

Report of The Director of Adult Social Services

Report to Corporate Governance and Audit Committee

Date: 28th September 2012

Subject: Shared Service Partnership with Calderdale Metropolitan Borough Council to meet Adult Social Care Technology Requirements

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| Are specific electoral Wards affected? If relevant, name(s) of Ward(s): | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Are there implications for equality and diversity and cohesion and integration? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Is the decision eligible for Call-In? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

Summary of main issues

1. The council's executive board gave approval on 18th July 2012 to enter into a partnership agreement with Calderdale Metropolitan Borough Council for the purchase of an initial 20% share of their Adult Social Care Client Information System (CIS) to replace the existing ESCR and ESCR financial systems.
2. It also authorised the necessary capital spend to undertake the following:-
 - purchase a share in the system and implementation support from Calderdale Metropolitan Borough Council;
 - implement the Case management, integrated financial and contract management modules of Calderdale's CIS in partnership with Calderdale Metropolitan Borough Council to meets Leeds requirements;
 - implement and integrate Leeds City Council's corporate Electronic Document and Records Management System (EDRMS) in parallel with the Case Management System;
 - build and develop a reporting and Business Intelligence (BI) solution utilising existing corporate reporting and Business Intelligence technology.
3. Responding to specific concerns raised by Executive Board as to whether the Adult Social Care Client Information System used by Calderdale Council would be fit for Leeds' purpose, it was requested that related matters were referred to the Corporate Governance and Audit Committee, so that the acquisition of the system could be monitored

Recommendations

4. That the Corporate Governance and Audit Committee review this report and note the assurances provided regarding:

- The diligence conducted to ensure the system will be fully fit for purpose
- The mechanisms and governance being put in place to effectively support the acquisition and implementation of the solution

1 Purpose of this report

1.1 This report provides members of the Corporate Governance and Audit Committee with details of the Partnership Arrangements with Calderdale Metropolitan Borough Council.

1.2 The purpose of the report is to provide members of the committee with the assurance that the Calderdale Client Information System will be fit for Leeds' purpose and that the acquisition of the system adheres to the procurement rules and regulations.

2 Background information

2.1 The existing ESCR and ESCR Financial system was deemed to be unfit for purpose by an independent review. In addition the system, implemented in 2004, is considered at its "end of life" and will no longer be supported by the supplier from May 2013.

2.2 In January 2011 the decision was taken to progress with the procurement of a replacement children's social care system. The decision was also taken for Adult Social Care to defer any procurement until requirements to meet the emerging Health and Social Care agenda could be more clearly articulated.

2.3 With the necessity to migrate to a new system still increasing, a number of options for the replacement of the existing ESCR and ESCR financials systems have been investigated in light of the changing Health and Social Care landscape. Options have therefore been investigated in relation to:

- Upgrading the existing system
- The use of health systems
- The procurement of a third party system (similar to or the same as Children's Social Work Service.)
- Potential 'shared service' arrangement with another local authority where we adopt their case management recording system

2.4 To ensure that a rounded view of all the options has been undertaken the following key criteria have been used:

- Tactical Fit (meets the need to move to a new solution in a timely manner)
- Strategic Fit (potential to support integrated ways of working with partners)
- Business Fit (fit with ASC processes and delivery of its services)
- Technical Fit (fit with internal technology infrastructure)
- Risk Factors (associated risks)
- Implementation Considerations (costs and timescales)

2.5 An upgrade to the existing ESCR and ESCR Financials systems was considered. However, this would be an expensive, time consuming and resource intensive process and whilst providing a stable, supported platform would not deliver the required improved functionality to meet Adult Social Care's needs.

2.6 A long term vision exists for integrated health and social care teams to utilise joint or integrated systems, but currently health systems do not have sufficiently mature capability to support social care processes. Health also use a number of different systems across health establishments including GP surgeries. Work is still ongoing with Health and their suppliers to develop future strategies for improved use and integration of health and social care systems.

