
CARE FIRST SOCIAL CARE IT SYSTEM REPLACEMENT

**Responsible Cabinet Member - Councillor Stephen Harker
Efficiency and Resources Portfolio**

Responsible Director - Murray Rose, Director of People

SUMMARY REPORT

Purpose of the Report

1. This report seeks approval from Members for the replacement of Care First (the social care IT system) and rationalisation of systems across People Services where possible; and seeks approval to initiate a procurement exercise supported by a funding strategy which includes the release of capital funds as detailed in the report.

Summary

2. In November 2012 Care First was identified as a priority system within the Systems and Information Strategy and a review of the system was swiftly undertaken. The review assessed the system against current and expected demands and identified a number of significant shortcomings with the system; and found evidence that other authorities were in a similar position and were replacing systems.
3. Officers recommended that the most effective way forward to support the change required to deliver the savings and new ways of working required within the Change Programme and MTFP; and to support the ongoing management and delivery of children's and adults social care from a technology viewpoint was to replace the system.

Recommendations

4. It is recommended that Cabinet approve:
 - (a) The inclusion of the replacement of Care First on the Annual Procurement plan as a non-strategic procurement
 - (b) The replacement of the Care First IT system with a single solution across Adults and Children's social care within the estimated costs of £1.67 million;

- (c) A procurement exercise using the Local Authority Software Applications Solution Framework;
- (d) Release of £993,000 capital funding to fund the capital elements of the project.
- (e) To carry forward the invest to save contingency balance anticipated to be £63,000 to 2015/16 to contribute to the year two project costs.

Reasons

5. The recommendations are supported by the following reasons :-

- (a) To comply with the Contract Procedure rules and the European Procurement obligations
- (b) To support the management and delivery of children's and adults social care.
- (c) To comply with our statutory duties under the Care Act.
- (d) To achieve best value in the procurement of IT systems.
- (e) To facilitate the funding of the project.

Murray Rose
Director of People

Background Papers

No background papers were used in the preparation of this report

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S17 Crime and Disorder	This report has no implications for Crime and Disorder
Health and Well Being	A replacement system will have greater potential to link with partner systems and support key initiatives such as the Better Care Fund and implementation of the Care Act
Carbon Impact	There are no carbon implications in this report
Diversity	There are no diversity issues in this report
Wards Affected	There are no specific wards affected by the proposals set out within this report
Groups Affected	Not applicable
Budget and Policy Framework	Budget has been identified across capital and revenue budgets that cover the costs of this project as estimated within the report.
Key Decision	This is a key decision.
Urgent Decision	This is not an urgent decision
One Darlington: Perfectly Placed	Provision of a fit for purpose social care IT system supports One Darlington
Efficiency	The decision will enable the introduction of more efficient and flexible working practices

MAIN REPORT

Information and Analysis

6. Care First was introduced to the authority in 2004 following a procurement exercise to replace the legacy social care IT system which the Council took on following the Local Government Reorganisation in 1997. Care First has been in use since that time to manage the business processes around Adults and Children's social care. There are currently in the region of 150 users of the system around the authority.
7. Concerns about the usability of Care First have been growing for some time and the supplier has been approached a number of times on specific development issues and general usability of the system. There is a commonly held view that costs for anything that fall outside of the standard support and maintenance work are high and timescales for development not sufficiently responsive.
8. An in depth review of the use, functionality and capability of the Care First social care IT system was undertaken to establish whether the system was fit for purpose now and in the future. The review, which looked at issues relating to the system itself, business processes, and data and information swiftly established that the issues with the system were too numerous to un-pick, and that user distrust and dissatisfaction was significant. Ofsted had criticised the system during a previous inspection and changes had been made however these were still not sufficiently robust; and there were genuine concerns that the current system would impact on the ability to deliver the necessary service changes and savings.
9. A time limited project was established to address a number of key considerations to inform further thinking should the Authority be minded to replace Care First. These considerations and a summary of the recommendations are outlined below, with further detail included about the scope of the system, the procurement route, and the funding strategy.
 - (a) Project Governance
A two tier project governance structure has been recommended comprising a Project Board to direct and control the project; supported by a Project Implementation Team responsible for implementing the solution. The Project Sponsor is Murray Rose, Director of Commissioning.
 - (b) Project Management
Internal project management was recommended, taking advantage of the existing relationships with relevant services and knowledge accruing through recent and ongoing interdependent projects.
 - (c) Scope of the System
This is discussed in more detail in the report.
 - (d) System Integration and Single View
Integration and/or interfaces between systems is critical going forward.
 - (e) Procurement Strategy
This is discussed in more detail in the report.

- (f) **Electronic Document and Record Management System**
Investigate the potential to expand the use of an existing system across social care to replace the pilot system.
- (g) **System Rationalisation**
Look for opportunities to integrate with existing systems to provide functionality in areas lacking a system or with dated functionality.
- (h) **Mobilisation**
Seek a solution that would provide mobile and flexible working for social care staff.

