# Social Work IT – 2018

## Part One
### The current position of IT suppliers in Social Care providing case management systems

**by**
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**inc**
**initiatives in care**

# About the author

Peter Begley is an independent consultant specialising in finding ways to improve organisational performance, with a focus upon information systems and technology; his early work in managing business risk through better IT was in the financial services sector, which included merchant banks, international insurance brokers and building societies that were changing into banks.

He transferred across to the public sector in the early 90s to be the IT Director in Kent Social Services where he led the largest ever IT Group seen in this sector, with over 110 specialist staff. He left as part of local government re-organisation to establish his own consultancy company, and since then has advised on a number of national programmes, led Director or Chief Executive sponsored strategic reviews, worked on the first tranche of the government intervention projects to 'turn-around' zero-star councils and has developed robust working relationships with the IT industry in many settings, but particularly in social care.

Peter has also been an associate consultant to a number of the 'blue-chip' consultancies as a subject matter expert on achieving business change and improving organisational performance through the strategic and practical use of information systems, in their broadest sense. However, throughout all of this there is a continuing need to keep a clear focus on innovation, when looking at service design=systems design aspects.

He is currently working on developing the outline of a more in-depth and service-centric report on IT in social work,  and  separately, exploring the use of distributed ledger technology and cryptography [commonly known as 'blockchain'] for use in child/family focussed intervention-based services, in the Health, Education and Children's Services sector and getting an R&D project underway to explore the implications of using this innovative technology across this 'whole system of care'.

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# Executive summary

Without a doubt, 2018 will present another period of substantial challenges in social care, both in Adults and Children's Services[1] over the next two-three years. The impact of increasing demands facing the NHS and Social Care services, combined with massive budget pressures inevitably constrains strategic planning and inhibits for example, new operational practices of intervention-led initiatives being more widely developed. Moreover, this climate of uncertainty shows little sign of easing in the foreseeable future.

In terms of what exists today, nationally, and locally with social care IT, there are millions of service users and families supported through case management systems, thousands of professional and administrative staff engaged, and billions of pounds of financial transactions to initiate, monitor and control.

However, in most cases, these systems are not managed as a strategic asset by Local Authorities [LA's] and thus opportunities for enabling service innovation are being missed and added value from current investments is not being achieved.

Three main IT software suppliers in the sector[2] provide 90% of case management systems solutions. The business of social care is absolutely dependent on these to function well; all suppliers need to be encouraged to be successful, because this is inevitably important to the on-going 'success' of social care. This first report concentrates on the facts and figures relating to them, and identifying opportunities for the service to assess supplier capability and capacity, so as they can 'future proof' investment wherever possible.

To help inform this debate on future proofing and getting more from what already exists, this report describes the current 'state of play' in IT in the social care sector across three key areas; *firstly*, their market share, *secondly* a comment on financial aspects and *finally*, a brief narrative on technology innovation. Each area hopefully contributes information that councils ought to take into consideration when undertaking supplier assessment in terms of potentially changing suppliers, or performance management and quality control of existing suppliers.

The service is absolutely dependent upon a small and diminishing number of suppliers for support in critical business areas. Developing good quality relationships with them is now even more critical as LA's, due to financial constraints, probably have only two realistic choices – getting the best out of what currently exists – or a robust systems replacement programme to achieve greater value for money from limited budgets.

In the social care IT market for Case Management Systems, looking at market share it is clear that LiquidLogic are now uniquely positioned in terms of growth and success in the market, with CoreLogic in a solid position; NPS/OLM have

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1 For the purposes of this report, these will be generally described as ASC and CYPS.
2 These in size terms are LiquidLogic, Servelec-CoreLogic and NPS/OLM. Prior to 2017, Northgate Public Services Social Care [NPS] was owned by a private equity company; they are now owned by OLM; the sites have now been combined to reflect the 2017 position. Separate figures if required, are available from the author.

failed to win new business or retain a significant number of existing clients. They have lost almost two-thirds their market share over the last five years, and are having to support legacy systems for the foreseeable future.

All three major suppliers are utilising the very best of modern technologies to design, develop and deliver high quality solutions, although OLM have yet to get their next generation products into operational service in either CYPS or ASC but are confident that this is achievable in 2018.

