

This Report is part exempt and Appendix 1 is not available for public inspection as it contains exempt information within the meaning of paragraph 3 of Schedule 12A to the Local Government Act 1972. It is exempt because it refers to commercially confidential financial information, and the public interest in maintaining the exemption outweighs the public interest in disclosing the information

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**CABINET**

<b>Subject Heading:</b>	Direct award of Social Care Case Management System to Liquidlogic.
<b>Cabinet Member:</b>	Councillor Gillian Ford, Cabinet Member for Adults & Wellbeing  Councillor Oscar Ford, Cabinet Member for Children's & Young People
<b>ELT Lead:</b>	Kathy Freeman, Strategic Director of Resources
<b>Report Author and contact details:</b>	Daniel Smoker/ Zak Durrani Tel: 01708 431238 e-mail: <a href="mailto:Daniel.Smoker@havering.gov.uk">Daniel.Smoker@havering.gov.uk</a> <a href="mailto:Zak.Durrani@havering.gov.uk">Zak.Durrani@havering.gov.uk</a>
<b>Policy context:</b>	Corporate plan priority – To manage our systems and data well and be a data driven organisation.
<b>Financial summary:</b>	Expenditure for the total cost of c.£1.8m (£1,746,915.70) for the system required, for a maximum period of 7 years
<b>Is this a Key Decision?</b>	Yes
<b>When should this matter be reviewed?</b>	October 2024
<b>Reviewing OSC:</b>	People OSC

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

- People - Supporting our residents to stay safe and well x
- Place - A great place to live, work and enjoy
- Resources - Enabling a resident-focused and resilient Council x

## **SUMMARY**

The current Liquidlogic contract expires 31<sup>st</sup> December 2024 and it is critical we procure a new contract.

The new contract will support the Social Care case recording and management systems, finance systems and customer portal modules. The proposed contract will also assist with hosting, support & maintenance for Adult and Children Social Care Services. The new contract will be for a period of a total of 7 years (an initial 5-years with the option to extend for a further 2 years).

This report seeks approval to direct award a new contract to Liquidlogic, using the compliant Crown Commercial Services Framework Vertical Application Solutions (VAS) Lot 2.

This report seeks approval of the expenditure from the revenue budget for a maximum value of c.£1.8million over the next seven years.

## **RECOMMENDATIONS**

Following discussions with the Strategic Director of People and the Directors of Adult & Children Services, they are satisfied that Liquidlogic meets their current and future requirements.

For the reasons set out in this report, the Cabinet is recommended to:

1. Approve the award of a Call-Off contract for a 7-year (5+2) period to Liquid Logic Limited (Company Number 11227217) for the provision of a Social Care Case Management System & ContrOCC payment Systems from Liquidlogic / System C in accordance with the strategy set out in the report, by utilising the Crown Commercial Services Framework Agreement (Vertical Application Solutions - RM6259).
2. Delegate to the Strategic Director of Resources/S.151 Officer authority:
  - (a) implementation of the contract,
  - (b) to exercise the option to extend the contract for a period of 2-years, and
  - (c) for any budgetary change variances (including price increases and expenditure in implementing any new software modules) over the contractual period.

## **REPORT DETAIL**

## **Background**

1.1 In 2018, Havering's Adult and Children Social Care Services implemented the LiquidLogic case management systems as part of their statutory case recording systems requirements and the ContrOCC finance system, provided by the parent company System C. Following a successful tender process, a contract of five years with an optional two-year extension was awarded. The two-year extension was initiated in December 2022 and is set to expire on 31 December 2024.

## **Key Considerations and current position**

1.2 Delivering and contributing to the Council's objectives relies on having IT solutions that are fit for purpose, ensuring service continuity, to enable officers to undertake their responsibilities and a move to a cloud-based solution. The system has gone through an internal triage process and the IT and the PMO departments support the direction.

1.3 As the current contract end approaches, an assessment had been carried out for all procurement options in scoping how to best meet the Council's requirements.

1.4 The CCS VAS Framework rules permit public buying authorities to direct award via the Framework.

1.5 In addition to best value for the Council, this will ensure continued hosting, support, and maintenance of the current systems and allow the authority to continue to develop the highly configurable systems to ensure it continues to meet the needs of the business in ensuring we continue to deliver excellent support to our residents.

