

Full Council

24th November 2022

Report Title	Children's Social Care Case Management System
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Lead Member	Cllr Scott Edwards, Executive Member for Children, Families, Education and Skills

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None

1. Purpose of Report

- 1.1. To seek the Full Council's approval to proceed with the replacement of the Case Management System for Children's Social Care across Northamptonshire, which will be operated by Northamptonshire Children's Trust (NCT) through a contribution by North Northamptonshire Council (NNC).

2. Executive Summary

- 2.1. NNC and West Northamptonshire Council (WNC) (collectively the Councils) contract NCT to provide Children's Social Care and other services across Northamptonshire pursuant to a Service Delivery Contract. To achieve this, and under the Service Delivery Contract with NCT, the Council(s) must provide an IT system to manage and record statutory and contractual information, this is called a Case Management System.

- 2.2. The current contractual arrangements with OLM for the provision of a case management system end in January 2025. There is a risk that from January 2025 NNC and WNC could not fulfil statutory requirements relating to the provision of social care services in Northamptonshire, because there would be no system in place to enable this.
- 2.3. There is no provision for the current contract for the Children's Case Management system to be extended beyond January 2025 and additionally the current system (CareFirst) is not meeting the needs of Children's Social Care Services under the management of NCT. There is provision in the current contract to move to an alternate solution provided by OLM (Eclipse), however, the timescales involved would mean implementing this new system in the last 12 months of the contract, which is not recommended.
- 2.4. This report outlines the costs associated with procuring and implementing a new Case Management System contract.

3. Recommendations

- 3.1. It is recommended that the Full Council:
 - a) Delegates authority to the Executive Member of Finance and Transformation in consultation with the Executive Director of Finance and Performance to access and utilise revenue reserves to fund the Case Management System for Children's Social Care.
- 3.2. Reason for Recommendations: To implement a new Case Management System which is fit for purpose and meets the statutory obligations in delivering Children's Social Care across Northamptonshire.
- 3.3. Alternative Options Considered:
 - For the current system (CareFirst) to continue to be used impacting the transformation and process changes to be reflected on the case management system.
 - For the Eclipse system to be implemented under the current contract. However, the contract will still expire in Jan 2025 and a re-procurement would need to begin prior to implementation of the system.
 - To have no case management system would not be a viable option that could be considered.
 - There are no other case management software applications in use within the Council that that could be utilised by NCT.

4. Report Background

- 4.1. During 2019 the previous Northamptonshire County Council awarded a contract with OLM Eclipse for the provision of Children's and Adult Social Care Case Management System and associated finance modules. Implementation

commenced with Adult Social Care, which went live ahead of the vesting day of the new Councils.

- 4.2. Between the contract being awarded in 2019 and the planned implementation of the new system, Children's Social Care Services in Northamptonshire were transferred into an independent organisation, Northamptonshire Children's Trust (NCT), following a direction from the Secretary of State for Education. Northamptonshire County Council was also disbanded and replaced by the two new Unitary Councils.
- 4.3. The relationship between the Councils and NCT is governed by a set of contractual agreements. Under the terms of these agreements, NCT is responsible for the delivery of children's social care. However, the Councils retain responsibility for the provision of a database (case management system) that allows NCT to deliver services. This is one of the key contractual dependencies on the Councils in the contractual agreements.
- 4.4. Post-vesting day, the OLM Eclipse implementation programme was transferred to joint responsibility between the Councils and NCT. The Eclipse Implementation programme team undertook an implementation readiness review and identified concerns with the application of the system to Children's Social Care. Whilst the supplier OLM worked with the Councils to rectify these the timescales for fixes implied that the solution would be implemented in the last 12 months of the OLM contract.
- 4.5. A previous capital bid for funding of the procurement and implementation costs associated with a Children's Social Care Case Management System was submitted to Strategic Capital Board in June 2022.
- 4.6. However, following the NNC Capital Board and further due diligence this is now being confirmed as a revenue bid for a decision on finance of the programme of work, as it was deemed that an asset would not be created and cannot therefore, be funded from capital resources.
- 4.7. On the 10th November the Executive agreed to proceed with the replacement of the Case Management System for the Children's Social Care across Northamptonshire and delegated authority to the Portfolio Holder for Children, Families, Education and Skills, in liaison with the Executive Director for Children's Services, to take any further decisions and actions required to implement the Case Management System and award contracts in relation to this.