Software acquisition costs are very competitive, and support and maintenance costs have reduced considerably, but implementation costs for LA's are rising due to the complexity and risks of systems migration and a lack of skilled and experienced staff. Investing in, and actively managing social care IT solutions needs careful thought and attention to detail, not least because service contracts can be from five – ten years duration and technology innovation occurs at a different pace and time scale.

Having skilled and experienced staff in place, and having senior service managers directly involved in IT services, is an essential element of making the most of opportunities, as demonstrating active ownership and engagement with their systems suppliers. Being an active partner in an increasingly 'corporate' technical environment will also improve getting the 'voice' of an information-centric organisation like social care listened to[3].

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3 Social care budgets account for around 35-40% of LA overall spend, but LA IT spend on social care is unlikely to reach this level of overall LA spend on IT.

# Introduction

This is the first in a series of three reports which collectively are about trying to put into perspective, how information systems and technology [IT] can be utilised to achieve better value for money and improve organisational performance in the social care sector. It can do this by helping the social care sector better manage risk, finances and the planning and delivery of service.

These systems and supporting technologies are also one of the few 'tools' left in the box to improve services following severe budget restrictions affecting staff and commissioning of services, which is happening in parallel with rising demand and expectations.

What is clear is that social care needs really good IT to function well. What is also uncomfortably clear is that the service is absolutely dependent upon a small and diminishing number of suppliers to achieve this, and developing good quality relationships with them has never been so critical.

Good quality systems solutions to enable effective operational practice and control, flexible service management, and sound planning across the full spectrum of social care service delivery are available, but there is a lack of national or regional financial support on how to achieve improvements in organisational performance through IT. Councils are, in the main, left to cope with this, almost in isolation[4] but more collaborative working locally with other LA's could help pool expertise to help with resourcing shortfalls.

In essence, there is a choice for councils between investing in new systems or striving to get the best out of what already exists. But in either case, the capability and capacity to support increasingly complex business practice requires inward investment and expertise, for both software suppliers and councils.

Given the commonly expressed acceptance of the dependency there is on IT to run the business of social care, many councils do not have the right balance of staff committed to social care IT, which must be increasing risk or missing opportunities for enabling service innovation through modern systems and technology.

To help inform the debate on future proofing investments this first report evaluates what's happened recently and historically with IT in social care, focusing primarily on the IT suppliers; a second report will focus more on the service, and comment upon the attitudes of Directors and Corporate IT Directors towards social care IT[5]; the final report will look to the future and also draw conclusions why information management and technology is one of the critical components to managing future risk and opportunity, and what might be done about this to achieve greater value for money and increased operational performance in the service[6].

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4 For example, NHS strategic IT plans make reference to Adult's Social Care; but understandably they do not have the priority, significance, or investment that the service would perhaps like them to have.
5 This second report will also cover in more detail, the range of products provided by each supplier.
6 The latest service based analysis of what social workers might need from IT is shown here: https://digital.nhs.uk/media/35108/Summary-report-on-the-use-of-technology-in-social-care/pdf/Summary_report_technology_in_social_care_research

## Some key facts:

- Each of these IT companies has finite resources and difficult commercial environments in which to survive and prosper. Some are supporting all three national policy and legislative frameworks, for example two major suppliers [NPS/OLM and CoreLogic] have customers in Scotland, and three suppliers have customers in Wales [NPS/OLM, Civica, Careworks].

- All suppliers have to be able to provide a full suite of systems to support all types of councils, ranging from the smallest [Rutland] to the largest [Kent] and within that, small, medium and large systems user bases. All councils have less money than ever before to spend on IT, whatever its potential value may be, and this fact dominates 'systems thinking' for both councils and suppliers.

- For England, 152 councils have social care services responsibilities; each have ASC and CYPS services; for the purpose of this report, this means that there are 304 systems installed and Councils fall into four distinct types of Local Authority – Shire Counties, Metropolitan Councils, Unitary Authorities and London Boroughs.

- Nearly 80% of LA's have one supplier providing single Case Management System solutions covering both service areas. This is a slight increase over the last five years.