2.7 Consideration has been given to transferring to a 3rd party system but whilst these systems could meet social care requirements, the market is very under developed in terms of these systems hosting both health and social care data/processes. A 3rd party option would also require a lengthy procurement process which would not meet the business need for a 'tactical' solution or provide the flexibility ASC needs to respond to a rapidly changing environment and new ways of working. In addition to this constraint it could potentially lock the council into an expensive, long term contract that, when providing joint services with health, may not be entirely required.

2.8 A shared service, with Calderdale Metropolitan Borough Council, is the preferred option to provide Adult Social Care with a 'tactical solution' as it meets both short and medium term requirements in a cost effective manner. Removing the need for a lengthy procurement process will enable Adult Social Care to migrate to a new solution in a more timely manner. This option also provides a high degree of flexibility with opportunities for its potential longer term use with partners or, if the direction changes, reduced use as the council would not be locked into a 3rd party contract.

3 Main issues

3.1 Partnership Arrangements

3.1.1 Leeds City Council will enter into a formal partnership arrangement with Calderdale Council for the delivery and support of the Adult Social Care client system. The agreement will not be as prescriptive or of the same nature contractually as similar commercial agreements with the private sector. There will be a binding legal agreement which will afford both parties mutual benefit and adequate protection for the period with flexible exit options and opportunities to extend arrangements if agreed by both parties.

3.1.2 The partnership and commercial arrangements and their future development will be governed through a Joint Partnership Board, comprised of; Chief Officer, Resources and Strategy (LCC), Head of ICT Strategy, Architecture and Commissioning (LCC), Head of Business Change and Performance Management (CMBC), ICT Strategy and Projects Manager (CMBC), Head of ASC IM&T (LCC). The remit of this board is to manage and monitor the contract and associated SLAs, financial elements, and commercial development and management and partnership risks.

3.1.3 The partnership has many benefits and is based on a public sector shared reward, risk and effort model – a true 'shared service' arrangement. For a fee agreed at the outset, Leeds City Council will own a stake in the system and this will 'buy' the

right to have an equal say in the development of the system going forward. Calderdale will undertake these developments using predominantly their own staff and the cost for major work would typically be shared. However, routine developments undertaken for legislative or enhancement reasons would not be directly chargeable and would be contained within the annual support and maintenance fee payable by Leeds to Calderdale.

- 3.1.4 The identification, agreement and prioritisation of the development roadmap for the system will be governed by a Joint Strategic Delivery Group comprised of operational Heads of Service from Leeds and Calderdale, Head of ASC IM&T (LCC), ICT Strategy and Projects Manager (CMBC).
- 3.1.5 Calderdale have always been committed to an internal systems development strategy and they are less dependent on third party packages for their line of business systems. Leeds historically, mainly because of its size, has been more dependent on packaged solutions. This strategy has served Calderdale well and they have developed a reputation for agile development on a technical platform that they understand very well and therefore their ability to meet changes in legislation and generally keep pace with business driven requirements is well proven. This history and strategy gives Leeds City Council the confidence required to 'buy into' a system and approach that is highly likely to meet continual legislative and business demands for change in a service area which is still emerging and developing nationally.
- 3.1.6 The actual software and supplier service costs i.e. Calderdale services, are comparable to that of a commercial 3rd party supplier. However the added value of the partnership is that the initial software cost is purchasing a 20% stake in the software as an asset. The cost of services covers developments to improve the system and services to assist in its implementation. On completion of the implementation Leeds City Council will receive an additional 14% stake in the system.
- 3.1.7 As part of the terms and conditions, Leeds' initial stake in the asset would be refundable if the system is not successfully delivered to agreed time, quality and cost.
- 3.1.8 Whatever the stake LCC has in the asset is applicable for the life of the current version of the product i.e. even if LCC did cease to use part or all of the product they would still retain a stake in that version.
- 3.1.9 The agreed cost of the initial stake in the CIS system is based on a share of the estimated value of the asset. There are a number of components to this payment. Part of the payment is for the intellectual property itself and the right to operate the software. The system has been developed over a number of years and constitutes 1000's of hours of development and developer effort. Another part of the payment relates to the right to have a 50/50 say in the future direction and development of the product. This is a significant concession and a key element of the partnership. With a commercial provider of similar software there would be very little say in the direction and development of the product. The final part of the payment relates to the exclusive right to a proportional share in any profits from future sales of the system. Calderdale have successfully sold the system to LCC and another Local Authority and they anticipate making further sales. They are presently engaged in

commercial discussions with potential partners to market, promote and sell the CIS to other LA's.