1.6 The award will ensure software continuation as it currently supports established processes and system interfaces. The benefit of the fixed rate inflation provides the Council with certainty over the future costs and protects it from high and fluctuating inflation rates.

1.7 For the reasons set out in this report, it is recommended Cabinet approve the award for the provision of the required software for the Council and to achieve the savings set out in Appendix 1 of this report.

## **Proposed Procurement Strategy**

1.8 The existing software is already fully embedded and integrated into Council systems necessary for all processes and practices.

1.9 This report proposes the use of the CCS Vertical Applications Software (VAS) RM6259 Framework, via the Government e-Marketplace to procure the supplier through a Direct Award via the Lot 2: Education, Community Health and Social Care Solutions. The contract award will be for a period of 7 (5+2) years at an estimated cost of circa £1.8m/annum, inflation inclusive. The Framework start date commenced on 07/03/2023 and expires on 06/03/2027, so is valid and legal.

1.10 Through the VAS Framework, the Supplier is permitted to provide us with a direct quote to meet our specific requirements. Through this process, the Supplier has offered lower prices (refer to Appendix 1 for prices) compared to the 2024 prices within the Framework digital catalogue (refer to Appendix 1 for prices). This is compliant through the expressed provisions of the Framework. With no current technical, operational or licence issues with the system, it is fully functional and is an appropriate, economical quote for Havering and will ensure the benefit of service continuation to award to Liquidlogic with no disruption. The bespoke offer has been provided for LB Havering at reduced cost and the offer will be held for us until December 2025.

1.11 The rationale for the recommended procurement option includes:

- Compliance with PCR regulations supports best value.
- We have certainty, clarity and vision on the modules we require. The CCS VAS FW allows for a Direct Award and through this route, the Supplier is permitted to offer a discount so provides Best Value. A beneficial fixed annual indexation rate has been included within the offer and will provide inflation stability for the Council, along with a module discount on the basis of a 5+2 contract term. The module costs do not vary, and it is the indexation rate that accounts for the annual increase in costs.
- There is Contract Procedure Rule (CPR) compliance to award this contract via the Crown Commercial Services framework.
- This process supports a longer-term commercial, technical and operational relationship with the supplier.

1.12 The other procurement options were also considered. This is detailed in 2.18.

## **Finance**

1.13 The cost per year of the contract over the 7-year period can be found in Appendix 1; the price of the contract includes a fixed 3% increase per annum throughout its duration. Prices are fixed for each of the core applications, and prices will only be affected by indexation, as detailed. We will purchase a total of 30 modules currently and have the option of including other modules if the service demands it in the future.

1.14 Providing the Council commit to a 5+2 contract, LiquidLogic have offered a competitive fixed annual indexation rate of 3%, compared to the current indexation rate of 4%, this attracts a saving. There are savings (cost avoidance) in the implementation cost for the existing system, which is not required as we do not have this step. This is detailed in Appendix 1.

## **Specification**

1.15 LiquidLogic has provided our integrated systems to meet the needs of the users in Social Care and provides a case management system for Adult and Children social care services (Early help, Families and Universal Services).

1.16 They are the chosen software market leader in several London Boroughs and have a robust roadmap to meet statutory and customer requirements to connect Healthcare, Social Care and Education Solutions for the future.

1.17 The service will work to finalise the specification requirements for the sole system requirement based on the work that has been completed by both LiquidLogic and Havering during the original contract term and will cover some of the areas pertaining to integrating all areas of Adult and Children Social care services in areas including:

- Customer experience exemplified by the Multi-Agency Safeguarding Hub (MASH) Referrals
- Education Health and Care Plan (EHCP) information
- Adult Social Care Safeguarding
- Additionally, the integration with Health data is crucial for delivering holistic services to residents, with real-time data available within the Liquidlogic system.
- The continued hosting and support and maintenance
- The call-off contract will enable Havering to purchase any optional modules that may be required in the future – this is listed in Appendix 1.

1.18 In addition, the software currently supports established processes and system interfaces, the proposed award would provide stability and avoid staff disruption to learn and understand a new software system. IT Support team are familiar with the product and can respond quickly to routine issues. We have currently scoped 30 modules we would be using and have undertaken an exercise to determine any future needs required for the longevity of the contract.

