Forward Plan reference number: FP/605/01/20

Report title: Social Care Case Management Programme – Drawdown from Reserves
Report to: Councillor Christopher Whitbread, Cabinet Member for Finance
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Date: 29 April 2020   **For:** Decision
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County Divisions affected: All Essex

1   Purpose of Report

1.1   The purpose of this report is to seek agreement to draw down £168,000 from the Technology Solutions reserve to resource phases 1a, 1b and 1c of a new Social Care Case Management (SCCM) Programme, as detailed in section 3.9. This includes interim procurement of SCCM systems for the medium term, system improvements planning and preparations to enable phase 2 of the programme to start.

2   Recommendations

2.1   Agree to a drawdown of £168,000 from the Technology Solutions reserve to fund the recruitment of a Programme Director and new resources to backfill a cross-functional team required to deliver phases 1a, 1b and 1c of the SCCM Programme. This includes the interim procurement of SCCM systems, planning for system improvements, and preparations for phase 2 of the programme (commencement of longer-term reprocurement). This funding request does not cover the delivery of future phases; separate funding requests are planned to be submitted for phases 2a and 2b in July 2020.

2.2   Note that the Covid-19 pandemic has necessitated the postponement of work on the longer-term procurement (phase 2) due to social care subject matter experts being required to maintain critical services. The programme team is working to revise the programme plan to allow work to start at the earliest possible opportunity when resources become available. This is necessary to minimise the impact of an extended delay on long-term procurement.

2.3   Note that the two workstreams which have been prioritised to continue are interim procurement and system improvements (phases 1a and 1b). These are being progressed urgently, because the current contract is due to expire in July 2021. In addition, further planning will be required in phase 1c to prepare for the launch of the longer-term reprocurement process when this

can be resumed.

2.4   To note the full life costs of the programme are estimated to be £6m to £7m as set out in section 5 (excluding contingency) and a Cabinet decision is planned for May 2020 to agree phase 1a .

3   Summary of issue

3.1   The Council has launched a new SCCM programme. This was necessary because:

3.1.1   The Council procures a suite of tools to support social care practice and facilitate care-related financial transactions. These tools support social work teams to achieve our strategic aim to help people get the best start and age well. The capability of these tools, and the approach taken to procuring them, also contribute to our strategic aim to transform the Council to achieve more with less. There is scope and urgent demand from service areas to improve the SCCM tools currently in use, to better support social care.

3.1.2   The current SCCM system is called Mosaic and is supplied by Servelec. Mosaic is used by social workers and support staff in both Children's 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. The contract for Mosaic was signed in 2014 and the final +2 years option was invoked by ECC in 2019, with the contract now set to expire in July 2021. The A4W contract also expires in July 2021.

3.1.3   A Cabinet paper will follow setting out the options for an interim arrangement to maintain continuity of service whilst we undertake the longer-term procurement. There are no further extensions available under the contract: to extend current contracts further would breach Public Contract Regulations 2015.

3.1.4   SCCM is a service-critical system and the information and data is essential in supporting and maintaining good outcomes for the people of Essex. The system manages social care cases, stores personal information about service users and manages payments between customers, carers and providers. The data is used for statutory reporting purposes.

3.1.5   Since 2014 the SCCM system has undergone many changes and although the implementation phase was closed, not all modules and functionality within the current contract have been fully implemented or utilised. Since 2014, many areas of the Council's social work have improved as we work more closely with the National Health Service (NHS) and other partners.

3.1.6 In April 2018 an activity analysis was carried out which identified inefficiencies in frontline Children and Families social work practice. It identified that 29% of frontline staff time is spent on recording work, including SCCM data entry. Adults and Children and Family services reviewed their practice against the current processes in Mosaic and the findings were used to create an improvement plan, which requires delivery.

3.2 The SCCM programme provides an opportunity to:

3.2.1 Ensure continuity of critical systems for the medium term, beyond the contract end date of July 2021.

3.2.2 Deliver improvements to the current systems and optimise the Council's usage of them.

3.2.3 Align our strategic aims through improving our technology, practice and processes.

3.2.4 Understand and better meet our 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; we need technology solutions that enable this shift.

Programme Phasing

3.3 The original plan to run the interim procurement, improvements to the current system and discovery work for the longer-term procurement in parallel, has been revised following the decision to pause discovery work for the new system (phase 1c, below) for six months due to the Covid-19 emergency. A phased approach is now planned for the programme which will run for approximately five years and which will allow for the size, complexity and risk associated with this programme. The phases are:

3.3.1 Phase 1a: An interim procurement process to ensure continuity of the Council's current systems for the medium term beyond July 2021. A separate Cabinet paper will be submitted, seeking agreement of the approach to be taken.

