

Date of meeting	1 March 2021
By	Rob Osborne, Programme Manager, CRS
Title	LIQUID LOGIC SYSTEMS IMPLEMENTATION PARTNER CONTRACT VARIATION
Project Sponsor	CAROLINE BAXTER Head of Business & Service Compliance
Executive Director	Guy Van Dichele, Executive Director Annette McPartland, Director of Operations
Lead Member	Cabinet Member for Families, Health and Social Care Cllr Janet Campbell
Key Decision	NO

**1. Recommendations**

**FOR Cabinet Member**

In accordance with Regulation 30 of the Council’s Tenders and Contracts, the Cabinet Member for Families, Health & Social Care in consultation with the Cabinet Member for Resources & Financial Governance is recommended to approve an extension by way of contract variation of the Liquid Logic systems implementation partner contract provided by Albany Beck Consultancy Services Limited, for an additional term of up to one year for a maximum additional cost of £85,000 resulting in a maximum aggregate value of £1,546,910.

**2. Background & strategic context**

The LiquidLogic Adult Social Care System and ContrOCC the linked finance system went live in September, as scheduled.

Albany Beck have provided implementation consultancy services for the implementation of the new Adult Social Care system (LAS) and its linked financial management system (ContrOCC). They were also developing a number of key reporting dashboards in Power BI, working with the Corporate performance Team. Albany Bec use Better Gov to provide the expertise in the Liquid Logic solution who have a track record in local government and experience delivering these projects.

**Covid-19 impact**

Due to the impact of COVID and the changes this has introduced into some areas of Adult Social Care, particularly the introduction of scheme 2 for funding on COVID related services and some staff not undertaking agreed actions during cut over from AIS/SWIFT to LAS and ContrOCC, there was a very high demand on the Better Gov resources provided by Albany Beck which diverted activities away from these deliverables. This means that there is still configuration work to do to complete in the configuration of ContrOCC and means that we are not managing all social care spend through the new system. This has had a major impact on the ability of the Placements team to use LAS/C effectively to get payments to providers and manage the financial aspect of the service.

We are also not able to produce the level of management information from the system we would like to until such times as the Power BI dashboards have been completed.

The CDS team that are supporting the system are fully committed providing support to users since go-live. However CDS have limited resources with the capacity or knowledge/experience to complete the configuration work. When the application support team returned in house fewer staff TUPED back to Croydon than had be transferred out. Attempts to recruit suitable resources have not been successful, partly due to the impact of the pandemic last year but also more recently recruitment controls in place to manage the council financial position.

### Key Deliverables to be completed under the variation

Power BI Dashboards – these need to be completed to allow managers at all levels of the organisation are able to access the management information they need to ensure their areas of the organisation are operating as expected.

ContrOCC Configuration – A number of elements of the configuration of ContOCC remain outstanding and the best way for these to be completed is to use the consultants that have been working on this.

### 3. Financial implications

#### Section 114

Following the Council issuing Local Government Act Section 114, under the following essential spend criteria:

prevents the Council's financial situation from worsening because the expenditure will enable the Council to deliver the council's provision of statutory services at a minimum possible level

Rationale:

To ensure care providers are paid accurately and on-time

The risks are:-

- Not paying providers. Some suppliers are threatening to stop provision. Emails received from several supporting living providers and home care providers
- Unable to carry out financial assessments as clients not on system to start work.
- Scheme 1 and Scheme 2 NHS claims not accurate and will be subject to challenge. This is circa £1.4m per month Income lost as clients who would contribute not being charged for

The cost of the variation has been estimated at an additional £85,000. Signed off by Jacqueline Harris-Baker Executive Director of Resources, Guy Van Dichele, Executive Director Health Wellbeing and Adults and Lisa Taylor, Director of Finance, Investment and Risk on 09/12/2020.

This is broken down as :

- £30,000 - ContrOCC consultancy Services to complete implementation work
- £30,000 - Completion of Power BI dashboards
- £25,000 - Contingency

Funmi Ogunnaike Principal Accountant

These funds are available within the People's System Programme Capital Budget (CFA227). Confirmed by Funmi Ogunnaike Principal Accountant

Details	Internal Capital	Revenue	Period of funding	External		Period of funding
				Capital	Revenue	
Cost of original contract to date	£1,461,910		To Dec 2020			
Cost of variation	£85,000		2020/21			
Aggregated value	£1,546,910					

## 4. Supporting information

The original Albany Beck contract value was £607,156, (decision 0419FR), the contract was varied in December 2019 by £699k to a new total value of £1,060,480 (CCB1522/19-20, Key Decision ref 3719FR). A further variation CCB1585/2021 of £401, 430 brought total contract value to £1,461,910.

Note the variation in December 2019 was subject to a published Key Decision reference 3719FR

This new variation of 85k will bring aggregate contract value to £1,546,910.

