



## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	The support and maintenance contract for the Northgate PS Case Management (swift).
<b>Cabinet Member:</b>	Councillor Wendy Brice-Thompson Councillor Robert Benham
<b>CMT Lead:</b>	Barbara Nicholls 01708 433069 Barbara.Nicholls@Havering.gov.uk
<b>Report Author and contact details:</b>	Rob Allerton 01708 431006 Rob.Allerton@Havering.gov.uk
<b>Policy context:</b>	Adults and Children's Case Management System
<b>Financial summary:</b>	<i>This decision commits to a 2 year contract at a cost of £140,836.36 per annum</i>
<b>Relevant OSC:</b>	O and S Board
<b>Is this decision exempt from being called-in?</b>	Yes

**The subject matter of this report deals with the following Council Objectives**

- Havering will be clean and its environment will be cared for
- People will be safe, in their homes and in the community
- Residents will be proud to live in Havering

## Part A – Report seeking decision

### DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

In consideration of the content of this report and the clarification above, Cabinet is asked to:

- **Approve** the waiver of the Council's Contract Procedure Rules ("CPRs") to allow for an extension of the current contract with Northgate Information Solutions UK Limited ("Northgate"), which will expire on 30<sup>th</sup> April 2017;
- **Agree** to authorise the Director of Adult Services, after consultation with the Directors of Finance, and Legal and Governance to finalise contractual arrangements to extend the current contract with Northgate for an additional two years until 30<sup>th</sup> April 2019, such extension to have an estimated value of £282,000.00.

### AUTHORITY UNDER WHICH DECISION IS MADE

Part 3 Section 3.3 contract powers (b) To Award all contracts with a contract value of between £156 k and £5 m

### STATEMENT OF THE REASONS FOR THE DECISION

LB of Havering is currently documenting the requirements for a new Social Care Case Management System. The existing contract for the swift system (a Northgate product) ends in April 2017.

There has been ongoing dialogue with Northgate about the systems options but we require continued Support and Maintenance from Northgate Public Service until we have procured and implemented a replacement. Northgate Public Service have confirmed they are withdrawing from the market and will only provide support until 2020.

It is recommended that approval be given to extend an existing support and maintenance arrangement with Northgate PS, that is due to expire on 30<sup>th</sup> April 2017, and proceed with procuring a replacement system. We are currently planning to have procured and implemented the new system around September 2018.

The existing contract with Northgate Information Solutions (UK) Ltd commenced 29 Feb 2012 and is due to expire 30 April 2017. The contract is for the provision of system maintenance and support of the adults and children's case management

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system and associated activities. The proposal is to enter into a 2 years fixed extension to the existing contract , the Council requires these interim arrangements to allow sufficient time to contract a new service provision via a competitive competition and thereafter imbed this within the operational teams.

It is proposed to extend the existing contract using the Council's right under clause 5 (right to vary the contract) In exercising this right the Council will comply with regulation 72 of the Public Contracts Regulation 2015. This is necessary because additional services are required from the original contractor and the price does not exceed 50% of the value of the original contract and a change of contractor cannot be made for technical reasons.

The value of the initial contract for the provision of maintenance was c.£700k, the value of the required two year extension is £282k. This is therefore compliant with the Councils requirement of the extension being less than 50% of the initial contract value. Please note that these figures are based only the maintenance costs and exclude the original implementation costs.

It is proposed to issue a VEAT notice of the Councils intention to directly a contract for the support and maintenance of the Swift system and thereafter undertake a further procurement exercise ---- to achieve the operational best fit solution and overall best value.

### **OTHER OPTIONS CONSIDERED AND REJECTED**

There are no other options to source the support and maintenance from anywhere else. Support and Maintenance for this system is only available from Northgate PS for the AIS/CCM product. Given the inherent social care dependency on this system, the risk of not purchasing the contract is extremely high. The system controls all spend on Adult and Children's Social care as well as being the case management system.