3.3.2 Phase 1b: Planning the delivery of improvements to the current SCCM systems. This includes the identification of any funding or other resources required and any governance necessary to approve these.

3.3.3 Phase 1c: Governance to approve resources and preparations to mobilise the team to launch phase 2a. This work has been paused until June (based on an assumed start date of September for phase 2a).

3.3.4 Phase 2: Implementation of a new solution in the longer-term, beginning with:

3.3.5   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.

3.3.6   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 an outline business case to commence the procurement process.

3.3.7   Phase 3: Procurement and implementation of the long-term SCCM system (four years).

3.4   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. At the time of writing it is not possible to estimate when subject matter expert (SME) resource may be available to allow this work to commence. The interim procurement and system improvement planning (phases 1a and 1b) would continue at pace to ensure continuity of SCCM systems beyond the current contracts. In addition, further planning will be required in phase 1c to prepare for the launch of the longer-term reprocurement process when this can be resumed.

3.5   At present, there is a limited market for social care technology solutions. As part of the discovery phase we will be exploring current and future market approaches. The options for the future include developing our own in-house product, forming a commercial partnership with a provider, or sourcing from the market. As part of discovery we will also explore opportunities for collaboration with other social care authorities.

3.6   The delivery of a new SCCM solution requires significant investment, to ensure we have a fit-for-purpose, legally compliant system. Total spend from implementation in 2013/14 to November 2019 on the current SCCM systems, including customisations, is £9.5m.

3.7   Adjusting the programme phases in response to the COVID-19 crisis has affected the resource requirements. The resource cost to support the initial six months of activity across phases 1 and 2 running concurrently was estimated at circa £1m. The postponement of phase 2 means that the core programme team will need to be funded for an additional four months (assuming a September start date for phase 2a), which will increase costs by an estimated £171,000. To assure the purpose and rationale of the funding requested, funding for phases 1 and 2 will be requested in three stages.

3.8   The immediate request is for £168,000 to establish a core programme and technical team over the five-month period from April to August 2020. This includes the recruitment of an SCCM Programme Director to lead the programme and establishment of an expert client function. This will enable us to have a sustainable model to improve and advance our technology practice.

3.9   Initial estimates suggest that phase 2a would require funding in the region of £250,000. In addition to the additional four months for the core programme

and technical team, this funding would be used to recruit temporary new resources to backfill posts across several functions, to release subject matter experts to undertake initial discovery and planning work on a full-time basis. The start date for phase 2a is dependent on resources becoming available when the Covid-19 pandemic recedes; the funding for this activity is therefore not being requested now, but will be subject to a further decision, currently anticipated in July 2020.

3.10   Funding requirements for discovery phase 2b are estimated to be around £1.05m. It is estimated that this will require technical and project capacity over a six-month period. The resource requirement for this phase is expected to be validated through phase 2a, (the planning for discovery phase).

3.11   A key interdependency is the sourcing and implementation of a new corporate systems product – that is expected for December 2021. We expect to have agreed the new provider/system for corporate systems and be moving into implementation around the same time as the selection of a provider for the future social care solution. This will need careful consideration and assessment of business impact, as inevitably there will be a need to ensure interoperability of the corporate system to Mosaic and A4W (in 2021) and subsequently the new SCCM system to the corporate systems (2023+).

4   Options

4.1   Option 1: do nothing. This is not recommended.

4.1.1   There are no known advantages.

4.1.2   Disadvantages include:

(a)   Lack of dedicated resources, direction and coordination urgently needed to explore user needs and begin the procurement process.

(b)   Resource requirement to develop a new system and bring data in-house if not being procured from third party providers.

(c)   Risk of social care services being unsupported when current contracts expire.

(d)   Risk for service users if records are not electronic, accessible and up to date.

(e)   Risk of legal challenge if the Council is unable to meet its statutory duties due to a lack of SCCM systems.

(f)   Risk of deterioration of business as usual as resources across the Council must take essential but unstructured action to prevent the loss of SCCM systems.

4.2   Option 2: launch a pan organisational SCCM programme outlined in section 3.9, with the aim to procure a long-term solution which will encompass the Council's case management needs. This is the recommended option.

4.2.1   Advantages include:

(a)   Programme environment creates the conditions for success: having a clear mandate, vision, strategic priorities and success criteria greatly increase the likelihood of achieving positive outcomes for service and system users.

(b)   Mitigates the risks associated with failed negotiation, failed procurement and unsupported social care services.

(c)   Mitigates the risk of deterioration of business as usual activity, by backfilling roles to formally release resources across services.

(d)   Provides a wider opportunity to ensure policy, practice and ways of working are aligned with systems and reporting.

(e)   Provides clear accountability and ownership for the programme's strategic objectives.

(f)   Alignment with the Council's transformation governance and reporting standards, ensuring appropriate scrutiny and visibility of the programme.

