Summary Sheet
Cabinet Meeting – 26th May 2016

Title: Implementation of a new Social Care IT System and Request for Exemption to Standing Orders for the Liquid Logic Project

Is this a Key Decision and has it been included on the Forward Plan? Yes

Strategic Director Approving Submission of the Report

Ian Thomas, Strategic Director of Children's Services (Programme Sponsor)

Report Author(s)

Neil Armstrong, Senior Programme Manager, Commissioning, Performance and Quality

Ward(s) Affected

All

Summary

1.   In its inspection findings in November 2014, Ofsted identified that Rotherham's social care case management system did not support good practice.   Ofsted found that workers were unable to locate key case documents, chronologies were rarely up to date, and most chronologies had significant gaps.

2.   "The local authority's ability to measure the performance of children's social care was limited by the capacity of the electronic recording systems, which primarily report on compliance measures such as timescales." Further to this, Louise Casey published her report; "Report of Inspection of Rotherham Metropolitan Borough Council" in February 2015. This report identified that "The IT systems supporting social workers are not fit for purpose."

3.   In April 2015, a contract for the implementation of a new social care IT system for Children's and Adults services was awarded to Liquidlogic, following a process of competitive tendering.   The contract between Rotherham Metropolitan Borough Council (RMBC) and Liquidlogic was signed on the 30th June 2015. A programme plan was developed which included a proposed implementation date of the 8th February 2016 for the Children's system, and the 12th April 2016 for the Adults system. Given the industry norms for this type of implementation it is recognised that this was incredibly ambitious.

4.   In September 2015, the Programme Sponsor commissioned a report from a consultant from ICT Revolutions. Following this, an internal audit of the new system implementation programme was commissioned by the Council's internal audit services, and received in January 2016.

5.   Both reports made a number of common recommendations, and identified programme critical issues, including issues relating to data migration, staff training and performance reporting.

6.   In response to these recommendations, this report recommends the extension of the proposed implementation date, and sets out the resource and budgetary implications of this extension, including the resourcing of additional leadership capacity essential to the successful implementation of the new system.

7.   Due to the recommendation to extend the timescales to the implementation date, this report is also to request an exemption under Standing Order 38 from the provisions of Standing Order 48 (requirement to invite between three to six tenders where a contract for work, service or supply of goods or materials is valued at £50,000 or more) with regard to the appointment of consultants to support data migration as part of the Liquidlogic Project.

Recommendations

The Cabinet is asked to:

1.   Agree a revised implementation date for the new Liquidlogic Children's social care case management and ContrOCC Children's finance systems of 31st October 2016.

2.   Agree to an increase of £351,610 to the already approved capital allocation for this project in 2016/17 and to this being added to the Capital Programme.

3.   Approve an exemption from the obligation to tender for the provision of three data migration consultants and that the existing contracts for these consultants be extended to provide services until implementation is completed.

4.   Approve Option 2, as set out in paragraph 4.4.2, in respect of the appointment of the three additional external consultants, noting that they have been commissioned via Dutton International, the Council's contracted recruitment agency. The appropriate business case has been completed and authorised.

5.   Note that a further report will be submitted to Cabinet with regard to the Liquidlogic Adults social care case management and ContrOCC Adults finance systems, upon completion of the review of the implementation timetable.

6.   Refer the report to Council for approval to increase the Capital Programme by £351,610.

List of Appendices Included

- None

Background Papers

- Ofsted Report - Inspection of services for children in need of help and protection, children looked after and care leavers and review of the effectiveness of the Local Safeguarding Children Board – November 19th 2014
- Cabinet Report - Improvements to ICT use within Social Care – 26th November 2014
- Commissioner Newsam's Decision Making Meeting Report - Improvements to ICT use within Social Care – Progress Update and Recruitment Approval – 2nd April 2015
- Social Care Systems Improvement Programme Review Report – 21st January 2016

