Committees: Chief Officer [*for decision*] Community and Children's Services Committee *[for information]* Digital Sub *[for information]*	Dates: 26 January 2022 11 February 2022 25 April 2022
Subject Social Care Case Management System. **Unique Project Identifier:** *N/A*	**Gateway 3/4/5: Options Appraisal and Authority to Start Work (Regular)**
Report of: Director of Community & Children's Services **Report Author:** Sarah Greenwood	**For Information**
# PUBLIC	

Explanatory Note for Members: The Corporate Projects Board agreed that the project should proceed under delegation until such a time that it was determined whether the project would reach the thresholds of the gateway process. Proceeding under delegation means that all usual Gateway reports are submitted to the Director who may then choose to share the reports with Committee for information. The recommendations of this Gateway report conclude the project is below Gateway thresholds and the report is shared with Members for information.

1. Status update	**Project Description:** IT system designed to manage the caseload for children and adults social care users with interfaces with the NHS
	RAG Status: Green (Green at last report to Committee)
	Risk Status: Low (Medium at last report to committee)
	Total Estimated Cost of Project (excluding risk): *£219,264*
	Change in Total Estimated Cost of Project (excluding risk): Decrease of £251,000 since last report to Committee. The Mosaic Advisory Board agreed to remove the Resources Allocation element from the project (reduction of approx. £100k revenue funding and £151k capital costs will no longer be incurred as the supplier is the current provider of the service.
	Funding Source:

	Spend to Date: £1,500 (local risk budget) **Costed Risk Provision Utilised:** £0 (of which £0 has been drawn down since the last report to Committee); **Slippage:** none	
2. Next steps and requested decisions	**Next Gateway:** Gateway 6: Outcome Report **Next Steps:** Development of contractual documentation **Requested Decisions:** 1. Note the total estimated total cost of the project at *£219,264* (excluding risk) for all four years at a cost of £54,316 per annum (revenue only); 2. That Option **1c (Direct Award to Servelec)** is approved	

3. Budget

For recommended option 1c:

Item	Reason	Funds/ Source of Funding	Cost (£)
Revenue Costs	Contractual Costs including annual licences, hosting, maintenance and NHS interoperability functionality		£217,264
Staff Costs	Specification development, options appraisal and development of contractual documentation	Existing Local risk funding	£ 2,000
Total			£219,264

No Costed Risk Provision is requested for this Gateway:

4. Overview of project options

1. Outsource to a third party
   a. open market tender,
   b. mini competition with a framework and
   c. direct award through a framework
2. In source via in house delivery

		3. Join with another Local Authority (either as a procurement or join with another Local Authority's system)
		4. Not have a system. This option was ruled out at Gateway 2 and has therefore not been included within the options appraisal matrix.
5.	**Recommended option**	Option 1c: Outsource to a third party and direct award through a framework (procurement route recommended by IT Category Board).
6.	**Risk**	One new risk has been identified and realised since Gateway 2: R6 on the risk register – financial stability of potential providers.
		A financial appraisal was carried out on the existing supplier Servelec in September 2021 following a Dun and Bradstreet report identifying significant financial risk. Following the acquisition of Servelec by the Access Group, a second financial assessment was completed demonstrating a significant reduction in risk as a result of the acquisition. As a provider of a number of departmental systems, Servelec has been included within the DCCS business continuity plan as a strategic provider and regular business continuity testing has been included within account meetings. City procurement have confirmed that the actions taken are sufficient to enable Servelec to continue as a supplier to the City.
		Further information available in the Risk Register (Appendix 2) and Options Appraisal.
7.	**Procurement approach**	A procurement options report (see appendix 3) was discussed at the December IT Category Board.
		IT Category Board agreed with the recommended approach to outsource to a third party. After consideration of the procurement options, the Board agreed to direct award to Servelec, the current supplier, using the GCloud framework. Two suppliers met the search terms criteria agreed by the IT Architect and the steering group. Both could meet the specification requirements and following clarification questions regarding pricing, Servelec gave the best value of money. Further details are included within the attached procurement options report at appendix 3.
8.	**Design summary**	The social care case management system enables service users to have joined up services because all professionals can access care records (including social care workers, mental health professions, virtual school head and out of hours social work teams), users can input into their care, and the City can use the information and statistics to plan services. The specification has been designed in consultation with the Mosaic Advisory Board taking into account statutory requirements and identified good practice

9. Delivery team	Mosaic Advisory Board (overseeing the delivery of the current contracted solution) chaired by Chris Pelham the Assistant Director for People's Services (the Senior Responsible Officer) and with additional representation from IT, Comptroller and City Solicitor and City Procurement. The project will be managed by the Commissioning Manager Sarah Greenwood.	
10. Success criteria	1) The system meets statutory requirements and identified good practice	
	2) Safe and professional experience for service users and carers with co-ordination of all records in relation to a service user or carer and their family	
	3) Accurate reporting of performance and budget trends	
11. Progress reporting	Progress reports will be reported to the Mosaic Advisory Board.	

Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register (for recommended option)
Appendix 3	PT3 Procurement Form

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Options Appraisal Matrix

Option Summary	Option 1	Option 2	Option 3
Brief description of option	Outsource to a third party	In source via in house delivery	Join with another Local Authority
1. **Scope and exclusions**	Includes a) open market tender, b) mini competition and c) direct award through a framework (recommended)	Resourcing including staffing, design and testing of new system and ongoing hosting, support and maintenance	Joining to procure or share a bespoke in house Local Authority's system
Project Planning			
2. **Programme and key dates**	Contract awarded April 2021 Mobilisation May 2022 – September 2022 Overall project: Completion and go live by 31 October 2022	This option would not be complete by the expiry date of the current contract	No neighbouring Local Authority is in a position to either jointly procure or invite the city to use its bespoke system at this time.
3. **Risk implications**	Overall project option risk: Low	• Departmental budgets do not account for the cost of an internal service	• Time and capital cost implications to change providers

Option Summary	Option 1	Option 2	Option 3
	Further information available within the Risk Register (Appendix 2).	• City of London is not a specialist case management provide – potential risks to quality outcomes for service users and clients	
4. **Stakeholders and consultees**	Mosaic Advisory Board (overseeing the delivery of the current contracted solution) chaired by Chris Pelham the Assistant Director for People's Services (the Senior Responsible Officer) and with additional representation from IT, Comptroller and City Solicitor and City Procurement. The project will be managed by the Commissioning Manager Sarah Greenwood.		
5. **Benefits of option**	• Provider expertise across the market • Competitively source and leverage appropriate expertise from the market • Potential for product and service development to meet good practice • Direct Award procedure on the basis of being able to identify the most economically advantageous provider	No contract required	• City shares many services with other neighbouring Local Authorities. • Reduced procurement costs • Potential reduced costs of service

Option Summary	Option 1	Option 2	Option 3
	without conducting a further competition. • Continuity of supplier (no need for a mobilisation period) • Supplier current system knowledge and set up		
6. **Disbenefits of option**	• Potential time and cost implications for a competitive procurement	• The Corporation does not have the required expertise to deliver the service and would need to recruit • Increase in staff costs (for example, via recruitment; salaries; on-costs; pension liabilities; & training etc.) • Does not comply with the City's policy of buy not build	• Neighbouring Local Authorities (e.g. Hackney) would be preferable given potential for other shared services • Preferred Local Authorities would be those with whom the City shares service users • Hackney are not currently in a position to consider a shared service following the 2020 cyber attack
Resource Implications			

Option Summary	Option 1	Option 2	Option 3
7. **Total estimated cost**	Direct award costs of £54,316 pa (total of £217,264.79 for a four year contract)	N/A	Cost has not been calculated at this stage
8. **Funding strategy**	Local risk budget for direct award option. Capital bid submitted for potential capital funding if another supplier was awarded the contract.	N/A	Potential capital costs requiring a capital funding bid and local risk budget for revenue costs
9. **Investment appraisal**	Options considered at the IT Category Board including value for money		
10. **Estimated capital value/return**	N/A	N/A	N/A
11. **Ongoing revenue implications**	The direct award costs an additional £10,500 over 4 years (£2,600 pa) compared to current budget	Not quantified as discounted above	Not quantified as option discounted above
12. **Affordability**	The additional annual cost can be managed within the local risk budget	N/A as option discounted	N/A as option discounted
13. **Legal implications**	Comptroller has been consulted on G Cloud framework terms	N/A as option discounted	N/A as option discounted

Option Summary	Option 1	Option 2	Option 3
14. Corporate property implications	None		
15. Traffic implications	None		
16. Sustainability and energy implications	None		
17. IS implications	IT Architect and business Partner have been consulted on the specification requirements and search terms for a framework. IT category Board have received the options and have agreed this is the preferred option. Option meets the IS policy of a hosted cloud based system, a full support agreement and SLA	Does not meet the IS strategy requirements	IT Architect and business Partner have been consulted on the specification requirements. IT category Board have received the options and have agreed this is not the preferred option.
18. Equality Impact Assessment	N/A	N/A	N/A

Option Summary	Option 1	Option 2	Option 3
19. Data Protection Impact Assessment	New DPIA not undertaken – existing DPIA will be updated		
20. Recommendation	Recommended	Not recommended	Not recommended