- 3.1.10 The 'partnership' approach outlined above is valid within the council's procurement rules with the significant benefit of retaining investment in the public sector and enhanced speed of acquiring the system i.e. without the need for a protracted tendering exercise. Due diligence around the functional and technical aspects of the system have been and continue to be undertaken to ensure the system is a good fit for Leeds in the short and medium term. The future vision of Adult Social Care and the Health Reform agenda are an opportunity for Leeds City Council and Calderdale to work together on developing the system longer term. Alternatively the flexibility of the arrangement provides Leeds City Council (and Calderdale) the option of choosing a different route if appropriate without the 'lock in' to a contract normally associated with public, private contracts.
- 3.1.11 There is significant 'buy in' to making the proposed model a success from both parties and both Chief Executives and respective senior management teams are very supportive of this approach. Furthermore, Calderdale have recently entered the market for a private sector partner to help market and sell this and other Calderdale developed systems. There is initial market interest and therefore the opportunity for income to Calderdale and Leeds (for its share of up to 49%).
- 3.1.12 As stated there will be a formal partnership agreement drawn up that will provide fairness and equality in the partnership as well as protection to both parties if circumstances change within either authority. Key principles agreed in this regard are:
- The partnership will be underpinned by a formal legal agreement that will provide both parties the necessary benefits, flexibility and protection.
 - A true shared service approach demonstrated in West Yorkshire based on shared reward, risk and effort.
 - Funding stays within the two parties and is not for profit and will drive shared product development and support.
 - Leeds City Council will have an equal say in the development of the solution going forwards in return for an initial purchased stake in the asset (system).
 - Not locked into a long term contract. Minimum period 3 years with options to extend and with a 3 month exit arrangement beyond 3 years.
 - Potential for income based on up to 49% share of the system if the system is sold to other parties. This arrangement is exclusive to Leeds City Council.
 - There will be a Partnership Board whose purpose will be to develop and monitor the governance and delivery of the agreement both for the implementation and for ongoing arrangements. The board will have operational, ICT and legal representation from both parties
 - There will be an strategic development group formed of operational managers from Leeds and Calderdale whose purpose will be to agree future roadmaps and priorities for system development for both parties.

This “user group” would potentially grow as other authorities utilised the system in the future.

3.2 Implementation Governance

- 3.2.1 A programme delivery board is being established which will be chaired by the appropriate Chief Officer within Adult Social Care. The remit of this board is to govern and manage the implementation, implementation resources, change plans, dependencies, implementation risks and issues, project budget and benefits realisation.
- 3.2.2 The board will report directly to the Adults Directorate Leadership Team who will have overall responsibility as the sponsoring group for governing the partnership agreement and the successful implementation.
- 3.2.3 The delivery board for this phase of the implementation will comprise of senior operational managers, senior supplier representation from ICT and Calderdale, and senior financial managers.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Consultation and engagement with operational staff is one of the key lessons learnt from the previous implementation of the ESCR system, therefore operational staff as ‘end users’ are at the forefront of these emerging developments. Business Process Re engineering (BPR) resources have also enabled us to capture all our Adult Social Care processes across the assessment and care management pathway and these have formed the basis of the statement of requirements for the replacement system which has been used to assess the business fit of the system for use in Leeds.
- 4.1.2 In defining and evaluating the Calderdale proposal there has been cross working with officers across Adults and Children’s service teams. Management of issues and risks in migrating Children’s and Adults from the same system to different solutions are being coordinated and managed across the two programmes of work.
- 4.1.3 Consideration has also been given to the future development of the Calderdale system and how this fits with LCC’s technology roadmap for Adult Social Care. This roadmap of technology has been developed in consultation with the Leeds Informatics Board which is part of the Leeds Health and Social Care Transformation Programme. This board is taking the lead to develop the joint strategies to deliver joined up health and social care information through the Leeds Care Record. A key benefit of the partnership will be joint working between LCC, Calderdale and local health services to develop these strategies to join client and patient information more effectively.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 In line with the requirement to ensure we give due regard to equality issues in relation to the replacement system proposal, an equality screening tool has been

completed. This document sets out the areas that will be 'impacted' by this proposal and the actions which need to be taken to mitigate these impacts.