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

Yes

Exempt from the Press and Public

No

Title: **Implementation of a new Social Care IT System and Request for Exemption to Standing Orders for the Liquid Logic Project**

1.   Recommendations

1.1   It is recommended that Cabinet

1.1.1   Agree a revised implementation date for the new Liquidlogic Children's social care case management and ContrOCC Children's finance systems of 31st October 2016;

1.1.2   Agree to an increase of £351,610 to the already approved capital allocation for this project in 2016/17 and to this being added to the Capital Programme;

1.1.3   Approve an exemption from the obligation to tender for the provision of three data migration consultants and that the existing contracts for these consultants be extended to provide services until implementation is completed;

1.1.4   Approve Option 2, as set out in paragraph 4.4.2, in respect of the appointment of the three additional external consultants, noting that they have been commissioned via Dutton International, the Council's contracted recruitment agency. The appropriate business case has been completed and authorised;

1.1.5   Note that a further report will be submitted to Cabinet with regard to the Liquidlogic Adults social care case management and ContrOCC Adults finance systems, upon completion of the review of the implementation timetable.

1.1.6   Refer the report to Council for approval to increase the Capital Programme by £351,610.

2.   Background

2.1   <u>Trigger for the Programme</u>. In its inspection findings in November 2014, Ofsted identified that Rotherham Metropolitan Borough Council's social care case management system did not support good practice. Ofsted found that workers were unable to locate key case documents, chronologies were rarely up to date and most chronologies had significant gaps. In addition, the report found that the local authority's ability to measure the performance of children's social care is limited by the capacity of the electronic recording systems which primarily report on compliance measures such as timescales. Further to this, Louise Casey published her report "Report of Inspection of Rotherham Metropolitan Borough Council" in February 2015. This report identified that the IT systems supporting social workers were not fit for purpose.

2.2   <u>Development of the Programme</u>. In April 2015, a contract for the implementation of a new social care IT system for Children's and Adult's services was awarded to Liquidlogic following a process of

competitive tendering. The contract between the council and Liquidlogic was signed on the 30th June 2015. A Programme Plan was developed with a proposed implementation date of the 8th February 2016 for the Children's system, and the 12th April 2016 for the Adults system. The implementation of the systems was overseen by a Programme Board, chaired by the Director of Children's Services as the Programme Sponsor.

2.3   ICT Revolutions Assurance Report.   In September 2015 the Programme Sponsor commissioned a report from a consultant from ICT Revolutions. This report identified issues with the implementation of the Programme in the areas of:

2.3.1 Data Migration – the report highlighted that not enough data of the right quality had been migrated to date, to enable the planned implementation dates to be achieved safely;

2.3.2 Programme Governance - the report recommended that the frequency of board meetings be increased, to reflect the status of the implementation;

2.3.3 Business ownership - he report recommended that senior operational managers and their key staff be formally connected to review the configuration and design of the system at regular intervals.

2.4   This report also identified some strengths within the implementation in the areas of:

2.4.1 Forming of the data migration team - the report indicated that high quality work had been completed to enable this work stream to form;

2.4.2 Project Team's enthusiasm - the report indicated that the project team has been able to effectively channel enthusiasm from the business regarding the implementation

2.5   The report concluded with a recommendation that the timescales for implementation be reviewed, with recommended revised timescales of April 2016 for Children's and July 2016 for Adults.

2.6   The recommendations of the ICT Revolutions report were considered at the Social Care Systems Implementation Programme Board on 18th September 2015. Revised implementation dates of 11th April 2016 for the Children's system and 19th July 2016 for the Adults were agreed at that board meeting.

