

Notice of KEY Executive Decision

Subject Heading:	Approval to vary the current Liquid logic contract to add in the System C MarketPlace system for Adults and Childrens.
Decision Maker:	Barbara Nicholls, Strategic Director of People
Cabinet Member:	Councillor Gillian Ford, Cabinet Member for Health and Adult Care Services
ELT Lead:	Barbara Nicholls, Strategic Director of People
Report Author and contact details:	Alain Rosenberg Alain.Rosenberg@havering.gov.uk
Policy context:	This system supports Havering Council meet its priorities in its Corporate Plan 2024/25. This plan sets out how the Council intends to invest and transform the borough with an emphasis on improving the lives of vulnerable children, adults and families. In summary, the functionality of the system ensures the Council fulfils its aim of ensuring that the needs of the most vulnerable are met and that people are supported to be healthy and active.

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Financial summary:	<p>The cost of the variation over the 5-year contract period plus 2 year built in extension is £550,977.90 (inclusive of set up costs and yearly increase of 3% RPI).</p> <p>The cost breakdown is: - Set Up £75,139 Year 1 £62,100 Year 2 £63,963 Year 3 £65,882.89 Year 4 £67,858.35 Year 5 £69,994.09 Year 5+1 £71,990.92 Year 5+2 £74,150.65</p>
Reason decision is Key	<p>The grounds for the decision being Key are:</p> <p>(a) Expenditure or saving (including anticipated income) of £500,000 or more</p>
Date notice given of intended decision:	Wednesday 26 th March 2025
Relevant Overview & Scrutiny Committee:	People's Overview & Scrutiny Board
Is it an urgent decision?	No
Is this decision exempt from being called-in?	This decision is not exempt from call-in.

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

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

This decision paper requests the Strategic Director of People's approval to amend the existing Liquidlogic contract. The proposed amendment would incorporate the System C MarketPlace system, effective from 1 January 2025 to 31 December 2029. The contract includes an option to extend for a further two years, until 31 December 2031, subject to review. The additional cost for the initial five-year term, plus the potential two-year extension, is £551,287. This sum includes setup costs and an annual increase of 3% based on the Retail Price Index (RPI).

AUTHORITY UNDER WHICH DECISION IS MADE

The Havering Constitution:

Scheme 3.3.3 Powers common to all Strategic Directors

1. General:

1.1 To take any steps, and take any decisions, necessary for the proper management and administration of their allocated directorate, in accordance with applicable Council policies and procedures.

STATEMENT OF THE REASONS FOR THE DECISION

Background

The ATLAS system that facilitates the complex dynamic purchasing system (DPS) is unsupported as the lead has left the commissioning team. If technical difficulties arise, this will cause challenges to smooth functioning of the ATLAS system that could potentially affect providers being able to bid for care packages. DPS Lead has been trained to add providers to ATLAS and amend the existing details of providers on the DPS.

Current Liquidlogic Contract

The current LiquidLogic contract runs from 01/01/2025 and expires on 31/12/2029 with the option to extend by 2 years' subject to review with an overall value of £1,746,915.70.

Contract Variation

The Public Contracts Regulations 2015 Regulation 72(1) states that Contracts and framework agreements may be modified without a new procurement procedure in accordance with Part (b) for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, or

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;

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Delivering and contributing to the Council's objectives relies heavily on having IT solutions that are fit for purpose, ensuring service continuity, and enabling officers to undertake their responsibilities effectively. The System C MarketPlace system will enhance efficiency in purchasing care and support packages, interfacing seamlessly with Liquidlogic to create improved efficiencies.

To achieve the Council's objectives, reliable IT solutions are essential for ensuring service continuity. The System C MarketPlace system's integration with Liquidlogic and Controcc will allow direct service requests with defined requirements to be sent to external providers, who can respond directly to the commissioning team, which will streamline service requests, enabling providers to bid for care packages through a fully integrated system, thus enhancing efficiency and effectiveness. This integration is crucial for maintaining interoperability with existing equipment and services procured under the initial procurement, as required by Regulation 72(1)(b)(i).

An assessment was carried out for all procurement options in determining how to best meet the Council's requirements as the current contract end approaches. It was determined that changing contractors would cause significant inconvenience and substantial duplication of costs, thus justifying the decision under Regulation 72(1)(b)(ii).

The CCS VAS Framework rules permit public buying authorities to direct award via the Framework and system interfaces. The fixed rate inflation benefit provides the Council with certainty over future costs and protects it from high and fluctuating inflation rates. This ensures continued hosting, support, and maintenance of the current systems, allowing the authority to continue developing highly configurable systems to meet the needs of the business and deliver excellent support to residents.

In summary, the modifications under Regulation 72(1)(b) are justified based on the economic and technical reasons outlined. Continuity and cost-effectiveness are paramount in decision-making, ensuring the Council's objectives are met through reliable IT solutions. The integration of the System C MarketPlace system with Liquidlogic and Controcc is essential for maintaining service continuity and achieving greater efficiencies, thus supporting officers in their duties and contributing to the overall objectives of the Council. The award to the original contractor will ensure software continuation, supporting established processes and allowing the authority to continue providing excellent support to its residents.