- 4.2.2 The technology components will improve customer experiences and progress services whilst enabling us to measure quality. The technology is the foundation to ensuring that care can be delivered in the most appropriate manner across all client groups maximising the achievement of individually identified outcomes.
- 4.2.3 Adult Social Care provides a route to services that are accessible to all citizens of Leeds with social care needs. There is also a particular emphasis on engagement with service users and their carers to ensure that choice, flexibility and control are delivered through personalised services. This proposal will enhance these processes and facilitate a more person-centred approach.
- 4.2.4 The replacement of the current case management system mainly impacts internally on social work staff and other administrative functions aligned to the assessment and case management processes. The integration of contract monitoring and financial processes should also ensure that the new system supports our safeguarding responsibilities and reduces risk of harm or exploitation of our most vulnerable service users.
- 4.2.5 Future developments such as the introduction of e-Market Place and the Council's new web site will however have a direct impact on service users. To mitigate this impact we are working to remove the barriers and obstacles that people often experience by providing a universal offer of information, guidance and support for all residents of Leeds. Arrangements have been put in place to ensure these developments include service user consultation.
- 4.2.6 We are working with our Customer Service colleagues and other operational staff teams to develop a more efficient customer relationship. This will improve the customer experience by "getting it right first time". This will reduce unnecessary referrals and assessments and allow time and resources to be redirected to those who need it most. It will also provide more opportunities for service users to contact us in a variety of ways and share information with us in a more flexible manner.
- 4.2.7 The replacement system and associated developments for customer access to services will therefore impact on a wide spectrum of stakeholders, with implications for finance processes, staffing and resource allocation, job specifications, staff training and business support requirements and ongoing stakeholder engagement and communication strategies.
- 4.2.8 With every proposed change to the current processes and practice, there have been consultation sessions with workers across all levels of the operational teams. This analysis and feedback has been incorporated into the replacement systems project core business plan and any products emerging from the identified requirements have formed the basis of the future replacement system model.
- 4.2.9 As we monitor the progress of these developments we will be able to ensure the actions identified in the EIA screening tool are reviewed and actioned accordingly.

4.3 Council Policies and City Priorities

- 4.3.1 The Vision for Leeds 2011-2030 states the ambition for Leeds to become the best city for health and wellbeing by 2030. This programme will support this ambition by ensuring Adult Social Care has effective and efficient information systems and can efficiently and effectively share information with partners to holistically improve customer outcomes. This will reduce duplication in assessment processes and ensure that the right level of customer information is available to those professionals who need it. The customer experience will be improved and practitioners will be better placed to support service users to achieve the outcomes that are important to them, while making limited resources go further.
- 4.3.2 Corporately Leeds City Council has identified a list of the 'Top 25 Priorities' to be delivered within the year 2012. The Adult Social Care Directorate has proposed three of these priorities based on our 'better lives' theme:
- Better lives through enterprise
 - Better lives through integration
 - Better lives through housing care and support.
- 4.3.3 These priorities aim to reduce inequalities in the health of the citizens of Leeds, address the challenges that are presented by more people living longer and ensure people receive high quality services.
- 4.3.4 Underpinning the priorities is the principle of personalisation; seeing every service user as an individual and supporting them to achieve their personal priority outcomes. Leeds Adult Social Care aims to enable people to exercise greater choice and control over the support they receive. The increased variety of services accessible through individual budgets will require Adult Social Care to be responsive to demands for different types of care and support. The realisation of these priorities and the delivery of quality services is dependant upon the support of high quality and appropriate information systems. This programme will support the capturing of information about how self-funders and direct payment recipients are choosing to meet their needs. This information will provide us with a more accurate picture of the overall care market and enable us to respond to this information and deliver the services that people want, in the way that they want them.
- 4.3.5 If better lives are to be achieved through integration, technology must support new models of service delivery and provide robust information transfer between social care and other partners. This programme will ensure we are in the best possible position to support integrated teams in the future. Improved information sharing will enable professionals to coordinate support and allow service users to access the most appropriate services in their local area, improving access and reducing delays and duplication.
- 4.3.6 This programme will contribute towards the Council's resource priorities to:
- Create the environment for effective partnership working
 - Improve the Information Communication Technology (ICT) infrastructure to support the delivery of priorities
 - Maintain effective arrangements to buy goods and services that give value for money.