2.7   Internal Audit of Programme Governance. Additionally, an audit of the new system implementation programme was commissioned by the Council's internal audit services in November 2015. This review was conducted over the period 15th December 2015 to 13th January 2016. It was undertaken by a programme leader with experience of

implementing the same system in another local authority. The report identified the following:

2.7.1 The scope of deliverables for implementation requires reviewing to ensure it is appropriate and manageable;

2.7.2 Governance arrangements for the implementation need to be reviewed, with reorganised workstream leads aligned to key deliverables. Workstream leads responsible for business change should be led by Business Change Managers at Head of Service Level;

2.7.3 Management and delivery of key interfaces needs to be reviewed, to ensure that these key interfaces are available on implementation. Particular concern was raised about the availability of the interfaces between Liquidlogic and the Electronic Social Care Record (ESCR) document management system and between the ContrOCC finance module and the corporate finance system, E5;

2.7.4 The arrangements to deliver a suite of statutory and local performance management reports from Liquidlogic need to be reviewed, including reviewing the technical platform used to provide this service;

2.7.5 Business rules/logic applied and assumptions made in order to extract data from the legacy systems for data migration purposes needed to be reviewed. This work should be conducted by senior members of staff, representing the business units;

2.7.6 A full review needed to be undertaken of the risks and issues log, to ensure that all risks and issues are accurately recorded and reported appropriately;

2.7.7 The plan for post live support needed to be reviewed, to ensure the level of support is adequate to meet the needs of the business.

2.8 The report identified the following strengths within the implementation:

2.8.1 There was universal support for the aims and objectives of the programme;

2.8.2 The programme was being supported by the highest level of the business;

2.8.3 The review report commended the programme team for their commitment to a successful implementation, and doing their best to deliver a safe solution in a very challenging timeframe.

2.9   Securing the Data Migration resources.   Early in the Liquidlogic implementation project, it was identified that RMBC did not have enough staff with the right skills and experience internally to conduct data migration across Children's and Adults data.   These are highly complex systems, with a very small number of people   nationally having experience of implementing them.   To that end, procurement of external data migration consultants was conducted in the following timescales:

- October 2015   Writing of tender specification
- 4th November 2015   Release of Invitation to Tender on Yortender
- 30th November 2015   Deadline for tender bids
- 3rd December 2015   Scoring of bid returns
- 4th December 2015   Mediation of bid returns

2.10   Following this process, contracts were awarded as follows:

- Children's Data Migration Specialist – awarded to Number 10 Interim;
- Adult's Data Migration Specialist – awarded to ICT Revolutions;
- Data Migration Lead – awarded to ICT Revolutions.

2.11   The consultants were engaged for the following periods:

- Children's Data Migration Specialist – 4 months from commencement of engagement;
- Adults Data Migration Specialist – 6 months from commencement of engagement
- Data Migration Specialist – 6 months from commencement of engagement.

2.12   The engagement periods were formulated to provide data migration services until implementation of the systems was achieved.   The planned implementation dates were:

- Children's Liquidlogic System – 11th April 2016;
- Adults Liquidlogic System – 19th July 2016.

3.   Key Issues

3.1   Both reports identified programme critical issues requiring immediate and significant intervention from the Programme leadership.   The key issues were:

3.1.1 The identified scope of deliverables for Phase 1 of the implementation were hugely ambitious, given the timescales;

3.1.2 The interface between ESCR and Liquidlogic was not available to test;

3.1.3 The final specification for the interfaces between the ContrOCC finance module and the corporate finance system had not been

agreed for the Adults implementation. The equivalent interface for Children's had not been tested adequately and its configuration requires reviewing;

3.1.4 The governance structure of the programme was overly-complex, which makes it difficult to manage the programme effectively;

3.1.5 Progress on the provision of performance management reports was slow, due to resource issues and competing demands on the resources that existed;

3.1.6 The corporate Business Objects reporting platform was out of date and required upgrading, in order to support Liquidlogic reporting functionality adequately;

3.1.7 Decisions on business rules, logic and assumptions were made by data migration specialists, as part of the work to migrate data out of the legacy system. These decisions needed to be reviewed by the business units, to ensure they were correct;

3.1.8 The process of risk and issues reporting to the Board was insufficient and required reviewing and improving;

3.1.9 Existing programme staff did not have any previous experience of implementing Liquidlogic.

3.2 The reports recommended that additional and urgent capacity from expert programme leaders with knowledge and experience of implementing the Liquid Logic system was required to prevent the failure of the programme.

