

Decision maker:	Cabinet member health and wellbeing
Decision date:	Friday 15 December 2017
Title of report:	Resource Allocation System Direct Award
Report by:	Senior commissioning officer

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose and summary

To agree a direct award for the license for the FACE assessment and resource allocation system to support the adult social care personal budget programme for a further five years to commence from 1 January 2018.

Recommendation(s)

That:

- (a) Imosphere to be directly awarded a contract to provide licenses to enable use of the existing resource allocation system for a period of five years from 1 January 2018 at a total contract value of £154,203.**

Alternative options

1. Not purchase a licence to support the FACE resource allocation system (RAS). This is not recommended as individual budgets are integral to the care assessment process. The licence enables the council to operate using a consistent framework which assesses people's unmet eligible social care support needs and provides a systematic approach through a series of forms and spreadsheets. Developers have then taken the algorithm from behind the spreadsheet and developed a script that can be used within Mosaic, to produce indicative personal budgets. The RAS sets the individual budget against the assessment of individual needs, and social care services are purchased against the individual budget. This capability is imperative and to not have it would leave the council processes vulnerable to system failure of both ability to generate costed assessments and of financial management and governance. The care assessment function is a statutory duty of the council.
2. To procure a new provider. This is not recommended due to:
 - The care management system supplier, Mosaic, has stated its product is not compatible with any other suppliers who deliver a similar service. As such, not to renew this licence would leave the council vulnerable as stated above.
 - A change of product would be a disinvestment in the council's existing systems, which have developed in tandem with the current supplier's IT systems over a three year period.
 - There is no guarantee that a new supplier would bring in a system which is compatible with the Mosaic care management system.
 - The system offered by a new provider might not be compatible with the internal system the council has developed to deliver a complex set of algorithms which produce a smooth operating system for operational services via an instant RAS. This is unique to Herefordshire due to internal development with the other two parts of the system.
 - The current IT tools which sit within the software licencing have been co-produced to support the new adult social care pathway. A new system might not be able to offer this alignment.
 - Costs would be incurred both in time and productivity with any system changes to over 120 operational staff, which would require training and a different way of working.
3. To extend the current contract for one year. This is not recommended due to:
 - The financial costs to the council. To procure one year at a time is more expensive, and a five year contract will result in a 10% discount.
 - The market is limited and the risk of another provider not being able to deliver, due to the complexities of the co-dependencies within two existing systems, within a mobilisation timescale, are high.
 - A five year contract sets the council's intention of the development of the strengths based pathway and the technical solutions required to support it.

Key considerations

4. The council has developed its own internal software which interfaces with both Mosaic (the council's care management system) and FACE systems. This software has been developed over a three year period and provides the council with an internal product which is exclusive to Herefordshire. The Herefordshire system is co-dependent upon the two other IT systems and there are no providers in the market who could provide the same service without an initial development period. The current development time with the existing contractor has been three years.
5. The initial contract provided Herefordshire with the licence product, but this has grown and become interdependent with the council's systems and care management provider. These developments could not have been foreseen at the time the original license contract was awarded.
6. The new licence is required to run from 1 January 2018 to enable adult social workers to continue to use the system for care assessments and management, which is a statutory duty of the council. The proposed contract will run from 1 January 2018 to 31 December 2022. A five year contract will bring economies of scale with a 10% discount negotiated with the current licence provider. The proposed length of contract will provide continuity of provision and less disruption to customers and ensures the council remains compliant with current legislation, as this is within the specification of the contract.
7. Continuity of provision is required as this system delivers a statutory function. A change would be a major disinvestment in the current council developed systems, and would present high risk as any new provider would require development time with both other suppliers and the council's IT developers. This would not be cost effective in terms of time and duplication of work. There would be a requirement to work with the new provider and the existing provider at the same time to ensure compatibility of systems. This would not be cost effective and could amount to several years of duplication of contracts and costs whilst in the development phase, and would present risk of system failure.
8. A system change would bring many risks; costs would be incurred both in time and productivity and impact on over 120 operational staff, which would require training and a different way of working. Also additional lead in development as algorithms would need to be redeveloped and new documents, as the current documents feed into a complex spreadsheet which is compatible with algorithms written by the council's developers which then produce a script in Mosaic, the result being the production of a RAS based on the costs of Herefordshire services. To procure a new contract would bring issues of new software build development internally, as there are no guarantees that the provider could deliver a compatible system.
9. Beyond the initial implementation, there is evidence that the current system has developed positively alongside Herefordshire Council's improvements and legislation changes. This is now demonstrating positive results in terms of responsiveness and the customer's journey. To bring in a new IT system would disrupt this workflow, with negative impact to Herefordshire's residents and the council's legislative requirements to meet targets for timeliness of assessments and support, hence causing delays to care being delivered and impacts on wider systems, such as hospital discharge pathways.
10. A system change would result in cost in time through setting up a new product which would require further interfaces with the council's IT systems. The risk of a change in provider and therefore negative impact to the social care strengths based pathway is

high. The current IT tools which sit within the software licencing have been co-produced to support the new adult social care pathway.

