement approach in comparison to an open procurement will enable the number of technical tender responses to be limited for evaluation and should also reduce the likelihood of technical clarifications for project resources to address.

Bid evaluation criteria: The procurement of the current system had an evaluation split of 40% price and 60% quality but does not meet ECC's current or future requirements and is not an integrated solution. Benchmarking with other local authorities demonstrates that the majority have weighted quality over price, with most recent examples giving at least 70% to quality.

Sensitivity analysis modelling various price/quality weightings demonstrates that a minimum of 80% quality is needed to potentially avoid awarding to a low-cost, low-quality solution. This risk can be mitigated using mandatory pass/fail criteria

but, equally, these should be minimised to avoid the scenario whereby the Council fails to receive any (or sufficient) compliant bids.

Putting a higher weighting on quality will support the Council to procure a system that meets its requirements and the ongoing benefits that this will bring. The programme is focused on ensuring the best quality solution is procured with the funding it has available. The bid evaluation process will utilise several mechanisms to ensure this is achieved, and recommends the following award criteria: 80% quality: 20% price (of which 5% of the quality score will assess social value):

Level 1	Level 2 - Quality split
Quality 80%	Mandatory requirements - **pass/fail**
	Functional & Technical Requirements – **50%**
	Delivery requirements – **15%**
	General requirements – **10%**
	Social value – **5%**
Price 20%	

3.13. The bid evaluation weighting of 80% quality and 20% price will apply to the provider costs of implementation and operation of a new solution over a 10-year period. The weighting does not apply to the programme resource costs required to implement the solution or internal support team costs set out in the tables in the Confidential Appendix.

3.14. It is proposed that the procurement will launch in August 2022. In addition to an approximately 6-month tender process, it will take an estimated 18 months for ECC to design the respective workflows and internal business processes for the new solution and implement the solution, due to the scale and complexity of the services involved and the data migration requirements. Therefore Go-Live could be achieved within 24 months (by July 2024).

3.15. The programme will be delivered in phases. Implementation by July 2024 is achievable but ambitious, and will be dependent on a number of factors outside of ECC's control, including availability of the supplier and recruitment of specialist resources:

Phase	Key Activities/Deliverables
Phase 1: Interim Procurement **(Delivered)**	▪ Contract award for existing SCP systems
Phase 2: Service & User Discovery **(Current Phase)**	▪ Requirements gathering ▪ Baselining ▪ Data analysis and remediation ▪ Tender preparation

Phase	Key Activities/Deliverables
Phase 3: Procurement	- Tender process - Bid evaluation - Contract award
Phase 4: Implementation and Go Live	- System configuration & build - Process redesign - Data remediation & data migration - Business change - Testing/UAT - User training - Phased Go-live
Phase 5: Post Go Live Support	'Hypercare' support to transition to BAU - Decommissioning - Programme closure

3.16. Alongside this work, an improvement plan for the existing system(s) will be delivered by the business-as-usual teams within ECC Technology Services. This will be delivered in parallel with, but separate to, the procurement of the new solution but will assist in developing and improving the existing system within the confines of the existing contracts until the procurement and implementation of the new solution is completed.

4. Links to our Strategic Ambitions

4.1. This report links to the following aims in the Essex Vision:

- Enjoy life into old age
- Provide an equal foundation for every child.

4.2. Approving the recommendations in this report will not have an impact on the Council's ambition to be net carbon neutral by 2030.

4.3. This report also links to the following strategic priorities in the emerging Organisational Strategy 'Everyone's Essex':

- Health wellbeing and independence for all ages
- A good place for children and families to grow.

5. Options

5.1. Five options have been considered, with Option 4 being the recommended option.

5.2. **Option 1: Do Nothing (not recommended)**:
The existing systems do not fully deliver ECC's current requirements, and an integrated solution will bring significant benefits to the users of the service.