1.19 Following approval from cabinet to process, LiquidLogic will upload their offer to the CCS e-marketplace portal for Havering to proceed with completing the order to direct award.

### **Market Comparison Costs and Indicative procurement timetable**

1.20 Supplier prices are available from the CCS VAS Framework. Liquidlogic prices demonstrate excellent value and market leadership. In continuing with the existing Supplier, the Council will not be subjected to the cost of change, implementation and any potential scope creep.

The timeline (indicative) for this project is as follows:

<b>Activity</b>	<b>Date</b>
Finalise Specification /software requirements	August / September 2024
CCS VAS Access agreement review	August/September 2024
Cabinet report approval (Approval to procure and delegation to the Strategic Director to implement the contract)	October 2024
Issue Contract	December 2024
Contract Start	1st Jan 2025

## **REASONS AND OPTIONS**

### **Reasons for the decision:**

2.1 In the interest of vital and continued delivery of essential Council services to businesses, partners, residents, and service users, it is advised the proposed contract is approved, as continuation of services is our preferred option. Any changes to the provider could cause potential disruptions and impact on the pace of the Children's Social Care Improvement plan. Therefore, a new contract is essential to ensure ongoing software continuity and support which affect all parts of Council service functions and infrastructure.

2.2 Officers have conducted all the pre-procurement and accreditation checks associate with using the CCS VAS Framework. The supplier selection process been completed and undertaken so will up free up resources in terms of the service not needing to evaluate tender submissions which is very detailed and time consuming.

2.4 A review of suitable framework agreements accessible to the Council has been undertaken and has found the CCS VAS framework is the most suitable.

2.5 This procurement is vital and necessary for the continuation for all Council Adult and Children Social Care Services.

2.6 Delivering a contribution to the council's social value objectives will be included as an obligation under the contract. The Supplier demonstrates wider benefits regarding social value to cover Societal, Economic and Environmental benefits within the sphere of their operations.

2.7 The natural end of the contract and no suitable replacement would have a severe impact on business continuity and existing service provision. The software functions enable the council to be efficient and effective, we have a duty of care to our residents and the vulnerable. The proposed contract will ensure the software and system future-proofs us and includes options for any new modules. The cost of these are detailed in Appendix 1.

### **Benefits of using Liquidlogic**

2.8 LiquidLogic support 80 Local Authorities with Adult case management and 94 with Children case management. They also have 20 education customers. The most vital point is that LiquidLogic meet all statutory and legal obligations as required by Adult & Children Social Care.

2.9 In addition to efficiency and organisational performance we are offered best value and most importantly, we use a trusted verified and accredited system which ensures the compliance standards of all integral data.

2.10 The system is the established software for Adult and Children Social Care Services, providing essential support for service staff and users. Staff are satisfied with the system, and it integrates seamlessly with web front-end portals for customers and professionals to submit requests directly into Liquidlogic systems.

2.11 As the largest provider of Social Care systems, Liquidlogic offers additional benefits, including established networks for sharing best practices and forums for system users and administrators. New employees joining Havering from other councils are likely to be familiar with the system, facilitating timely on boarding.

2.12 Internal reports utilise Liquid Logic's Data Warehouse to provide extensive information to staff via Power BI dashboards and Havering's Data Warehouse. This integration is now fully embedded within the services, supporting staff in effective decision-making and improving outcomes for Havering's residents.

2.13 The dedicated Systems Team manages system development, training and support in the authority. This mitigates the necessity to outsource any work resulting in a significant cost avoidance.

2.14 LiquidLogic also serves many Boroughs, which facilitates the transfer of case files, leading to enhanced support for service users who may transition between boroughs during their Social Care experience.

2.15 The integration of the portals, health data, child protection alerts to healthcare systems, and finance management would necessitate considerable investment for redevelopment and associated costs for retraining both internal staff and external partners if we were to procure a new system.

2.16 Opting to continue with LiquidLogic leads to cost avoidance primarily through the expenses related to another implementation, retraining, additional integrations and the redesign of a solution that is already functioning well.

2.17 The system can also facilitate the requirements outlined in the Ofsted Improvement Plan, which was approved by the cabinet earlier this year. Significant changes have been made already and a change in system could affect the timeline outlined in that report.