3.3 The immediate appointment of expert programme leaders, in both system implementation and data migration, requires approval for an exemption to Standing Orders. The key issues are as follows:

3.3.1 The market for expertise in the system has already been sufficiently tested, by undertaking the original tendering process;

3.3.2 The current contract for the incumbent Children's Data Migration Specialist expires on 24th May 2016, with an option of extending to 21st June 2016. This leaves little time to conduct a tendering process;

3.3.3 The incumbent data migration specialists have worked on the implementation for a considerable length of time, gaining knowledge of Rotherham's data and how it is implemented in the legacy system. They have also formulated the working processes and practices used to migrate the data. Re-tendering presents a risk that their agencies do not successfully bid for a new tender. This would require new commissioning of new specialists. These new specialists would take time to familiarise

themselves with the process of migrating Rotherham's data, leading to a delay in implementation timescales;

3.3.4 If the ongoing provision of these data migration services has to be re-tendered, the agencies for the incumbent data migration specialists may decide not to bid for the new tender;

3.3.5 A tender exercise will pull key resources away from the system implementation, potentially leading to further delays to the timetable.

3.4 In response to the recommendations, revised governance arrangements were also established, to include a Programme Board, chaired by the Director of Children's Services as the Programme Sponsor which meets six weekly, and two Project Boards, in Children's and Adults services, which meet every two weeks and are chaired by Heads of Service from social care.

4. Options considered and recommended proposal

4.1 The receipt of two independent reports identifying high impact risks to the successful implementation of the systems required immediate remedial action. The Programme Sponsor sought immediate advice from other local authorities where the programme had been successfully implemented.

4.2 In response to this advice recommended experts were identified and deployed with immediate effect. The deployed consultants are:

4.2.1 Jonathan Goldie, Director of ICT Revolutions Ltd. Jonathan has 15 years social work experience and is a recognised expert in Liquidlogic and ContrOCC implementation, configuration, training and support. Jonathan has worked with a number of local authorities including Wirral, Cheshire East, Liverpool, Knowsley, Lancashire and Bolton. He has implemented Liquidlogic in several local authorities, and completed Health Checks for multiple existing Liquidlogic customers. ICT Revolutions have been providing data migration consultancy services to the programme since July 2015;

4.2.2 Helena Theron. Helena qualified as a social worker in 2000 in South Africa and worked as a social worker in the UK from 2002 to 2007. Since 2007 Helena has had experience at a number of local authorities, including London Boroughs of Lewisham, Barnet and Bexley, as well as Luton. Roles at these local authorities have included systems trainer, systems manager and implementations of Liquidlogic/ContrOCC;

4.2.3 Julie Savill-Fell. Julie has significant experience of working with a number of local authorities in various roles. These include Liquidlogic and Early Help consultant at London Borough of Bexley, LCS Project and Change Manager at Luton Borough

Council, ICT Programme Manager at Islington Council and consultant on an Early Intervention programme at Luton Borough Council. Julie has implemented Liquidlogic on 10 previous occasions.

4.3 The additional consultants have consulted with key programme staff, senior managers within the business units and Liquidlogic staff. The consultants have analysed the findings of the internal audit report and the ICT Revolutions report. A comprehensive base-lining exercise has taken place for the Children's implementation and is still underway for the Adults implementation. These base-lining exercises have identified exactly what work has been undertaken on the implementations and what remains to be done to ensure a successful implementation. The consultants have used this information to rewrite the Children's implementation project plan. The revised project plan for the Children's implementation of the Liquidlogic/ContrOCC systems has proposed a go-live date of 31st October 2016. This revised date allows for an implementation of Children's Liquidlogic that addresses the concerns and risks identified in previous reports.