- The supply side is now the smallest it's ever been in the last five years. Seven suppliers have exited the marketplace in this period. Three significant suppliers covering 90% of the market. A further five have the balance of LA sites between them, one of them, Capita, has recently announced it is withdrawing from the sector.

- In the last five years for either ASC or CYPS, supplier changes by councils has averaged around 13 per year, but the last two years have seen significant tender and soft market testing activity, e.g. 20 tenders and 15 soft market testing exercises were undertaken. For 2018, activity continues at a fair pace, four tenders are still underway, two have been completed[7] and nine soft market-testing exercises are underway, with a further three expected in the next couple of months.

- Sixty-four [40%] LA's changed supplier in the last five years across both major service groups, these predominantly being NPS/OLM sites moving to LiquidLogic or CoreLogic. In the previous three years, forty-six LA's also changed supplier across both service groups

- All of the remaining NPS/OLM sites seem to have been with the same suppliers for well over 12 years. LiquidLogic and CoreLogic sites rarely change suppliers, although Manchester and Oxfordshire ASC moved over to LL from CL last year; and Essex CYPS moved from LL to CL in 2015.

- Other suppliers with historically low market share have not been able to increase this substantially over the last five years and are unlikely to do so in the near future unless something significant changes in the market place, or LA's significantly expand funding opportunities or begin to take more risks in supplier selection.

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7 Dudley and Solihull have recently changed supplier from NPS/OLM to LiquidLogic but are not included in suppliers data shown in this report

- As a consequence of the high volume of councils' changing suppliers, software acquisition costs and annual maintenance charges have been very competitive over the last five years; however, implementation services costs for councils have been increasing due to lack of skilled and experienced internal resources[8].

- Low prices are not necessarily always a good thing for the public sector as the very recent examples of service providers like Carillion and Capita clearly show the limitations of competition alone, driving down costs. This aspect will be covered in more detail in subsequent reports.

- Soft Market Testing has become a common practice amongst councils to assess the potential for changing suppliers, particularly over the last three years; each exercise has become typically onerous for suppliers[9], in terms of timing and effort especially over the last two years.

- Almost all SMT exercises eventually turn into tenders, where the information is usually repeated, and few advantages seem to be taken by councils from the SMT, perhaps because they lack commercial skills, technical knowledge and supplier relationship management expertise.

- Technology innovation [cloud computing, the use of open source, etc] is also driving internal changes within the IT supplier community, and this is mostly not that apparent to Local Authorities, as they tend to take only cursory interest in the strategic technology capability of suppliers in the tender process to differentiate suppliers.

# Case Management Systems and their suppliers

## [i] Facts and figures

This data set covers the 152 social care councils in the UK, and treats ASC and CYPS as separate systems solutions to reflect the major historical shift in service re-configurations involving Education Services. Thus there are 304 'instances' of installed systems. However, figures are also aggregated where it's more appropriate to do so.

For Local Authorities, the market now appears to be offering less choice than it used to, with the great majority of councils now being supported by only three suppliers, LiquidLogic, Servelec CoreLogic and NPS/OLM. The tables below show the current market position by suppliers and their customers, as at the end of December 2017.

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8 In this respect, the austerity regime that councils are enduring has created a 'false economy' as expensive external contractors might have to be used.
9 One required an 80-page response: many are beginning to look more like tender documents rather than requests for marketing and product information.

**Table One** | Supplier numbers by major service groups – December 2017

| Suppliers | ASC | CYPS | Overall |
|---|---|---|---|
| LiquidLogic | 60 | 78 | 138 |
| CoreLogic | 45 | 44 | 89 |
| NPS/OLM | 29 | 17 | 46 |
| Careworks | 6 | 4 | 10 |
| Civica | 4 | 4 | 8 |
| In-house | 4 | 1 | 5 |
| Azeus | 2 | 3 | 5 |
| TPP | 2 | 0 | 2 |
| Capita | 0 | 1 | 1 |
| **Total** | **152** | **152** | **304** |