**Other options considered:**

2.18 Procurement options considered were:

- a) PCR 2015 Regulations 72 parts a-c for modification of contracts during their term - not suitable and could not cover a longer-term period
- b) Direct Contract Award to LiquidLogic via CCS VAS Framework (Recommended) It is recommended that the Council use this option, and proceed with the direct award, using the criteria as per the framework rules. The procurement has had oversight and approval of a Waiver to proceed at Havering's Gateway Review Group (GRG) and have approved the costings, length of contract, and the process of the direct award using the CCs route, pending cabinet approval. On this basis, Liquid Logic would be elected as the preferred supplier.

c) Do Nothing (Rejected)

Liquidlogic serves as a crucial business tool for both Adult and Children Social Care Services. Failing to secure a new contract for this application and losing its services would mean relinquishing all rights to use the software and this would pose a substantial risk to vulnerable individuals within the area, potentially endangering lives in severe cases.

Inactivity is not viable given the necessity to maintain records for children in care, child protection orders, and adults receiving services. Additionally, it would be impossible to comply with obligatory reporting to the Department for Education (DFE) and Department of Health (DoH).

d) G-cloud 13 Framework (Rejected)

The length of contracts under the G-Cloud 13 Framework are much shorter, as stipulated by the Framework Agreement, therefore unsuitable.

**IMPLICATIONS AND RISKS**

**Financial implications and risks:**

This report is seeking approval to proceed with the direct award of a contract for the 7-year (5+2) period to Liquid Logic & ContrOCC Systems. The contract price in year 1 is £0.231m and is subject to a fixed 3% increase per annum throughout its duration. A fixed rate provides the Council with certainty over the future costs and protects it from high inflation rates. The Council has budget provision for this contract, and an inflationary uplift is provided for corporately on an annual basis which ensures the financial impact of inflation is managed effectively.

The software currently supports established processes and system interfaces. There is no option for a rolling contract, if a new contract is not in place by 1st January, the Council would revert to the VAS framework 2024 prices, which are significantly higher at approx. £500k per annum. The renewal price of £0.231m pa therefore represents a significant discount.

A direct award to Liquid Logic and ContrOCC Systems avoids the costs associated with procurement and implementation and provides continued stability given the recent implementation in 2018.

**Legal implications and risks:**

This report seeks authority to award a contract to Liquid Logic Limited by utilising the CCS Vertical Application Solutions (VAS) Framework Agreement (Contract award notice reference: 2023/S 000-010281).



The Council has a general power of competence under Section 1 of the Localism Act 2011 to do anything that an individual generally may do subject to other statutory provisions limiting or restricting its use. The recommendations in this report are compatible with this statutory power.

The total value of each contract exceeds the threshold for services under the Public Contract Regulations 2015 (“PCR”) and is therefore subject to the full PCR regime. The use of a framework is permitted under Regulation 33 of the PCR.

The framework itself commenced on 7 March 2023. The agreement will initially run for 30 months (until September 2025) with the option to extend for a further 18 months (until March 2026). Participating authorities therefore currently have until September 2025 to call-off from this Framework.

The Council’s Contract Procedure Rule 20.4 states that where a framework agreement is operational, all subsequent purchases under the framework shall either not require further competition (if a single supplier) or, if there are two or more suppliers for those goods or services on the framework, follow the express framework provisions for choosing a supplier.

The VAS framework permits the use of direct awards to any supplier using the framework digital catalogue or by issuing a ‘price on request’ to the Suppliers on the chosen Lot. As explained in paragraph 1.10 of this report, Liquid Logic submitted the Council with a service offer (quote) to meet our needs. Officers are satisfied that this service offer represents best value for the Council overall.

#### **Human Resources implications and risks:**

There are no HR implications or risks arising directly that impact on the Councils workforce from this report. TUPE will not apply to this procurement.

#### **Equalities implications and risks:**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have ‘due regard’ to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: ‘Protected characteristics’ are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants. An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion, this isn't required. The Council seeks to ensure equality, inclusion, and dignity for all in all situations. There are no social inclusion implications and risks associated with this decision.

**Health and Wellbeing implications and Risks:**

This procurement is not considered to have any health and wellbeing implications and risk in the context.

**Environmental and Climate Change implications and Risks**

The transition to cloud-based systems will support the council's carbon reduction ambitions by centralising data storage and processing, leading to a decrease in overall energy consumption.

**BACKGROUND PAPERS**

**None**