5. Issues and Choices

- 5.1. Since the issues were identified in September 2021, NCT have continued working with the Councils' Programme team to shape the way forward and much effort was spent trying to make the existing contract work, with supplier workshops and analysis of the Eclipse product. However, despite this effort, in February 2022 the conclusion was that there was no way forward with the current OLM Eclipse contract and therefore a new procurement is now needed.

5.2. The scope of the programme is for a procurement and implementation of a new IT Case Management System for use by NCT under the NCT contract to provide services to Children and Families across Northamptonshire.

5.3. The estimate of the programme of work is £2.8m, the programme of work is split into projects as follows:

Phase	Total Cost estimate	Estimated resources
Ongoing development of CareFirst (for next 18 months)	£150,000	(18-month period) <ul style="list-style-type: none"> • Business analyst costs - £60,000 • System developer - £90,000
Procurement costs	£429,125	<ul style="list-style-type: none"> • Programme management - £129,150 (note: although costed here resource will oversee all other concurrent projects in this scheme) • SC Business Analyst - £115,500 • IT Architect - £60,375 • IT Business Analyst - £25,200 • Data reporting - £18,900 • Legal costs - £30,000 • Services lead (x4, p/t) - £50,000
New Case Management Implementation Programme	£1,800,000	N/A – this estimate is based on the previous model used for Eclipse and will be unknown depending on the solution selected. For example, some solutions are more “turn-key” and so resources will be on the supplier side rather than Council(s)
System Processes Optimisation	£430,000	Based on previous examples, over 2 years and assumes fixed term contract resources: <ul style="list-style-type: none"> • Lead Business Analyst - £130,000 • SC Business Analyst - £100,000 • System developer (x2) - £200,000
Total one-off costs	<u>£2,809,125</u>	

5.4. It should also be noted that there are current revenue costs associated with the OLM CareFirst System to consider within this. It is intended that these “Licence and Hosting” costs are used for the ongoing licence and hosting of a new solution. The current revenue spend on **OLM CareFirst is £183,000 per annum** and looking at previous bids (from the 2019 procurement) there is a

range from about £180,000 to £250,000 per annum. But it should be noted that this is 3 years old and pricing and costs may have increased. This base budget will be explored during the procurement phase.

5.5. The phasing for these costs within this programme of work is forecast as follows:

Phase	Estimated totals	2022/23	2023/24	2024/25	2025/26	<u>TOTALS</u>
Ongoing development of CareFirst (for next 18 months)	£150,000	£75,000	£75,000	£ -		<u>£150,000</u>
Procurement costs	£429,125	£429,125	£ -	£ -	£ -	<u>£429,125</u>
New Case Management Implementation Programme	£1,800,000	£ -	£900,000	£900,000	£ -	<u>£1,800,000</u>
System Processes Optimisation	£430,000	£ -	£ -	£215,000	£215,000	<u>£430,000</u>
TOTAL -->		<u>£ 504,125</u>	<u>£975,000</u>	<u>£1,115,000</u>	<u>£215,000</u>	<u>£2,809,125</u>
SPLITS						
NNC (44%)		<u>£ 221,815</u>	<u>£429,000</u>	<u>£490,600</u>	<u>£94,600</u>	<u>£1,236,015</u>
WNC (56%)		<u>£ 282,310</u>	<u>£546,000</u>	<u>£624,400</u>	<u>£120,400</u>	<u>£1,573,110</u>

5.6. Within the original NCT budget there were a set of efficiency savings identified against the implementation of OLM Eclipse that were not fully realised because the system was not able to be utilised as anticipated. As a base these would be the assumed efficiencies because of this work and would therefore start to be delivered from January 2025 under the current plan.

5.7. However, there is a note above that the supplier (hosting and licencing) costs may increase from the base budget, due to changing providers. But equally the efficiency savings may be greater by implementing a modern and purpose created system contract for use by NCT to deliver services. It is therefore suggested that these are revisited at the point of contractual award to a new supplier, when both the intended go live date, the licencing and hosting costs,

and also the details of the solution and thus the opportunities it presents, will be known. In the current plan this should take place around Q1 2023/24.