- Maintain effective audit and risk management arrangements
- Staff are fully involved in delivering change and feel able to make an impact on how services are delivered

4.3.7 Improved information management systems will create efficiencies and so release resources to meet the challenges of bringing about large scale business change and reorganisation across health and social care. Improved electronic care records alongside the use of electronic forms will significantly reduce the volume of paper forms and records that need to be retained.

4.4 Resources and value for money

4.4.1 Several options have been assessed in relation to their business fit and value for money. The partnership option is considered the most appropriate option because of the cost as well as the other benefits outlined in 3.7.

4.4.2 The costs Executive Board were asked to approve were capital funding for the purchase and implementation of the Calderdale CIS system, EDRMS and enhanced reporting and business intelligence capability. It is the intention to fund this investment from capital grant funding provided by Department of Health accumulated over 2011/12, 2012/13. The council therefore does not require any further borrowing to fund this investment.

4.5 Legal Implications, Access to Information and Call In

4.5.1 A 'shared service' model is an innovative approach which requires careful diligence and specific arrangements put in place to be successful. This project has the relevant procurement and legal resources working on defining and documenting the partnership and commercial principles and arrangements. This will ensure that Leeds City Council has the relevant assurances and protection in place.

4.5.2 The partnership arrangements described in section 3.2 have been developed in consultation with the Council's Head of Property, Finance and Technology and the Council's Procurement Governance and Regulations Manager.

4.5.3 The confidential information relates to financial information about the partnership arrangements between Calderdale and Leeds. The information includes details of the 20% stake which effectively puts a value on their system, and their proposal for a value for the support and maintenance for Leeds. The main point in considering this information as confidential was not to prejudice Calderdale's position, in relation to their plans for commercialisation of this and other products. This may have a potential knock on effect on the value of Leeds' stake on entering the partnership if this information was in the public domain.

4.5.4 The scheme was approved by the Executive Board 18th July 2012 and called in to Scrutiny Board (Health and Well-being and Adult Social Care). The outcome of the call in was the recommendation for the decision to be released for implementation.

4.6 Risk Management

- 4.6.1 A risk management strategy has been formulated to manage both the unique risks associated with the partnership and risks associated with a system implementation of this nature. Business, operational and technical risks will be managed through a dedicated delivery board. Any risks that have potential impact on delivery of frontline services will be escalated and monitored by Adult Social Care Senior Leadership Team.
- 4.6.2 A number of risks are partnership risks, some of which are jointly owned, which will be managed as part of the terms and conditions of the partnership agreement. These risks will be monitored and managed through a joint Delivery Board and escalation through the Partnership Board.
- 4.6.3 The key risks associated with the partnership and implementation can be categorised under the following headings. As stated these risks are being managed through the governance framework that is being put in place.