4.4 The identified options are:

4.4.1 Option 1:

- Commission 3 additional consultants from Dutton International, as detailed at paragraph 4.2.1 – 4.2.3 (two for a period of 6 months and one for a period of 54 days);

- Reset the children's implementation of Liquidlogic/ContrOCC/EHM to 31st October 2016;

- Incorporate two additional data migration and configuration rounds into the plan for implementation.

- This option will allow enough time for the revised project plan to be realised and the systems to be implemented. However, it does not provide support from the additional consultants right through to implementation, they would leave the project in July 2016. This option would introduce the risk that the project would lose the skilled and experienced resources at a critical time in the implementation. As such, this option is not recommended.

4.4.2 Option 2:

- Commission 3 additional consultants from Dutton International, as detailed at paragraph 4.2.1 – 4.2.3 (two until 30th November 2016 and one for a period of 54 days);

- Reset the children's implementation of Liquidlogic/ ContrOCC/EHM to 31st October 2016.

- Incorporate two additional data migration and configuration rounds into the plan for implementation. This option will allow enough time for the revised project plan to be realised and the systems to be implemented. It also secures the services of the experienced consultancy resource right up to implementation and the critical period immediately post-implementation. This is the recommended option.

4.5 Options considered and recommended proposal for the exemption to standing orders to extend the existing contracts for the three data migration specialists specified at paragraph 2.4 are:

4.5.1 Option 1: Commencing a tendering process forthwith. As discussed in the Key Issues section of this report, this option could have a severe impact on the projects, disrupting the data migration process, delaying the timescales to implementation and creating additional and substantial financial pressures. This option is not recommended.

4.5.2 Option 2: Seeking exemptions to standing orders approval and extending the existing contracts to cover commissioning of consultant services until implementation of the new systems. This will help to ensure consistency of data migration methodology, providing accurate and sufficient data into the new systems. This is the recommended option.

5. Consultation

5.1 Consultation on the recommendations within this report was undertaken with:

5.1.1 Helen Chambers. Senior Procurement Category Manager, Finance and Corporate Services

5.1.2 Jonathan Baggaley. Regeneration and Environment Services and Capital Finance Manager. Finance and Corporate Services

5.1.3 Ian Gledhill. Principal Officer, Legal and Democratic Services

6. Timetable and Accountability for Implementing this Decision

6.1 The contract for the Children's data migration specialist expires on the 24th May 2016, with an option of extending to 21st June 2016. The contract for the Adults data migration specialist and the data migration lead will expire on 31st July 2016.

7. Financial and Procurement Implications

7.1 Costs

7.1.1 Costs for Option 1:

- Commission 3 additional consultants (two for a period of 6 months and one for a period of 54 days);
- Reset the children's implementation of Liquidlogic/ ContrOCC/EHM to 31st October 2016;
- Incorporate two additional data migration and configuration rounds into the plan for implementation.

Item	Cost
Additional Consultants costs	£155,916
Additional staff/data migration consultants costs	£140,539
Additional Liquidlogic costs	£72,000
Additional Costs Total	**£368,455**
Programme Contingency Fund Balance	
2015/16	£25,800
2016/17	£62,400
Sub-Total	£88,200
Costs after subtraction of Contingency Funds balance	**£280,255**

7.1.2 Costs for Option 2, which is the recommended option:

- Commission 3 additional consultants (2 until 30th November 2016 and one for a period of 54 days).
- Reset the children's implementation of Liquidlogic/ ContrOCC/EHM to 31st October 2016.
- Incorporate two additional data migration and configuration rounds into the plan for implementation.