- 5.8. As cloud-based systems are generally revenue in nature, funding for the project will initially be met from revenue reserves. However, a decision on whether any of the costs can be capitalised, in line with the accounting code of practice, will be considered once the procurement route is complete.

6. Next Steps

- 6.1. Once funding is agreed the following plan will start in Q3 2022 to deliver the programme:

The high-level timeline is as follows:

- 2022/23 – start procurement activities
- 2023/24 – contract award to supplier
- 2023/24 – Start implementation of new contract
- 2024/25 – Go live across NCT
- 2025/26 – Solution optimisation

Other Key events

- Q3 2022 – Full ILACS inspection
- Jan 2025 – current contract with OLM comes to an end
- Q2/Q3 2025 – Full ILACS Inspection

- 6.2. The table below shows the detailed plan for the implementation of the project.

Children's Social Care System procurement	Estimated Start	Estimated Finish	21/22		22/23				23/24				24/25				25/26			
			Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TASK																				
Continued Use/Development of CareFirst																				
Continued contract management of OLM		31/01/2024																		
Approval to start procurement		30/09/2022																		
PRE PROCUREMENT	01/10/2022	31/07/2022																		
Budget approval	01/03/2022	30/06/2022																		
Programme initiation (inc governance setup)	01/05/2022	30/09/2022																		
Specification sign off	01/10/2022	30/11/2022																		
Agree Procurement approach	01/07/2022	30/11/2022																		
FORMAL PROCUREMENT	01/12/2022	31/03/2022																		
Procurement start	01/12/2022	31/01/2023																		
Invitation to Tender (ITT)	01/12/2022	31/01/2023																		
System Demos (scored)	01/02/2023	15/03/2023																		
Scoring panels and decision	01/02/2023	30/05/2023																		
Contracting with preferred supplier and implementation planning	30/05/2023	30/09/2023																		
System Implementation and Launch ★	01/10/2023	31/01/2025																		
Post Implementation roadmap / optimisation	01/01/2025																			

Resources for the programme are already identified and ready to start work as soon as funding is agreed in 2022. This includes the following for the procurement phase:

- Programme manager
- Procurement specialist(s)
- Business analyst

- IT Architecture
- Other IT resources as required

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. The costs of the system will be borne by North Northamptonshire Council and West Northamptonshire Council. This would be an increase to the budgeted revenue costs for the Children's Services for North Northamptonshire Council of £1.236m over the next 4 financial years to implement this system. Further detail on the profiling of this expenditure is provided at section 5.5.
- 7.1.2. As the proposal is that this is delivered through a cloud-based solution, the current view is that it must be funded via the revenue budget. However, should the procurement route offer the potential to capitalise any of the costs then this position will be reviewed and an alternative funding proposal may be put forward. While it is considered as revenue, it will be funded through revenue reserves.
- 7.1.3. These additional costs have arisen due to the current contract coming to an end in January 2025 and the need to conduct a new procurement exercise for a new system.
- 7.1.4. It is envisaged that improvements and efficiencies will be realised through implementation of the case management by allowing re-design of processes. Potentially further efficiencies will be realised once the system is implemented as changes required to reflect transformation within the Trust can be implemented within the system.

7.2. Legal and Governance

- 7.2.1. The Service Delivery Contract between the Councils and NCT defines a range of activities provided by the Councils that NCT is dependent on to deliver the Services successfully. These are known as the Council Dependencies. These are to be carried out by the Councils free of charge and NCT will not have to pay the Councils in respect of the performance of the Dependencies.
- 7.2.2. If the Councils do not fulfil the Council Dependencies, NCT may claim a Relief Event, which is an event which has a direct adverse impact on NCT's delivery of the Services.
- 7.2.3. One of the specific Dependencies is for the Councils to procure for NCT access to and the use of a database (a case management system).
- 7.2.4. The current system contract was awarded under the G-Cloud Framework and commenced in 2021. The initial contract term was for 2 years, but Northamptonshire County Council exercised the right to extend this by a further 2 years at contract commencement. This is the maximum extension allowable under the current system contract, and there is no further contractual entitlement to extend the term.