Recommendation

It is recommended to amend the current Liquidlogic contract to include the System C MarketPlace system for both Adults and Children's brokerage.

Sourcing suitable care for citizens can be challenging due to the documented shortage of providers and services in the market. Identifying which providers have the appropriate services and availability is both time-consuming and difficult.

A clear audit trail is essential to track agreements with providers. Providers need timely information about the packages they have been awarded to optimize their capacity.

Introducing the System C MarketPlace system will enhance efficiency in purchasing care and support packages. This system will also interface with Liquidlogic and create improved efficiencies.

Achieving the Council's objectives depends on having reliable IT solutions to ensure service continuity and to support officers in their duties. Moving to a cloud-based solution is vital.

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System C MarketPlace system will replace the unsupported adults ATLAS system developed internally by Havering, which is no longer fit for purpose. System C offers numerous benefits for providers, service users, and the Council in effectively commissioning all adult care packages.

Havering already holds a 5-year +2 contract with Liquidlogic, and this project aims to vary the current contract to incorporate the System C MarketPlace system, which will then interface with Liquidlogic and Controcc.

The integration between Liquidlogic and the System C MarketPlace system will allow direct service requests with defined requirements to be sent to external providers, who can respond directly to the commissioning team. The commissioning user can select a provider and proceed to service provisioning, resulting in greater efficiencies and enabling providers to bid for care packages through a fully integrated system.

The integration with Controcc will enable online management of contracts and placement agreements. Reports will show contract signing, and all invoicing and documentation will be managed via a provider portal, eliminating the need for emails.

System C MarketPlace system solutions help people identify safe, high-quality, and affordable services through a powerful, domain-trained search engine. This engine can differentiate between concepts like 'home care' and 'care homes' and handle searches such as 'care at home.' The intelligent algorithm highlights alternative ways to meet client needs and emphasizes local voluntary and community services. MarketPlace also has links to NHS Choices, CQC, and Ofsted, which existing systems and other options do not offer.

Benefits

The benefits of the System C MarketPlace system are: -

- Increased efficiency of sourcing services means a reduction in time waiting for the service the person needs
- Ability to ensure person's individual requirements are shared with potential providers and can be defined as non-negotiable with the provider's explicitly agreement to need those needs
- Reduced administrative overhead compared to traditional service sourcing methods
- Ability to communicate with multiple providers at the same time
- Reduction in time spent chasing providers for a response
- Flexibility of defining requirements on a per case basis allowing personalisation of support needed
- Transparency of decision-making process with information held against the person's record in the case management system
- Integrated solution negates need to log into multiple systems by commissioning worker
- Reduction in time spent rekeying data from additional systems
- Better management and control of the provider market
- Better reporting and visibility on placements made

Costs

The varying of the contract terms for the 5-year contract term (with an optional extension of 2 years) would result in an additional contract cost of £550,977.90 for the period from the 1st of January 2025 until 31st December 2031.

This is broken down as per below:

Module	Implementation (one-off)	Annual Fee
Brokerage – LAS (Adults)	40 days (£39,000)	£26,000
Brokerage Insights (Option)	2 days (£1,950)	£8,000

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Brokerage LAS Integration <i>**From 2025</i>	8 days (£7,800)	£9,000
Total	50 days (£48,750)	£43,000

Module	Implementation (one-off)	Annual Fee
Brokerage – LCS (Children's)	18 days (£24,439)	£18,000
Brokerage Insights (Option)	2 days (£1,950)	£8,000
Total	20 days (£26,389)	£26,000

Total	Implementation	Annual Fee
Adults	£48,750	£38,860
Children's	£26,389	£23,240
Total if all modules purchased together	£75,139	£62,100

The total cost of the Liquidlogic contract (with an optional extension of 2 years) with the additional brokerage system will be £2,298,202.

OTHER OPTIONS CONSIDERED AND REJECTED

Option 1- Do nothing keep current system

The challenges with keeping the current system are that we have many providers that currently use the system but many do not meet the requirements to deliver services to Havering residents and the ATLAS System is unsupported by IT so this option is not advised.

Option 2- Close current system and SPOT purchase

SPOT purchasing or spot buying allows for flexibility when there is an immediate requirement and a purchase must be made. These purchases are usually unplanned, made up of small orders, and often paid for immediately. Spot purchasing does not allow for a lot of relationship building between supplier and customer. The trust would be higher between long-term partnerships or contracts. Spot buys can also be less consistent due to being unfamiliar with suppliers. With SPOT purchasing, there is no guarantee to providers of volume of work, and there are quality control concerns about the suppliers we are engaging with on a short term basis.

Option 3- Go with an alternative system

Other options have been considered, but none of these options do everything offered by System C MarketPlace system and no others have the integration with current Liquidlogic and Controcc systems.

PRE-DECISION CONSULTATION

None

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

Name: Alain Rosenberg

Designation: Commissioner Live Well

Signature: *A. Rosenberg*

Date: 19/03/2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council has a general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do subject to any statutory limitations. The Council has the power under this section to agree to the proposals in the recommendations.