**Chart One** | Supplier percentage of market share



Capita <1%
TTP <1%
Azeus 2%
In-house 2%
Civica 3%
Careworks 3%
NPS/OLM 15%
CoreLogic 30%
LiquidLogic 45%
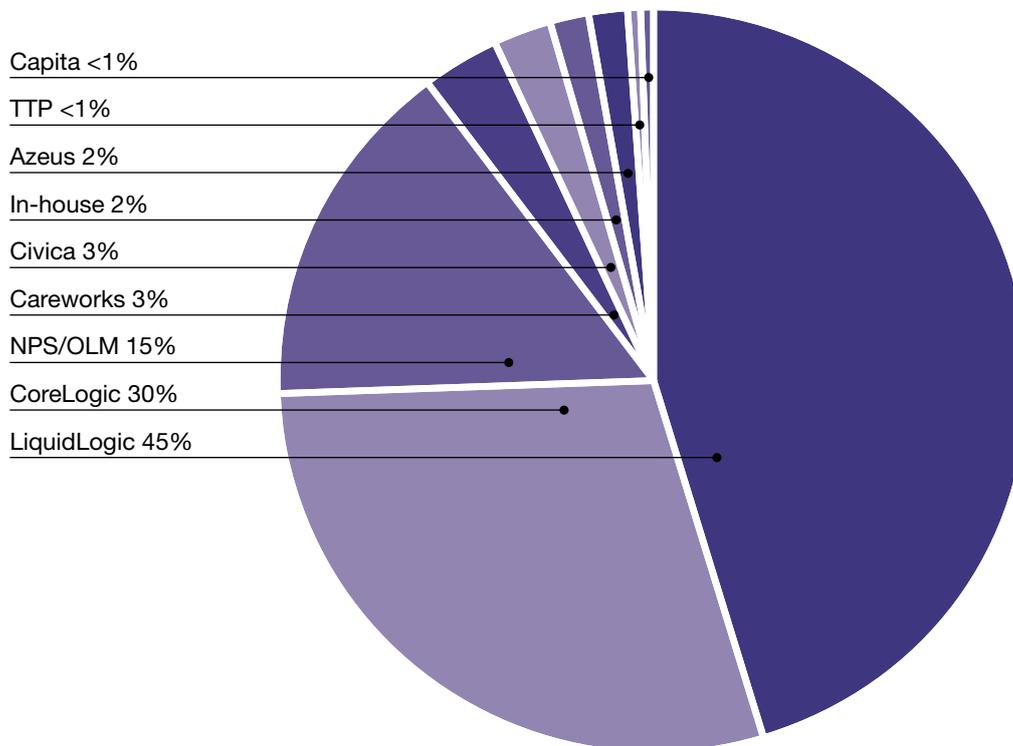
## Chart Two · Comparative growth 2007 – 2017

Legend: 2007 ■ 2012 ■ 2017 ■



| Supplier | 2007 | 2012 | 2017 |
|---|---|---|---|
| LiquidLogic | 1% | 20% | 45% |
| CoreLogic | 10% | 18% | 29% |
| NPS/OLM | 66% | 45% | 15% |
| Careworks | 5% | 6% | 4% |
| In-house | 10% | 5% | 3% |
| Civica | 5% | 3% | 2% |
| Other | 3% | 3% | 2% |
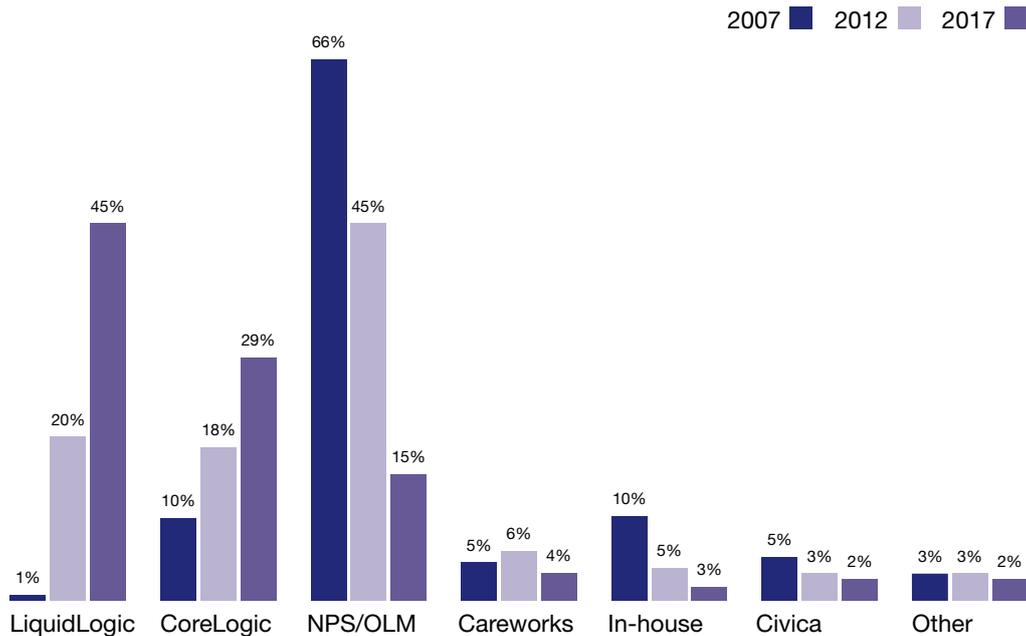
The coverage of each of the suppliers across the different types of Local Authorities is shown in Table Two, to demonstrate the spread of deployments undertaken.