- 7.2.5. When the term of current system contract expires, the Councils will need to have in place a Case Management System in order to comply with their obligation to provide NCT with access to and use of such a system. If a new Case Management System is not delivered by the Councils before the current contract ends in January 2025, NCT may claim a Relief Event. If the NCT claims a Relief Event, it can be excused from delivering the Services, or part of the Services. NCT could also possibly make a claim under an indemnity for Losses.
- 7.2.6. The Intelligent Client Function (involving officers from both Councils) in the Service Delivery Contract will provide governance and oversight of the programme/funding to procure a Case Management System.
- 7.2.7. The Council has the power to procure the facilities and services pursuant to section 1 of the Localism Act 2011 (GPOC) and section 111 of the Local Government Act 1972 (power to do things conducive or incidental to functions).
- 7.2.8. The estimated value of the contract means that any procurement will be subject to the Public Contract Regulations 2015 and the Council's Contract Procedure Rules. The Council's intention is to procure a Case Management System from an existing framework. This will provide a legally compliant route to tendering the requirement and provides an opportunity to reduce the time to conclude the tender process.
- 7.2.9. The data on the Case Management System is of vital importance to NCT as evidence to support legal action and court proceedings. A fresh procurement is an opportunity to strengthen the integrity and reliability of data and ensure full GDPR compliance. A high-quality Case Management System will support an effective discharge of statutory social care functions.

7.3. Relevant Policies and Plans

- 7.3.1. This proposal supports the Council to deliver on its Corporate Plan. Specifically, it supports the delivery of priority 2 – Better, brighter futures by supporting NCT to provide higher standards of support by providing a modern case management system that support improvement in social work practice. It also supports the delivery of priority 6 – Modern public services by using assets and technology most effectively.

7.4. Risk

- 7.4.1. The failure of NCT to deliver to the required standard is identified as a risk on the Council's Strategic Risk Register. It has an inherent risk score of 20 and a residual risk score of 15. The implementation of a modern and effective case management system is vital to supporting the improvement of children's social care practice and outcomes for children. The delivery of the new system therefore helps to mitigate the risk identified on the strategic risk register.
- 7.4.2. If the procurement of a new system does not take place, the Council will either have to attempt to extend the current contract for the system or operate without a system. The former opens the Council up to legal challenge from providers of case management systems as the Council has already extended the contract to its maximum length. The latter would pose a great risk to the delivery of good

quality children's social care as a case management system is vital to the operation of services.

7.4.3. The costs included in this report are based on estimations and there is the possibility that there are increased costs for the implementation and/or the ongoing licence costs however until the procurement activities commence this cannot be established. The mitigation for this will be that the management of the budget to deliver this programme of work will be undertaken by the governance approach as outlined within section 7.2.

7.5. Consultation

7.5.1. In developing the proposals, the Council has consulted with NCT as the primary user of the proposed system. There has also been extensive engagement with West Northamptonshire Council as the joint funder of NCT and the programme and approval to fund the programme is currently going through their governance processes.

7.6. Consideration by Executive Advisory Panel

7.6.1. This report has not been considered by the relevant Executive Advisory Panel due to a delegated decision on the funding being required to allow the new system to be delivered in a timely manner.

7.7. Consideration by Scrutiny

7.7.1. This decision has not been considered by the Scrutiny Committee.

7.8. Equality Implications

7.8.1. Within the initial procurement exercise all equality implications will be explored. It is the intention of the procurement team to include all relevant policies and statements relating to this to ensure that a new supplier will adhere to all council requirements.

7.9. Climate and Environment Impact

7.9.1. Once a solution has been selected specific impacts can be assessed. However, one of the potential benefits of a new case management solution is a reduction in staff travel, post and associated printing that currently occurs within the services, which should have a positive impact in this area.

7.10. Community Impact

7.10.1. There is no distinct community impact arising from this report.

7.11. Crime and Disorder Impact

7.11.1. There is no crime and disorder impact arising from this report.

8. Background Papers

8.1. No background papers.