Contract Procedure Rule 19.1(ii) & Reg. 72(1) (b) state that, "Contracts and framework agreements may be modified without a new procurement procedure for additional works, services or supplies by the original contractor that have become necessary and were not included in the initial procurement, where a change of contractor—

(i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, services or installations procured under the initial procurement, and

(ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority, provided that any increase in price does not exceed 50% of the value of the original contract;"

Legal note that an assessment has been carried out to determine that the additional services can only be provided by Liquid Logic and that it would cause significant inconvenience and duplication of costs if it was not awarded to Liquid Logic.

This variation is approved.

FINANCIAL IMPLICATIONS AND RISKS

This decision paper is seeking approval to vary the current Liquidlogic contract to add in the System C MarketPlace.

The current Liquidlogic contract runs from 01/01/2025 to 31/12/2029 (with an optional extension of 2 years) at a contract value of £ £1,746,915.70. The Controcc finance system operates alongside the LiquidLogic case management system. The system is the established software for Adult and Children Social Care Services, providing essential support for service staff and users.

The varying of the contract terms for the 5-years (with an optional extension of 2 years) would result in an additional contract cost of £550,978 if the contract variation was implemented on 1st January 2025 (inclusive of set up costs and yearly increase of 3% RPI). The exact implementation is not yet known; this will now be in the 2025/26 financial year at the earliest.

The costs below show the worst case estimate assuming that the variation to the contract was implemented at 01/01/2025, this did not happen so the overall costs are likely to be less but this is dependent on the exact implementation date which is still to be confirmed.

The cost breakdown is: -

Set Up £75,139

Year 1 £62,100

Year 2 £63,963

Year 3 £65,882

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Year 4 £67,858
Year 5 £69,994
Year 5+1 £71,991
Year 5+2 £74,150

The maximum cost of the Liquidlogic contract with the additional brokerage system will be £2,298,202, this is likely due to be less due to the variation not being implemented on 1st January 2025.

The costs are split between Adults and Children's and the breakdown is shown in the tables below:

Adults	Implementation	Annual Fee	Total
Year 1	£48,750	£38,860	£87,610
Year 2	£0.00	£40,026	£40,026
Year 3	£0.00	£41,227	£41,227
Year 4	£0.00	£42,464	£42,464
Year 5	£0.00	£43,738	£43,738
Year 5 +1	£0.00	£45,050	£45,050
Year 5 +2	£0.00	£46,402	£46,402
Total	£48,750	£297,767	£346,517

Children's	Implementation	Annual Fee	Total
Year 1	£26,389	£23,240	£49,629
Year 2	£0.00	£23,937	£23,937
Year 3	£0.00	£24,655	£24,655
Year 4	£0.00	£25,395	£25,395
Year 5	£0.00	£26,157	£26,157
Year 5 +1	£0.00	£26,942	£26,942
Year 5 +2	£0.00	£27,750	£27,750
Total	£26,389	£178,076	£204,465

The funding for the Adults element will be met from efficiencies being made through contract reviews and variations. These efficiencies are sufficient to meet the implementation costs and annual fees in year 1 and the annual cost over the 7 years. The variations to the contracts are still subject to governance for approval. The contract efficiencies will materialise from the 25-26 financial year.

The implementation costs for Children's will come from the DFE improvement Grant and the annual fee for the children's element will come from the 25/26 Children's growth allocation.

The budget will need to be wired into resources from Children's and Adult's as the contract will be paid from ICT.

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

The recommendations made in this report do not give rise to any identifiable Human Resources implications or risks.

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EQUALITIES AND SOCIAL INCLUSION 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 equalities and social inclusion implications and risks associated with this decision.

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the council is also committed to improving the health and well-being of all Havering residents concerning socio-economics and health determinants.

System C allows the brokerage team to procure packages of care online, allowing the functionality of collating all the client's care requirements which can then be used to advertise these details to appropriate providers. This enables providers to select which customers they can provide the service to. The mini-tender process fosters clarity and transparency by enabling the objective scoring and evaluation of provider bids. By allowing choice and competition to meet a service user's requirements, it will improve access to high-quality health and social care services and reduce health inequalities related to these vulnerable groups:

- Adults with a learning disability
- Adults with mental health needs
- Adults with needs resulting from physical and/or sensory disabilities
- Older people with complex needs
- Other vulnerable adults who meet Care Act eligibility criteria

The residents and providers impacted by the brokerage service will continue to receive the same level of service as before. Their day-to-day experiences and the quality of care will remain unaffected by the behind the scenes purchasing arrangements. The arrangement with the new brokerage system should enhance their experiences positively.

The change of the ATLAS system to one that is managed by a different systems' provider is a financial and administrative transaction that does not impact the residents' care or the equal treatment they receive.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

The recommendations made in this report do not give rise to any Environmental or Climate Change implications or risks.

BACKGROUND PAPERS

None

APPENDICES

Key Executive Decision

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

Proposal NOT agreed because

Details of decision maker

Signed

Name:

Cabinet Portfolio held:

CMT Member title:

Head of Service title

Other manager title:

Date:

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____