4.2.2   Disadvantages include:

(a)   Financial costs associated with resourcing the programme.

5   Issues for consideration

5.1   **Financial implications**

5.1.1   The total new resource costs to support the activity across phases 1 and 2 of the programme is expected to be circa £1.5m. However, the immediate request is for £168,000 to establish a core project and technical team to be mobilised immediately (phases 1a, b and c). This initial drawdown is requested to be funded from the Technology Solutions reserve in 2020/21. A summary of these costs is set out in Table 1 below:

Table 1: New resource estimates for phases 1a, 1b and 1c

Programme resources requiring 'new' funding to 31 August 2020	FTE	Cost (£)
Programme Director (Jun to Aug)	1	36,478
Project Manager - System Improvements (Apr to Aug)	1	29,738
Procurement and Supplier Management (Apr to Aug)	1.1	43,858
Legal Support (Apr to Aug)	0.5	13,125
Business Analyst (Jul to Aug)	1	14,700
Finance Support (Apr to Aug)	1	29,738
Total New Funding Phases 1a, 1b and 1c	**5.6**	**167,637**

In addition, opportunity costs of approximately £185,000 will be required for the period from April to August. A summary of these costs is set out in Table 2 below.

Table 2: Opportunity resource estimates for phases 1a, 1b and 1c

Programme team members from within existing resources ('opportunity costs')	FTE	Cost (£)
Programme Manager (Apr–Aug)	1	39,871
Project Manager (Interim Procurement) (Apr–Aug)	1	29,738
PMO support (PSO) (Apr–Aug)	1	18,251
Finance support (Apr–Aug)	1.25	39,706
Technology Business Partner	1	39,871
Business Analyst (Apr–Jun)	1	17,843
Total Opportunity Costs Phases 1a, 1b and 1c	**6.25**	**185,279**

5.1.2   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. Outputs from phase 2a will include a further funding request to deliver the full discovery phase 2b. Table 3 below provides a summary of the anticipated costs for each phase of the Programme; the costs included for future phases of the Programme reflect current estimates of the resources required, however, these remain subject to validation. The outcome of the discovery phases will inform plans for the next phases, which will determine the approach and the commencement of the procurement process.

Table 3: Summary of estimated costs across each phase of the programme

Phase	Estimated Cost (£'000)	Activity timeframe	Comments
1a, 1b, 1c	168	5 months	Requested in this CMA
2a	250	2 to 4 months *	Estimated cost to be requested in July 2020
2b	1,050	6 months	Estimated cost and timeline of request to be determined in phase 2a **
Total Phases 1 & 2	**1,468**		
3 - To be Validated	5,000	48 months	Resources required are yet to be validated for this phase - cost estimates are to be determined in phase 2b ***
Total Indicative Cost	**6,468**		

* Programme and technical resources – 4 months; SME resource – 2 months
** The timeline for the start of phase 2 of the programme is impacted by COVID 19; the earliest point that this decision for phase 2b is expected is September 2020; phase 2a will confirm the required funding request for phase 2b.

*** The costs for phase 3 are indicative and based on expected resource requirements. Phases 2a and 2b are expected to more clearly define the recommended approach for the Programme; this will inform the overall expected cost and timescales for the delivery of phase 3 and any subsequent funding request

5.1.3   The overall programme cost 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.

5.1.4   These cost estimates will be validated and supported by further sector research during the discovery phase**.**

5.2   **Legal implications**

5.2.1   The Council's financial regulations state that all drawdowns from reserves must be approved by the Cabinet Member for Finance.

5.2.2   Drawing down of money from reserves does not authorise any expenditure that is a key decision or any significant changes to ECC services or funding which must be authorised by the relevant Cabinet Member.

5.2.3   Appropriate governance is being undertaken for all phases of the programme.

6   **Equality and Diversity implications**

6.1   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.

6.2 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).

6.3 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. The programme activity for which this funding has been requested will not 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

I approve the above recommendations set out above for the reasons set out in the report.	Date
Councillor Christopher Whitbread, Cabinet Member for Finance	13th May 2020

In consultation with:

Role	Date
Helen Lincoln, Executive Director for Children, Families and Education	28 April 2020
Nicole Wood, Executive Director for Finance and Technology	1st April 2020
Nick Presmeg, Executive Director for Adult Social Care	27 April 2020

Councillor Susan Barker, Cabinet Member for Customer, Communities, Culture and Corporate	7th May 2020
Councillor Louise McKinlay, Cabinet Member for Children and Families	7th May 2020
Councillor John Spence, Cabinet Member for Health and Social Care	6th May 2020
Executive Director for Finance and Technology (S151 Officer) Stephanie Mitchener for **Nicole Wood**	24-Apr-20
Director, Legal and Assurance (Monitoring Officer) **Paul Turner**	27 April 2020