## Table Two · Supplier by council type

| Council type | London Borough | Unitary Authority | Met District & City | Shire County | Total |
|---|---|---|---|---|---|
| Careworks | 0 | 2 | 1 | 1 | 4 |
| Civica | 0 | 4 | 0 | 0 | 4 |
| CoreLogic | 18 | 8 | 2 | 10 | 38 |
| LiquidLogic | 8 | 19 | 19 | 11 | 57 |
| NPS/OLM | 1 | 6 | 5 | 3 | 15 |
| In-house | 0 | 0 | 1 | 0 | 1 |
| Azeus | 1 | 1 | 0 | 0 | 2 |
| Mixed* | 5 | 11 | 8 | 7 | 31 |
| **Total** | **33** | **51** | **36** | **32** | **152** |

**Notes:**

*Mixed sites, this is where there is a different supplier in either ASC or CYPS; at **Attachment 3** is a more detailed description of which supplier covers which service area at these sites.

This table shows Careworks with 4 unique sites where it has both ASC & CYPS systems in place, therefore 8 instances; Table One above shows 10 sites in total, the other 2 instances are in the Mixed group above.

Having a different supplier for different service groups is perhaps a consequence of a more tactical approach by councils, or the 'difference of opinion' between service groups as to what supplier best meets their needs; typically they may not be a single directorate which may more easily allow different decisions to be taken.

## [ii] Market trends

A number of significant events have happened recently to influence the current and future shape and structure of the market for social care IT:

- Northgate Public Services Social Care [NPS-SC] declared last year it was exiting the market for social care IT, which created a great deal of uncertainty for its large customer base. It was put up for sale and after a false start, was eventually disposed of by its private equity owners to OLM Systems. The existing customer base has now been transferred to OLM who now have three major software solutions to support – CareFirst, its legacy product; SWIFT/AIS/CCM the NPS legacy products, and Eclipse/Platform for Care - their next generation software solutions.

- The ability to produce good quality social care IT solutions has never been easy, or quick, and to underline this fact, Capita Social Care have now declared that it is exiting the market for social care IT. This has created disappointment for the many councils it had initially approached[10] where it promised high levels of innovation, lower costs, and improved customer services. The position of the two current beta-testing CYPS software sites and its legacy Integrated Children's Systems [ICS] site is uncertain[11].

- The move by all three main suppliers to provide competitive offerings in the Education Management Software sector, where the main competitor is Capita. Servelec CoreLogic provide this through a well established and distinct set of system modules from their Synergy Division, which was acquired from the Tribal Group in early 2016. LiquidLogic started development in partnership with Bristol City Council in late 2016 and has now gone live there, with five other sites currently undertaking implementations. OLM has begun a new programme of software development based on their Eclipse/PFC software platform.

- Local Authorities now rarely develop or support their own systems. Only five out of 304 instances are provided directly by councils, three of these are from one council, Calderdale [ASC & CYPS], which also supports a neighbouring Leeds City Council with its ASC systems solution. Gloucestershire ASC is also an in-house system as is Durham ASC, who are currently out to tender for a replacement system.