The variation is allowable under PCR Regulation 72 (1) (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, and
- (ii) would cause significant inconvenience or substantial duplication of costs for the contracting authority

In addition :

Regulation 72 (1) (c) as:

- (i) the need for modification has been brought about by circumstances (COVID) which could not have foreseen;
- (ii) the modification does not alter the overall nature of the contract;
- (iii) the increase in price does not exceed 50% of the value of the original contract or framework agreement.

### **Why Albany Beck using Better Gov?**

Re-procurement is not recommended as Albany Beck using BetterGov are best placed to be able to provide some short-term support to complete the configuration work still outstanding in ContrOCC and to complete the work required on the Power BI dashboards, as they are familiar with the system, how it is configured and how the data to be reported is held within the system, as they have been responsible for configuring the system to meet the needs of LBC.

They have been working at Croydon on the project and have built up considerable local knowledge of our systems and processes which another provider would not have. Alternate providers would need to spend time on discovery and mapping before being able to deliver the requirements, this will increase costs and extend the time needed compared to extending the arrangement.

### **Issues Supplier Management**

The contractor is agreeable to the variation and has provided an estimate for the scope of work. Note that the activities under the agreement have previously been subject to increased costs as the supplier legitimately discovered other issues or the service requested additional tasks (although without altering the nature of the services provided).

### **Controls and Contract Management**

The recommendation for the variation is to only pay in arrears on completion of specified deliverables in a scope of works which is properly defined at the outset with target dates for deliverables and appropriate sign off and acceptance criteria defined by the Council.

Activities and deliverables must be monitored and the supplier and project team managed by the CDS project lead with support from the ICT Category Manager to ensure focus remains on just the defined activities to be delivered to timetable and within the cost envelope of the variation. The rationale for extending the contract is to finish work previously worked on not to introduce new requirements.

### **Suggested regime:**

CDS project manager in charge.

Apply strictly defined scope and sign off criteria in a statement of works.

One or two week sprints to define work to be carried out in the sprint period with end of sprint reviews (called retros) at the end to review deliverables met, carry forward tasks and define scope of next sprint activities.

Proper sign offs, acceptance criteria and closure of workstreams

No payment unless work completed

No change in scope

Any requests for tasks must be routed through the CDS PM only and not to the supplier.

No new deliverables once SOW set unless agreed by PM and Category Manager and only following a proper contract change control process.

Once deliverables are completed successfully and signed off and payments made the contract must be formally ended.

## HR

There are no direct Human Resources implications arising from this report for Council employees, as it involves the extension to an existing contract.

## Equalities

An Equalities Assessment has previously been performed for the project. No discernible impacts identified as a result of this variation however there could be a negative impact if the project deliverables are not achieved.

## DPIA

No changes are needed to the DPIA.

## Other Options Considered

Recruitment of contractors was considered however spend controls restricted the ability to recruit and time would be needed for anyone to become familiar with the current configuration.

Other providers were considered for a low value one off contract however they would not have the in depth knowledge of the Council set up and would require additional time and cost for discovery before being able to implement required changes.

## 5. Conclusion and reasons for recommendations

This report is asking for a further variation of £85,000 to the Albany Beck contract to allow the completion of the implementation of ContrOCC and of a number of management information dashboards that Albany Beck were developing for the reasons set out in the report.

This spend is part of a package of works to resolve a number of issues within Adult Social Care and was authorised at an emergency meeting involving Jacqueline Harris-Baker, Guy Van Dichele and Lisa Taylor on 10<sup>th</sup> December 2020.

The £85k includes a contingency figure of £25k –the works may be completed without the need for spending the full amount of the variation.

## 6. Outcome and approvals

CCB outcome	Date agreed	
	Service Director <i>(to confirm Executive Director has approved)</i>	<i>9/12/20 as part of presentation to Jacqueline Harris-Baker, Guy van Dichele and Lisa Taylor on 9/12/2020.</i>
	Cabinet Member for Resources & Financial Governance	<i>4/2/21</i>

	Finance	9/12/20 as part of presentation to Jacqueline Harris-Baker, Guy van Dichele and Lisa Taylor on 9/12/2020.  <i>Confirmed by Funmi Ogunnaike 8/2/21</i>
	Legal	<i>2.2.2021</i>
	Lead Member <i>(for values over £500k, +25% contract value or +£1m)</i>	<i>4/2/21</i>
	CCB	<i>CCB1652/20-21 (10/02/2021)</i>

#### 7. Comments of the Council Solicitor

The key legal considerations are set out in the report

Approved by Sonia Likhari on behalf of the Director of Law and Governance

#### 8. Chief Finance Officer comments on the financial implications

No additional comments.

Approved by Felicia Wright on behalf of the Chief Finance Officer

#### Appendices:

Report for Spend Control Panel