1. Calderdale system is not fit for business purpose

- A key part of the options appraisal has been an assessment of the business and technical fit of the proposed solutions. This assessment is based on criteria to meet short term requirements i.e. like for like replacement of existing system; medium term requirements i.e. additional needed capability to improve services and integrate with partners; long term requirements i.e. provide the platform to meet future health and social care models.
- Business engagement has been at the heart of the evaluation process and the evaluation for the shared service model has been undertaken alongside operational staff from Adult Social Care. Approximately 50 Adult Social Care operational staff have thus far been involved in the initial evaluation of business fit and have provided positive feedback in relation to this aspect of the evaluation. The project also benefits from having full time dedicated staff from the operational teams involved in all areas of the developments, together with representatives from all service areas assessing the business fit of the system.
- The evaluation exercise identified a number of gaps in functionality between LCC's existing system and Calderdale's CIS system. Calderdale have committed to developing the system to meet LCC requirements once the critical areas have been agreed. It is envisaged that there will be minimal developments required for day 1. Differences have also been identified in the way LCC and Calderdale work and there are opportunities to take advantage of the new system's capability and adopt improved ways of working in both Leeds and Calderdale
- Informed by lessons learnt from previous implementations and discussions with other authorities, the implementation stage will involve many front line practitioners and specialists. This dedicated and virtual team will be fully involved in the evaluation, design, build, testing and roll out of the system as well as ongoing partnership working with Calderdale to ensure the solution fully meets requirements to support effective and efficient ways of working in Leeds now and in the future.

2. Capacity of system to support authority the size of Leeds

- An assessment has been made of the technology utilised by Calderdale to ascertain whether it can operate on LCC's infrastructure and whether it will support the number of users in Leeds. The CIS system is Oracle based and therefore should not present any technical issues in its use in Leeds. Full performance testing will, however, be carried out at specific stages to ensure it is fully fit for purpose before it is deployed into a live environment. Provision has been made to employ specialist services to carry out independent testing if required.

3. Capacity of Calderdale to support implementation of this scale

- Calderdale are recruiting additional technical capability to support the implementation, cater for ongoing research and development of the system and provide ongoing levels of support for all users. The implementation service costs that were built into the business case will fund some of the additional implementation capacity. Additional mitigation of this risk has been made in the provision of funding for additional specialist resources if required. The annual support and maintenance charges paid to Calderdale will fund contribute to the ongoing support and development of the system.

4. Capacity within LCC to support implementation and delivery of change

- To ensure a successful implementation provision has been made in the business case to make certain the programme can be resourced with the right level of appropriately skilled business, technical and specialist staff. Provision has also been made to fill any gaps in capacity, skills or knowledge with external expertise if required.
- The programme has been broken down into manageable stages with clear scope and priorities. The implementation will be governed and managed in line with corporate and industry recognised programme and project management methodologies.

5. Capacity of service to manage scale and complexity of change in parallel with other operational pressures and changes

- As stated previously one factor in a successful implementation of this nature is the full ownership and involvement of the business throughout. To minimise any impact on frontline services for key staff to be involved, provision has been made to fund dedicated roles that will provide the business expertise and knowledge.
- A role has also been created for a Head of Business Change. A key responsibility for this role is to identify, manage and coordinate operational dependencies and their impact both on the project and day to day front line service.

- Governance of the implementation, including responsibility for monitoring and managing the risks, will be via a dedicated delivery board chaired by a Chief Officer within Adult Social Care. Clear priorities are being agreed and communicated to operational managers.

5 Conclusions

- 5.1 The approach and work that has been carried out in initiating and drawing up the Partnership arrangements and the intensive evaluation of the system itself provides the council with the assurance that the solution will be fit for purpose to fully support Adult Social Care services.
- 5.2 The approach to implementation and involvement of front line practitioners in the evaluation, design, build and testing of the system as well as ongoing partnership working with Calderdale provides assurance that the solution will continue to be fit for purpose in the short, medium and long term.
- 5.3 The robust risk management approach to manage risks to the council, the service, benefit realisation and implementation of the project is a critical factor in the success of this programme and will continue to be managed in this way throughout.

6 Recommendations

- 6.1 That the Corporate Governance and Audit Committee review this report and note the assurances provided regarding
- The diligence conducted to ensure the system will be fully fit for purpose
 - The mechanisms and governance being put in place to effectively support the acquisition and implementation of the solution

7 Background documents¹

None used

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.