- There are continuous service pressures on sharing or integrating social care records with the NHS, and some good progress has been made on this in Adults Services. This has also lead to an NHS GP supplier TPP, now providing systems solutions for ASC services via an integrated digital care records strategy in Bradford and NE Lincs.

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10 Mostly NPS and OLM sites according to their sales and marketing staff.
11 Hampshire has been its primary test-bed site for over three years in CYPS. Stockton on Tees was committed to in late 2017; Swindon seems to have been the last of its original eight ICS sites.

- There has been an unprecedented rate and pace of tender or software market testing activity in the market in the last two years. There has been significant tender and soft market testing activity, e.g. around 24 tenders completed, including four rolled-forward from 2016; 15 soft market-testing exercises were undertaken, many clearly running concurrently.

- For 2018, activity continues at a fair pace: four tenders are still underway, two have been completed[12] and nine soft market-testing exercises are also currently still active. The details of the supplier changes for 2017 and 2018 are shown at **Attachments 1 and 2** to give an indication of this rate of change.

- All of this puts excessive and concentrated pressure on the relatively finite resources of suppliers, usually with competing timescales, whereas for Local Authorities, it is seen as a singular exercise, demanding complete attention from an already overstretched supplier community, which also has to support its existing customer base.

- The very high volume of NPS/OLM sites coming out to tender or soft market testing has created most of the considerable rate of change in the market over recent years. Together, they have lost over half of their sites in just over three years. This has clearly indicated both a loss of confidence in them and their products and more specifically a realisation by LA's that other suppliers offer higher quality products at significantly cheaper costs[13] for ongoing support and maintenance.

- A consequence of the high rate of tenders and soft market testing exercises for LA's is that suppliers' software acquisition costs and corresponding annual maintenance charges have become more competitive by the market leaders LiquidLogic and CoreLogic, and uniquely, a lot more functionality has been provided[14]; however, implementation services costs for councils have been increasing due to lack of skilled and experienced internal resources. This is covered in greater detail in the Price, Cost and Value section of this report.

- Many councils looking to change suppliers have typically [but not exclusively] used the specific social care IT Crown Commercial Services [CCS] procurement framework, rather than the traditional OJEU tendering process, which can reduce costs and timescales, although this is rather dependent upon the skills and expertise available within LA's.

- This framework is due for renewal in August 2018 and CCS are in the process of consolidating procurement frameworks across the public sector to create a more comprehensive approach in 2018 linked to the Governments national 'Digital First' strategy. How Brexit will affect the OJEU process remains unclear, so it is perhaps prudent for LA's to reconsider any future procurement intentions via the current or new framework route.

- It is clear from recent supplier changes that LiquidLogic are now established as the market leader with NPS/OLM losing significant market

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12 Dudley and Solihull have recently changed supplier from NPS/OLM to Liquid Logic, but are not included in suppliers data shown in this report.

13 Notional maintenance annual costs for NPS/OLM sites would be at least £100k compared to £65k from the other two main suppliers. For each service area.

14 Typically, in other sectors, reduced prices also usually means subtly reduced product contents.

share. As well as not being able to retain most of their customers coming out to tender[15], they have also yet to win any new business in at least the last five years in the social care IT sector.

● Smaller suppliers in the sector [Careworks, Civica], have also lost customers, they have been able to retain a modest customer base over the last five years. It is very unclear though as to how they could increase their presence in the market, and in the case of Azeus, it has been a disappointing time for them, given the promising start they had made as the newest supplier in the sector. It is reasonable to assume that to prosper, a market presence of around 10% needs to be achieved over five years to create a sustainable and viable business; this has been clearly difficult to achieve.

● The lack of real success of the smaller suppliers over recent years may be deterring new entrants to the market[16]; weak financial prospects and the lack of sector expertise may be hindering this, and there are no indications that this situation is likely to change in the near future.

