

Cabinet 22 May 2019	 TOWER HAMLETS
Report of: Debbie Jones, Corporate Director, Children and Culture Neville Murton, Corporate Director, Resources Denise Radley, Corporate Director, Health, Adults and Community	Classification: Unrestricted
Approval of change to Servelec contract	

Lead Member	Councillor Danny Hassell - Cabinet Member for Children, Schools and Young People Councillor Denise Jones - Cabinet Member for Adults, Health and Wellbeing Councillor Candida Ronald - Cabinet Member for Resources and the Voluntary Sector
Originating Officer(s)	David Jones, Interim Divisional Director, Adult Social Care Richard Baldwin, Divisional Director, Children's Social Care Adrian Gorst, Divisional Director, Corporate IT Andrew Cross, Social Care IT
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	23/04/2019
Reason for Key Decision	Financial Threshold
Strategic Plan Priority / Outcome	1. People are aspirational, independent and have equal access to opportunities;

Executive Summary

Adult and Children's Social Care have committed to moving from Frameworki to the latest version of the case management system provided by Servelec, called Mosaic.

The infrastructure on which the system currently runs is nearing the end of its usable life and is causing performance problems.

In order to support both the existing Frameworki system and the project to move to Mosaic, as well as to align with LBTH IT's preference for Supplier Hosted Software as a Service (SaaS) a move to a Servelec hosted solution is required.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Approve the proposed change to the existing contract with Servelec and authorise the Divisional Director for IT to award the amended contract to Servelec.

1 REASONS FOR THE DECISIONS

- 1.1 The Project to implement Mosaic cannot commence without the required infrastructure being in place.
- 1.2 The value of the contract change is above the threshold for delegated decision by a Chief Officer.

2 ALTERNATIVE OPTIONS

- 2.1 Use of the recently launched Crown Commercial Service (CCS) Data and Applications Solutions (DAS) procurement framework. Risk of unacceptable delay as this would be the first procurement through this route.
- 2.2 Internal hosting and local conversion – Not aligned to preferred IT model. No cover for issues related to the application (Frameworki / Mosaic) should they arise as a result of the database conversion.

3 DETAILS OF THE REPORT

- 3.1 There are two dominant providers of social care software in the UK and Servelec is one of these. Tower Hamlets Council has used the Servelec case management system called Frameworki in Children's Social Care since 2007 and in Adults since 2010. Locally Hackney and Waltham Forest are Servelec customers, as are our local NHS trusts. A review of the wider market was undertaken in late 2017 which revealed significant costs to migrate to another supplier and no significant benefits in doing so. This finding was agreed at CLT in early 2018 and using Agilisys as our agent a 3+2 year contract for their application software was put in place from April 2018.

- 3.2 The legacy infrastructure, dating from 2009, on which this system runs is nearing the end of its usable life and is causing performance problems. The infrastructure is currently managed by Agilysis, although the contract for support and maintenance of the software is between LBTH and Servelec.
- 3.3 Adult and Children's Social Care have committed to moving from Frameworki to the latest version of the case management system provided by Servelec, called Mosaic.
- 3.4 The project team explored a range of options, including recommissioning Agilysis to provide the infrastructure, going to the open market, procuring through a Government Framework and extending the arrangement with Servelec to provide the infrastructure as well as the application.
- 3.5 In order to support both the existing Frameworki system and the project to move to Mosaic, as well as the move away from Agilysis and to align with LBTH IT's design principle for Supplier Hosted Software as a Service (SaaS) a hosted solution from Servelec is required.
- 3.6 Servelec would undertake two tasks simultaneously – moving the Frameworki application from the current infrastructure to a new hosting solution and to align with LBTH IT design principle for SQL databases converting the existing system databases from Oracle to SQL.
- 3.7 Servelec are also the only organisation who are able to carry out both elements of this work simultaneously and also provide ongoing support not only for the hosted solution, but for any issues relating to the database conversion work. Other organisations are able to provide one or both of the initial pieces of work, but would not be able to provide long term support for issues related to the application (Frameworki / Mosaic) should they arise as a result of the database conversion as the application is proprietary Servelec software.
- 3.8 The cost of £238,000 is for a two year contract. The cost of completing the work for the migration and database conversion is £58,900 and £89,618.13 per annum for hosted service support for 2 years. A two year hosting arrangement is the minimum offered by Servelec. As such, the financial value of the change of contract exceeds the threshold for delegated decisions. A Cabinet report is therefore necessary to authorise the extension of the existing contract with Servelec without open competition, due to the technical, economic and service benefits of progressing the migration from Frameworki to Mosaic without undue delay.

4 EQUALITIES IMPLICATIONS

- 4.1 There are no equality implications arising from the proposal as it is related to spending on IT hosting services.

5 OTHER STATUTORY IMPLICATIONS

5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

6.1 The CFO has been consulted on this report and can confirm that funding is available from the IT Reserve to cover the two year period as set out above in the sum of £238k.

6.2 However, a more sustainable funding solution is required going forward and this approval is, therefore, subject to such a solution being identified and reported back to committee.

6.3 Given the strategic importance of this particular IT system to the organisation, the proposed funding solution is pragmatic given the urgency and is supported on that basis.

7 COMMENTS OF LEGAL SERVICES

7.1 This report concerns a proposal to enter into a contract with Severlec for Case Management software (the Services) moving from the old Frameworki system to Severlec's new Mosaic infrastructure.

7.2 The Council has power to enter into a contract for a third party to deliver the Services which arises by virtue of section 111 of the Local Government Act 1972, providing the power enabling the Council to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. Under section 1 of the Localism Act 2011, the Council has the power 'to do anything that an individual may do' 'for the benefit of the authority, its area or persons resident or present in its area'. Therefore, the Council has the enabling power(s) to enter into a contract for the Services.

- 7.3 Directly awarding the contract requires a specific waiver of the Council's Procedures. The content of this report complies with the grounds for waiving them under Part 5 of the Procedures. Paragraph 50.1(a) of the Procedures states that a waiver is permissible where "the nature of the market for the works to be carried out or the supplies or services to be provided has been investigated and has demonstrated that only a single source of supply is available, or it is otherwise clearly in the Council's interest to do so".
- 7.4 Reasons are provided in the report as to why it is appropriate to deviate from the Council's Procedures, which may be summarised as follows:
- The Council has investigated the market and Severlec are the only organisation who are able to carry out both elements of the work simultaneously;
 - In any event procuring under alternative framework contracts will not meet the timescales stipulated for the implementation;
 - it would be disproportionate and unviable to conduct a competition in such short timescales; and
 - it is in the Council's best interests for the contract to proceed in a manner which best protects service users needs and the relevant data.
- 7.5 The reasons provided in this report also satisfy Regulation 32 of the Public Contracts Regulations 2015. This allows the Council to award the contract under the negotiated procedure without advertising the opportunity in the European Journal. However, the Council will still place an award notice following the completion of the agreement in line with the same regulations.
- 7.6 The Council has an obligation as a best value authority under section 3 of the Local Government Act 1999 to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." The Council would also need to be satisfied that entering into a contract would represent best value.
- 7.7 When considering its approach to contracting, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Officers are expected to continuously consider, at every stage, the way in which procurements conducted and contracts awarded satisfy the requirements of the public sector equality duty. This includes, where appropriate, completing an equality impact assessment which should be proportionate to the function in question and its potential impacts.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE.

Appendices

- NONE.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- List any background documents not already in the public domain including officer contact information.
- These must be sent to Democratic Services with the report
- NONE.

Officer contact details for documents:

N/A