

WEST NORTHAMPTONSHIRE COUNCIL

26TH JANUARY 2023

CABINET MEMBER RESPONSIBLE FOR CHILDREN, FAMILIES, EDUCATION AND SKILLS: COUNCILLOR FIONA BAKER

Report Title Procurement and implementation of Children’s Social Care Case Management System

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List of Appendices

None

1. Purpose of Report

- 1.1 To seek approval of budget provision to proceed with the replacement of the Case Management System for Children’s Social Care across Northamptonshire, which will be used by Northamptonshire Children’s Trust (NCT) in the delivery of children’s social care. This will be funded by West and North Northamptonshire Councils (WNC and NNC).

2. Executive Summary

- 2.1 West Northamptonshire Council (WNC) and North Northamptonshire Council (NNC) (collectively the Councils) contract NCT to provide Children's Social Care and other related services across Northamptonshire through to a Service Delivery Contract. To achieve this, and under the Service Delivery Contract with NCT, the Council(s) must provide an IT (Case Management) system to manage and record statutory and contractual information and to operate effectively.
- 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 WNC and NNC 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 NCT Case Management system to be extended beyond January 2025.
- 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 Council:
 - a) Agrees the recommendation from Cabinet that a budget change is made as set out in the report, and notes and endorses the delegated authority to the Cabinet Member for Finance in consultation with the Executive Director of Finance to access and utilise appropriate funding for the Case Management System for Children's Social Care.
 - b) Note and endorses the decision of Cabinet to proceed with the replacement of the Case Management System for the Children's Social Care across Northamptonshire, which will be operated by Northants Children's Trust (NCT), with a financial contribution by WNC of £1.573m as outlined in section 6.
 - c) Note the decision of Cabinet to delegate authority to the Cabinet Member for Children, Families, Education and Skills, in liaison with the Executive Director of People Services, to take any further decisions and actions required to implement the Case Management System and award contracts in relation to this.

4. Reason for Recommendations

- 4.1 To implement a new Case Management System that is fit for purpose and meets the statutory obligations for delivering Children's Social Care across Northamptonshire.
- 4.2 Other alternatives considered include:
 - 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 service and system. However, the contract will still expire in Jan 2025 and a re-procurement would need to begin prior to implementation of the system in order to award a new contract.
- 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.

5. Report Background

- 5.1 During 2019 Northamptonshire County Council awarded a contract with OLM (Eclipse) for the provision of a 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.
- 5.2 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). This followed a direction from the Secretary of State for Education. Northamptonshire County Council was also disbanded and replaced by the two new Unitary Councils.
- 5.3 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 defined and agreed support services, including a database (case management system) that allows NCT to deliver services effectively. This is one of the key contractual dependencies on the Councils in the formal agreements.
- 5.4 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. This was not acceptable to the Councils or NCT because of the risks and uncertainty associated with these system issues. It was agreed therefore to seek alternative arrangements.

6. Issues and Choices

- 6.1 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.

6.2 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. This programme is shared with NNC and conditional on NNC receiving approval of their contribution. The NNC approval process is through Executive (Cabinet) that took place on 10th November 2022, and will be presented to NNC Council on 24th November

7. Implications (including financial implications)

7.1 Resources and Financial

7.1.1 The costs of the system will be borne by West and North Northamptonshire Councils. In totality the estimated programme of work is £2.8m and is to be apportioned between both councils by their respective NCT contract share. The West Northamptonshire Council share of the costs (56%) equate to £1.573m over the next 4 financial years to implement this system. The details are set out in table 1.

Table 1: Estimated Cost of Programme

Phase	Estimated totals	2022/23	2023/24	2024/25	2025/26	TOTALS
Ongoing development of CareFirst (for next 18 months)	£150,000	£75,000	£75,000	£ -		<u>£150,000</u>
Procurement Programme SME 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>
SPLIT						
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>
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7.1.2 It should also be noted that there are current budgeted 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 previous bids (from the 2019 procurement) suggest a likely range from £180,000 to £250,000 per annum (at 2019 prices). This base budget will be explored during the procurement phase, and if budget additionality is required due to an increase in licence costs, this will be adjusted for in the budget setting process preceding the year of implementation, alongside budgeting for any efficiency savings that the new system may deliver.

7.1.3 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. 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

7.1.4 As cloud-based systems are generally revenue in nature, funding for the project will initially be met from Transformation funding or alternatively 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 finalised and will be a judgement by the respective S151 Officers.

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 contract 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 Risk

- 7.3.1 The failure of NCT to deliver to the required standard is identified as a risk on the Council's Strategic Risk Register. 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.
- 7.3.2 If the procurement of a new system does not take place, the Council will either have to attempt to extend the current arrangement via a new contract for the system or operate without a system. The former opens the Council up to legal challenge from other 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.
- 7.3.3 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.

7.4 Consultation & Communication

7.4.1 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 North Northamptonshire Council as the joint funder of NCT and the programme and approval to fund the programme is currently going through their governance processes and these are expected to be complete before WNC Council considers this paper.

7.5 Consideration by Overview and Scrutiny

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

7.6 Climate and Environment Impact

7.6.1 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.

7.7 Community Impact

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

8. Background Papers

8.1 No background papers.