Doing nothing longer term is not an option as the system must be reprocured by July 2026 at the latest. This option is not recommended because:
- An initial assessment shows that the current system meets 56% of ECC's requirements.
- The contract that is currently in place expires in July 2023, and cannot be extended beyond July 2026, at which point a procurement exercise will need to have been completed.
- It is unlikely that the current solution can be improved to meet ECC's existing and future requirements within the scope of the current contract.

5.3. **Option 2: Do Minimum (not recommended)**
This option involves retaining but improving the current system. This option would involve ECC Technology Services working with the existing supplier to improve the current system with a view to retaining it past 2026. This option is not recommended because:
- The current system meets 56% of ECC's requirements and it is unlikely that improving it will result in the existing system meeting all of ECC's requirements, although no system will meet 100%.
- From recent experience and the absence of a detailed development roadmap from the current supplier, it is highly unlikely that the current solution will be improved to meet ECC's existing and future requirements.
- The interim contract that is currently in place expires in July 2023, and cannot be extended beyond July 2026, at which point a procurement exercise will need to have been completed. There is unlikely to be a compliant procurement route to retain the existing solution/suppliers beyond this period.

5.4. **Option 3: Replace existing system as soon as possible (not recommended)**:
This option required ECC to proceed solely with a procurement exercise to replace the existing system as soon as possible without ECC Technology Services making any 'business as usual' improvements to the existing system. This option is not recommended because improvements to the existing system are needed in the short term whilst the integrated solution is procured.

5.5. **Option 4 (recommended): Procure a new solution**:
This option recommends that ECC undertake a procurement exercise to secure a new and improved solution as quickly as possible, whilst ECC Technology Services work with the current supplier to improve the existing system in the short term. The benefits of this option include:
- Procuring a new system scores higher across all Critical Success Factor themes and satisfies more requirements, particularly around compliance with statutory duties considering the Health and Care Act 2022.
- This option will ensure the long-term provision of critical social care systems that can meet the future needs of the Council and support the strategic ambitions of the Everyone's Essex vision.
- This option provides ECC with sufficient time to prepare for procurement, and to evaluate and implement a platform that will meet its current and future requirements.

- It provides ECC with the best opportunity to bridge the gap between the current and a potential new system when evaluated against the five critical success factor themes: User Experience, Future Proofing, Technical, System Capabilities, and Compliance

5.6. **Option 5 - Improve what we have and delay procurement for as long as possible (not recommended)**:
This option would require ECC to pause the work that is being carried out on the proposed procurement and stand down programme resources in favour of ECC Technology Services working with the current supplier to improve the existing system in the short term. This option is not recommended because:
- There is a risk of the programme losing momentum; additional time will be needed to remobilise resources, leading to potential increase in costs, and the need to rework/revisit activity when programme resumes.
- The interim contract that is currently in place expires in July 2023, and cannot be extended beyond July 2026, at which point a procurement exercise will need to have been completed.

6.   Issues for consideration

6.1   Financial implications

6.1.1 The current annual costs of the existing contract are c. £650,000 - this excludes the upfront capital costs paid for the licences and the development costs invested over the life of the contract.

6.1.2 The total estimated cost to procure and implement a new solution is set out in Table 1 of the Confidential Appendix.

6.1.3 A total investment of £11.519m is requested to support the delivery of the remaining programme, including the procurement and implementation phases:

    2022/23   £1.846m
    2023/24   £6.123m
    2024/25   £3.551m

6.1.4 It is proposed to fund the implementation costs from the Technology and Digitisation Reserve; there is currently sufficient funding planned in the reserve to meet these costs. However, prioritising them for this programme will reduce funding available to invest in other programmes within the Technology Roadmap.

6.1.5 It is proposed to ring-fence £1m from within the reserve for contingency for the programme, which, if required, would be subject to the appropriate governance (i.e. S151 sign off and Cabinet Member Action) to draw down.

6.1.6 Table 2 in the Confidential Appendix sets out the cost of resources to support the implementation of the Programme for a Go Live in July 2024.