Item	Cost
Additional Consultants costs	£227,271
Additional staff/data migration consultants costs	£140,539
Additional Liquidlogic costs	£72,000
Additional Costs Total	**£439,810**
Programme Contingency Fund Balance	
2015/16	£25,800
2016/17	£62,400
Sub-Total	£88,200

Costs after subtraction of Contingency Funds balance	£351,610

7.2 <u>Impact on the Council's Capital Budget</u>. The current approved Capital Budget for this project in 2016/17 is £379,000. Taking into account the carry forward from 2015/16 of £389,118 the total approved Capital Budget in 2016/17 is currently £768,118. 7.1.2. (above) has identified an additional capital funding requirement in 2016/17 of £351,610 in order to achieve the implementation of the Children's system. In addition, there is a provisional additional requirement of £165,892 in respect of the implementation of the Adult's system. This will be the subject of a further report when the full review of the Adults implementation has been completed. The table below summarises the implications for the Capital Programme of the revised implementation dates.

Capital Budget 2016/17	£
Current Approved 2016/17 Budget	379,000
Carry Forward from 2015/16	389,118
Children's Implementation – Additional Budget Requirement	351,610
Revised 2016/17 Budget – excluding Adult's	£1,119,728
Adults Implementation – Indicative Additional Budget Requirement (subject to further Cabinet report)	£165,892
Revised 2016/17 Indicative Budget – including Adults (subject to further Cabinet report)	£1,285,620

7.3 Following approval of this report, the additional £351,610 capital investment will be built into the 2016/17 Capital Programme in respect of the Children's system implementation. In addition, an additional £165,892 provisional allocation will be earmarked for the Adults system implementation, pending a further report. Finance colleagues will consider the most appropriate funding method for this expenditure, which given the short life nature of the assets being purchased, is likely to be the use of capital receipts/unapplied capital grants. Any revenue implications arising from the funding of this capital expenditure will be built into the Council's medium term financial planning assumptions.

7.4 In accordance with Financial Regulations, "any 'in-year' revisions to the Capital Programme should be considered by the Cabinet and approved by the Council throughout the year." As such, should this report be approved by Cabinet, it will need to be referred to Council for final approval to increase the Capital Programme. The additional resources

will be managed within the overall Capital Programme and any resulting pressure will be addressed when the programme is formally reviewed over the coming year.

8.   Legal Implications

8.1   Legal services have approved the recommendations within this report from a legal perspective.

9.   Human Resources Implications

9.1   The additional external consultants have been commissioned via a recruitment agency that Rotherham MBC already utilises for consultants/agency staff.   The appropriate business case has been completed and authorised.

10.   Implications for Children and Young People and Vulnerable Adults

10.1   Implementation of Liquidlogic as a replacement social care case management system is a key factor in the delivery of the Children and Young People's Services Improvement Programme. This solution facilitates improved and more flexible recording of information relating to children, young people and vulnerable adults. Management oversight and authorisation is enhanced.

11   Equalities and Human Rights Implications

11.1   Nil

12.   Implications for Partners and Other Directorates

12.1   Nil

13.   Risks and Mitigation

13.1   The incumbent specialists have worked on the implementations for a considerable length of time, gaining knowledge of Rotherham's data and how it is implemented in the legacy system. They have also formulated the working processes and practices used to migrate the data.   Re-tendering presents a risk that their agencies do not successfully bid for a new tender.   This would require new commissioning of new specialists. These new specialists would take time to familiarise themselves with the process of migrating Rotherham's data, leading to a delay in implementation timescales.

13.2   The agencies for the incumbent data migration specialists may decide not to bid for a new tender.

13.3   This process of exemption increases the risk of challenge from other providers of this type of service. However, the original tender for the contract sufficiently tested the market to mitigate this risk.

13.4 All attempts will be made to mitigate the additional Capital budget requirement arising from the project implementation delays, through careful management of the consultancy and internal staffing resource.

14. Accountable Officer(s)

Approvals Obtained from:-

Strategic Director of Finance and Corporate Services:- Jon Baggaley, Finance Manager, Regeneration and Environment Services and Capital – 12th April 2016

Director of Legal Services:- Ian Gledhill, Principal Officer, Legal and Democratic Services

Head of Procurement: Helen Chambers, Senior Procurement Category Manager, Finance and Corporate Services

Neil Armstrong – Senior Programme Manager

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