Scope of the System

10. The Services for People Senior Leadership Team considered whether separate systems were needed for the two service areas or whether a single solution across Adults and Children's Services was preferred, taking into account the future direction of services and in particular the Better Care Fund and integration of health and social care services. In particular they considered whether a single solution across both health and social care was possible, and key stakeholders attended a demonstration of the system in use across Clinical Commissioning Group (CCG) and GP services, SystemOne. Following assessment of the functionality of SystemOne as it was agreed that it did not meet the needs of social care or of the Care Act, and it was established that integration between systems was critical rather than having one single system across health and social care.
11. In light of the assessment outlined above it is recommended that in order to maintain the integrity of the provision of service across the age ranges and in particular the transition between Children's and Adults services, a single solution be sought that will span across both social care service areas.

Impact on Resources

12. A project of this size and complexity will have a significant impact on resources for the services involved and for support services. The Senior Leadership Team for People Service have conducted an assessment to understand the impact of this and other significant projects (the Better Care Fund, Managing the Cost of Care, and implementation of the Care Act for example); along with resource needed to update and maintain policies and practise guidance.
13. A need was identified for two additional posts (one aligned to Children's Services; one aligned to Adults Services) to be the professional leads and own the implementation of a replacement system for the respective service areas. The posts, which are expected to be evaluated at around a Grade Q, are estimated to be needed in the structure on a temporary basis over the next two years.

Financial Implications

14. Whilst the exact costs are to be determined, it is estimated that this project will cost approximately £1.67M over a five year period depending upon the scope of the

procurement (a replacement system alone is estimated to cost just over £1M over five years including annual support and maintenance).

15. The estimated expenditure and proposed budgets for the project are shown in tables 1 and 2 below.

Table 1: Estimated Capital Costs

Capital Costs	£
System Replacement	630,000
Contingency (10%)	63,000
Mobilisation	210,000
Document Management	90,000
Total Capital Costs	993,000

16. The Capital element of the project can be funded using the Adults' Personal Social Services capital grant allocation which currently has a balance of £1.020M. It is recommended that £993,000 of this sum be released to fund the capital elements of the project as outlined in **Table 1 above**.

Table 2: Estimated Revenue Budget Profile

	Revenue Budget	Year 1	Year 2	Year 3	Year 4	Year 5
		£	£	£	£	£
(a)	Invest to save contingency	87,000	63,000	-	-	-
(b)	Care First Support and Maintenance	-	91,096	91,096	91,096	91,096
(c)	ICT-architecture programme	-	52,404	31,904	35,504	39,104
(d)	Sub-total	87,000	206,500	123,000	126,600	130,200
	Revenue Costs					
(e)	System Replacement Support and Maintenance	n/a	68,000	70,000	72,000	74,000
(f)	Mobilisation Support and Maintenance	n/a	36,000	37,100	38,200	39,300
(g)	Document Management Support and Maintenance	n/a	15,500	15,900	16,400	16,900
(h)	Additional Staffing	87,000	87,000			
(i)	Sub-total	87,000	206,500	123,000	126,600	130,200
(j)	Balance (d-i)	-	-	-	-	-

17. The 2014/15 MTFP identified a need for an invest to save fund to assist in resourcing projects and £150,000 is set aside in contingencies which can be used to contribute towards the overall project cost, it must be noted however that this would reduce the budget available to pump prime the change programme to zero. Revenue costs in Year One are estimated to be approximately £87,000 leaving a revenue balance of £63,000 and Members are asked to approve this carry over into 2015/16 to contribute to revenue costs in Year Two as shown in **Table 2**.
18. Furthermore, revenue currently allocated to fund annual support and maintenance costs for Care First (£91,096) would remain in place and would cover these costs in Years 2 to 5 following implementation, and it is possible that a saving may be achieved if support costs for the replacement system are less than the current charge. There will by necessity be some dual running of systems while the transition between the old and new system takes place and therefore this budget cannot be attributed to this project in Year One.
19. A review of the ICT Architecture programme has been completed recently and due to favourable tender prices and the general reduction in the costs of ICT some areas of ICT technology a surplus on the account has been identified which can be assigned to this project.

Legal Implications

20. The legal implications are mainly centred on the commercial aspects of the project, namely contractual arrangements.
21. The Council is currently in a contractual relationship with OLM, the supplier of Care First. Notice will need to be given to OLM of our intent to withdraw from the annual maintenance and support agreement. This will need to coincide with the implementation of the replacement system in order to ensure continuity of business and support during the transition phase.