6.1.7 Excluded from the new resource implementation costs is the business impact on the respective services of supporting testing, undertaking training and operating a new system; it is estimated that the additional resource opportunity cost associated with this is circa £4.7m. If these activities require funding in order to deliver the project, this may require a further decision to secure the resource.

6.1.8 The actual implementation period and costs will be dependent on the final scope and solution to be implemented. Supplier engagement has indicated that licencing models can vary by supplier which may lead to different cost profiles for the respective solutions; through the procurement, ECC will be looking for a licencing model that offers flexibility and best value to ECC.

6.1.9 It should be noted that in the implementation costs set out in the tables in the Confidential Appendix, no costs are included to support improvements in the current system whilst the procurement and implementation phases are undertaken. In estimating the costs for operating the solution post implementation, no assumptions are made at this point with respect to future development of the system, i.e., the scope of the systems are assumed to be as currently used. The cost of the teams that will support and manage the future contract, services and solution are not anticipated to exceed the current budgeted levels.

6.1.10 Options could be considered to reduce the implementation costs, by, for example, only delivering the core programme and exclude the re-design and future proofing workstreams set out in Table 1 in the Confidential Appendix. This would reduce the implementation cost of the recommended option by an estimated £1.85m. The impact of this would reduce the benefit opportunities that can be realised by the programme – this will be explored further through the development of the Final Business Case.

6.1.11 The providers' costs only represent 20-30% of the overall cost of change, therefore, reducing the cost of the provider at the expense of a higher quality system is a false economy because the vast majority of the costs are the people resource costs required to implement any new system. It is also evident that having the right quality of system that meets ECC requirements drives improvements in ways of working resulting in on-going benefits over the life of the contract. Over the next 10 years, social care in ECC will have a forecast budget of circa £8 Billion; if ECC select the most expensive provider it could equate to an estimated 0.04% (£3m) increase over the same 10-year time period

6.1.12 The Programme team has not been assigned a savings target to deliver through the implementation of a social care platform. The current system is suboptimal and implementing a better-quality system will reduce the system burden on staff and enable them to be more effective.

6.1.13 In a complex, cross-cutting programme like SCPP, it is anticipated that benefits will be realised in phases. Some benefits will be realised at the point of go-live, and others will build over time. The programme emphasises the need for a collaborative, joint-working approach between the business, the supplier and the programme to define and deliver these benefits.

6.1.14 During the early stages of the Programme (i.e., prior to procurement/ before development work starts on a new solution) it is acceptable to rely on assumptions and estimates when quantifying benefits. As the programme moves through the development phases and the levels of uncertainty reduce, the programme will validate these assumptions; this will be an ongoing focus for the programme.

6.1.15 A significant level of change and new ways of working will need to be adopted and embraced by the business to fully realise the potential benefits associated with a better-quality system. Once a supplier has been selected, an initial view of the defined benefits will be developed and validated with the affected services as part of the Final Business Case. During design and implementation, more clarity on the impacts of process and system changes will be known providing greater confidence in the scale of benefits and timescales to realise.

6.2 Legal implications

6.2.1 The procurement must be undertaken in accordance with the Public Contracts Regulations 2015 and ECC's own procurement policies and procedures.

6.2.2 Contracts must be awarded on the basis of the most economically advantageous tender and qualitative, environmental and/or social aspects should be linked to the subject matter of the contract.

7   Equality and Diversity Considerations

7.1   The Public Sector Equality Duty applies to the Council when it makes decisions. The duty requires us 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.

7.2   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).

7.3   The equality comprehensive impact assessment indicates that the proposals in this report will not have a disproportionately adverse impact on any people with a particular characteristic.

8   List of Appendices

8.1   Equality Comprehensive Impact Assessment (ECIA) – Ref ECIA424955205

8.2   Confidential Appendix - Cabinet Report FP-406-05-22

9   List of Background papers

9.1   Assessment of current system