### **PRE-DECISION CONSULTATION**

Consultation has taken place with Barbara Nicholls, Tim Aldridge and Mark Batchelor and a decision to purchase a two year extension to the support and maintenance agreement was endorsed at the Social Care programme Board on 26<sup>th</sup> February 2017

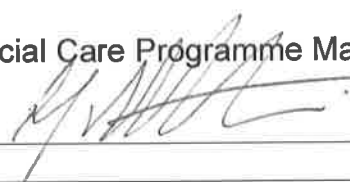
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**NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Robert J Allerton

Designation: Social Care Programme Manager

Signature:



Date: 18/4/2017

## Part B - Assessment of implications and risks

### LEGAL IMPLICATIONS AND RISKS

The Care Act 2014 came into force on 1st April 2015 and provides an updated legal framework for care and support and introduces a number of new rights, responsibilities and processes. Of particular note is the new duty under sections 3, 6, and 7 of the Act which requires Local Authorities to:

- Carry out their care and support responsibilities with the aim of promoting greater integration with NHS and other health-related services
- Cooperate generally with relevant partners in performing their functions related to care and support and
- In specific individual cases cooperate in performing their respective functions relating to care and support.

The department's recommended option is in compliance with the Care Act 2014.

Health, social and other related services fall within the Light Touch Regime (LTR) under Chapter 3, Section 7 of the Public Contracts Regulations 2015 ("Regulations 2015"), as set out in Schedule 3 for contracts relating to health, social and other related services. Services subject to the LTR, with a contract value that exceeds the current threshold of £589,148 is subject to the full requirements of Regulations 2015.

The light touch regime provides an open and transparent process for procuring health, social and other related services but allows significant flexibility in the way that process is designed and implemented. The contracting authority can use its own processes and award criteria in a way that best suits the particular purpose and specific outcomes sought.

For public contracts subject to the Regulations 2015, the requirements for publishing contract notices in the Official Journal of the European Union (OJEU) in accordance with the rules of procedure are set out in the Regulations 2015, Pt 2 (see in particular regulations 48 to 52). A voluntary transparency notice (also known as a 'voluntary *ex ante* transparency notice' or '**VEAT** notice') is used in limited circumstances arising under the Regulations 2015, Pt 3.

A VEAT notice may be published by a contracting authority where a contract has been awarded without prior publication of a contract notice in accordance with the Public Contracts Regulations 2015, Pt 2 (i.e. a direct award contract). A contracting authority may opt to publish a voluntary transparency notice in these circumstances in order to resist challenge on grounds of ineffectiveness under the Regulations 2015, regulation 99(2).

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The Public Contracts Regulations 2015, regulation 99(3) provides that the above ground for ineffectiveness will not apply if the contracting authority:

- considers the contract award (without prior publication of a contract notice) to be permitted by the Regulations 2015, Pt 2
- publishes a voluntary transparency notice in the OJEU indicating its intention to enter into the contract, and
- observes a standstill period of at least ten days beginning with the day after the date the voluntary transparency notice was published in the OJEU

Under the Regulations 2015, regulation 99(4), a voluntary transparency notice **must** contain:

- the name and contact details of the contracting authority
- a description of the object of the contract
- a justification of the decision of the contracting authority to award the contract without prior publication of a contract notice
- the name and contact details of the economic operator to be awarded the contract, and
- where appropriate, any other information which the contracting authority considers useful.

Due to the estimated whole life value of the proposed extension and lack of expressed language within the body of the current Northgate contract concerning a further extension period, the client department intends on publishing a VEAT notice as required by the Regulations 2015, to reduce the risk of legal challenge to the Council.

### **FINANCIAL IMPLICATIONS AND RISKS**

The support and maintenance of a Social Care Case Management is an ongoing cost and is always included in the budget. The Invoiced amount for 2016/17 is £134 292 and the requirement for the next two years is a budget of £140,836.36 per annum. The current budget is split across 3 cost centre's A45130 (ICT) A32200 (Adults) and A39140 (Children's) There will also be a continuing commitment following the implementation of a new solution which should not exceed the current budget requirement.

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**HUMAN RESOURCES IMPLICATIONS AND RISKS  
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

N/A

**EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

No equalities and Social Inclusion implications identified

Approved by Diane Egan , Community Safety and Development Manager

**BACKGROUND PAPERS**

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**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

*Delete as applicable*

Proposal NOT agreed because

**Details of decision maker**

Signed



Name: Barbara Nicholls

Cabinet Portfolio held:

CMT Member title: Director Adult Social Care & Health

Head of Service title

Other manager title:

Date: 24<sup>th</sup> April 2017

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

**For use by Committee Administration**

This notice was lodged with me on 26/4/2017

Signed





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