Procurement Advice

22. Procurement advice has been sought throughout this project so far.
23. Under the Contract Procedure Rules an Annual Procurement Plan is produced listing details of existing and new contracts above £75,000 and which require a tender process. Any contract award decision with a value below £75,000 is delegated to officers
24. The Contract Procedure Rules state that if a contract has not been included on the Annual Procurement Plan a separate report must be taken to Cabinet to determine if it is deemed strategic or non-strategic
25. The evaluation of the replacement of Care First is as detailed in **Appendix 1**. The assessment was undertaken against the criteria agreed by Cabinet. The criteria are provided at **Appendix 2** for information.

26. Based on the evaluation the replacement of Care First is designated as non-strategic.
27. There are two procurement routes that could be followed, and these are detailed below. The options are as follows:
 - (a) Traditional 'OJEU' Tender
 - (b) Purchasing from a framework:
 - i. G-Cloud
 - ii. Local Authority Software Application Solutions Framework

Key Considerations

28. There is a key question to be answered when considering the purchase of a major IT system namely, is the solution to be hosted externally or installed locally? Externally hosted solutions sit outside of the Council's IT infrastructure and are supported directly by the supplier. Locally installed systems sit within the Authority's infrastructure, with IT Services acting as at least the first point of contact for support (linking directly with the supplier for issues that cannot be resolved internally).
29. An externally hosted solution would impact upon IT Services in that it would reduce and/or remove the need to draw support from that area for the replacement system, potentially having a negative impact upon the Xentrall business case. IT Services have supported social care IT systems for some time and have built up a large body of knowledge about how the system needs to operate and its supporting server and database infrastructure, and it is felt that this knowledge and experience is critical to the success of this project.
30. It is therefore recommended that the final solution be a local installation rather than externally hosted solution. This in itself rules out the G-Cloud as a procurement option since only externally hosted solutions can be procured from this framework. The remaining two options are discussed below.

Traditional 'OJEU' Tender

28. The Traditional Tender is the approach that is generally followed by the Council when purchasing goods, works and services. It is underpinned by the Contract Procedure Rules which defines the Council's approach to procurement and ensures compliance with European regulations, *Public Contracts Regulations 2006*.
29. This approach is tried and tested, and the process can largely be controlled by the Authority. It is structured and driven by clear milestones for each step within the process. It is, however, lengthy (it can take up to 270 days to complete the process excluding implementation) and can be resource intensive for both the Council and suppliers.
30. The time taken to complete a traditional tender procurement is an important factor to consider in relation to this project. There are significant time pressures upon the services such as the implementation of the Care Act (Adults Services) and

inspection regimes (OFSTED for Children's Services) that need to be taken into account when considering how to procure a replacement system.

31. If this procurement was to be approved at that time, it could take eight to nine months to complete the process via the traditional tender route (excluding implementation), meaning that a contract may not be awarded until May-June 2015.
32. The implementation of the Care Act has key milestones around April 2015 and April 2016. The scoping work being undertaken currently suggests that the Authority can deliver against the IT requirements set out for April 2015 albeit not in an integrated manner, but cannot deliver against the April 2016 requirements with the current system and infrastructure. Awarding a contract mid-way through 2015 does not leave sufficient time for implementation of a new system, data cleansing, data migration, integrations, testing, training and deployment before the 2016 deadline.
33. The traditional tender approach is therefore not the recommended approach.

Local Authority Software Application Solutions Framework

34. The Local Authority Software Application Solutions framework has been set up by Crown Commercial Services (CCS) and has been created to directly benefit Local Government by providing a range of software solutions to meet day-to-day functions. This is a typical framework which the Council has used in the past for a range of goods and services.
35. Systems on this framework can be purchased through a direct award using the CCS e-marketplace, or via a mini-competition. To place a direct award the Authority needs to be sure that the solution being offered is the best fit for its requirements as it is offered via the framework with no additions or changes to the core offer. If the Authority needs the flexibility to specify some local requirements that sit outside of the core offer then a mini-competition would be required. If a mini-competition was needed the Authority could set its own timeframe for responses and evaluate them accordingly.
36. When awarding a contract via this framework the Terms and Conditions tend to be fixed pending clarification from any purchaser however this in itself is not unusual for the procurement of IT systems where contracts tend to be awarded based on the supplier's terms and conditions under normal custom and practice largely to maintain consistency in managing contracts across multiple customer sites.
37. The market leading suppliers are available via the Local Authority Software Application Solutions Framework and therefore the risk of the Authority not finding a best-fit solution is low. A high percentage of functionality provided within the market leading social care systems is governed by legislation and therefore both Children's and Adults Services can be quite clear about what they need from a replacement system in this respect. Work is ongoing with the services to understand what the specific local needs might be (for example a module to support the Multi Agency Safeguarding Hub (MASH) process) and this is nearing conclusion. With this in mind, procurement via this framework is the recommended option with a decision about direct award versus mini-competition to be taken following conclusion of the

assessment of local requirements, and following further consultation with colleagues in Legal Services.

Consultation

38. There are no specific consultation needs arising from this proposal however the views of users will be represented throughout the project governance structure.