11. The market to deliver IT solutions with care management is limited, and FACE is the only supplier which has a product that is compatible with the Mosaic care management system, which provides the assessment and care management function to all adult social care customers.

Community impact

12. The council's corporate plan 2017-2020 includes priorities to secure better services, quality of life and value for money, and to enable residents to live safe, healthy and independent lives. This is achieved by ensuring our essential assets, including IT, are in the right condition for the long term cost effective delivery of services, and by improving commissioning to deliver cost efficiencies and savings.
13. The adults wellbeing plan 2017-2020 demonstrates the volume of residents that this licence impacts upon, as the council currently supports around 3,200 people a year through its adult social care services. On average, there are around 2,500 people receiving long term services at any one time and over two thirds of these are aged 65 or older.
14. The new customer pathway is built on a strength based model which means the council has a holistic view to meeting social care needs. It takes into account the individual's strengths, wishes and natural support networks, maximises carer support, and then looks to the community to meet the person's outcomes. Statutory and purchased services then meet the gaps. The IT system is integral to the council putting this aspiration into practice in a systematic way through the delivery of an operational care management system, which is Care Act compliant.
15. Herefordshire Council's 2015 care and support and meeting your needs policy sets out the vision and the approach to community care and the underpinning principles and framework to ensure that national best practice and guidance is considered when completing adult social care assessments.

Equality duty

16. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
17. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate

that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

18. To continue with the current licence reduces the financial costs to the council. To procure one year at a time is more expensive, whereas a five year contract will result in a 10% discount.
19. The cost of this contract has already been aligned to the capital programme budget for the next five years.
20. The resource allocation system provides the data and system to support the methodology for allocating individual budgets, which also has interdependencies with the medium term financial strategy (MTFS).
21. The contract will ensure continuity of service at a reduced cost.
22. The contract value of £154,203 will cover the five year period from January 2018 to December 2022 at an annual cost of £30,840.60.
23. The contract values to date are as follows:

Year	Period of contract	Value of contract	Value per annum	Cumulative value
2018	Five years	£154,203	£30,840.6	£30,840.6
2019	As above	As above	£30,840.6	£61,681.2
2020	As above	As above	£30,840.6	£92,521.8
2021	As above	As above	£30,840.6	£123,362.4
2022	As above	As above	£30,840.6	£154,203

Legal implications

24. Given the value of this contract (below £164,176), the council is not obliged to advertise this opportunity on the Official Journal of the European Union (OJEU).
25. Under the council's contract procedure rules, contracts over £75,000 (such as this one) ordinarily require an advertised tender exercise (though not requiring an OJEU level advertisement if below the OJEU threshold of £164,176).
26. Under paragraph 4.6.17 of the contract procedure rules, a waiver from the contract procedure rules can be granted in exceptional circumstances.
27. The circumstances described in this report (in particular, the council's current dependence on the current supplier, the incompatibility of the service with other

suppliers, the potential disruption that would result from changing suppliers) appear to be exceptional reasons to justify the waiver of the contract procedure rules in this case.

28. Officers will liaise with the council’s legal services to seek advice on the contractual terms on which this contract is to be entered.

Risk management

Risk	Mitigation
Risk of challenge.	<p>This is low as the council has the power to waive the procurement rules if it considers it appropriate due to exceptional circumstances.</p> <p>The council was not aware at the time of initial contract award that the software developments and interdependencies with the current licensor would become so great and so at the time of procurement didn’t award a longer contract.</p> <p>The risk of procuring a provider which would not be able to mobilise and be compatible is a greater risk.</p>
Tied to one provider for a five year period.	<p>Robust contract management.</p> <p>The current provider has demonstrated an excellent track record to work positively with the council to develop their offer.</p> <p>The interdependencies between the supplier’s and council’s own software development show this has positive benefits in terms of securing IT systems which are co-dependent and fit for purpose.</p>

Consultees

29. None

Appendices

None

Background papers

None