## [iii] The financial stability of IT suppliers in the sector.

Given the likelihood that two large suppliers in the sector, Capita and Northgate Public Services, almost certainly withdrew from the market due to diminishing financial prospects rather than technical reasons; it would seem prudent for LA's to pay more attention to the financial position of their key IT suppliers. Not just during procurement or contract negotiations, but throughout the life of their contract they need to be aware of any significant financial issues that may affect them. As an example, prior to Capita and NPS exiting the market, they both apparently stopped their offshore development services, thus significantly reducing their systems development capacity, with obvious implications for product support and development, as well as an early warning sign of potential problems in their financial position.

Private equity companies own the two largest suppliers, LiquidLogic and CoreLogic. It would appear that there are significant investment opportunities for funding company growth and expansion of resources, new systems development and customer services. OLM, the third largest, is a private limited company and consequently will have a different approach to inward investment. Through greater dialogue with suppliers, LA's should regularly evaluate their 'financial health' and suppliers ought to encourage this.

What is happening to the supplier's customer base is critical to their future success - is it growing or shrinking, and what are the recurring revenue issues relating to this? This raises fundamental questions over the company's future ability to inwardly fund development. If a supplier loses market share this can lead to a restriction on funding product enhancements, which in turn can lead to customer dissatisfaction, creating a downward spiral of reduced revenues, stagnant development programmes and further customer losses.

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15 With the exception of Birmingham and Swindon in 2017, although the new product Eclipse is not yet live in CYPS and there appears to be no ASC beta-test sites currently underway.
16 Recent anecdotal evidence suggests that two new entrants begin evaluating the sector for prospects each year, although this could be slowing down for a variety of reasons.

## Price, cost and value of social care IT

In terms of what LA's might need to spend on systems and technology, it is still unclear as to what the 'right' level of investment in social care IT should be to get the best advantages from a typical five-year investment programme. Unhelpfully, there are no specific or up-to-date national guidelines to help in this. The Wanless review of Health & Social Care over two decades ago came up with a notional 4% of overall annual revenue for a care organisation as a benchmark figure for investment in ICT.

The benchmark in social care when planning for new investments in system solutions was seen to be around 2% of the LA overall spend on social care at the time of the Personalisation Programme for Adults Social Care, and around 1.5% for delivering improvements to meet the Munro Review recommendations in Children's Services. How valid these assumptions are today is open to debate, but in the absence of any other guidance, they do offer a point of reference.

Remarkably, councils have rarely shared information about costs for systems replacement programmes and procurement, but over a five-year cycle, it's estimated that a medium sized council could now anticipate spending just over £1m, including implementation costs in each service area for very comprehensive systems functionality and support services.

These costs are typically less than half of what has been charged in the past, and significant improvements in terms of future proofing and functionality are evident from the two leading software suppliers in the sector[17]. Actual costs would be subject to competitive tendering and scope of requirements, as well as any additional services for systems migration and/or integration that may be needed, or additional modules that may also be on offer, which could have an average cost of around £50k from suppliers, including implementation services for a medium sized council.

Implementation is achievable by suppliers on average, within twelve months, but is dependent upon scope and more significantly, on the availability of council IT team resources, which could easily add a further six months. Overall, they typically range from 12-36 months. The use of external contractors by LA's doesn't seem to influence overall timescales, in part because they tend to influence having a more realistic project timescale, but they can significantly increases costs, without probably significantly increasing overall value. The key point here is that the longer it takes to implement the longer it will take to deliver any benefits realisation programme.

It's not unreasonable to estimate that for a medium sized council, ASC could now pay on average up to £500k for new core case management system software, including implementation services from suppliers; cloud hosting services, which is the preferred option for suppliers now, could be around £70k p.a.; software maintenance could be around £60k p.a.

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17 The OLM CMS product Eclipse is as yet not live, and finance functionality is incomplete so it's difficult to include them in this assessment, except to say that they have a new technology platform based on open source components to support their future proofing credentials.

For CYPS it is likely to be similar, with £400k for new core case management system software, including implementation services from suppliers; hosting services, could be around £60k p.a.; software maintenance could be around £60k p.a.

In terms of LA's internal costs, on average, they could be spending around £150-250k for each new systems replacement programme in a medium sized council, with ongoing internal team costs around a similar figure, and also dependent upon local data migration and training strategies. Average six-months procurement costs could probably be up to £100k, with soft market testing typically costing around £50k, dependent upon how much detailed assessment of supplier capability was undertaken.

In terms of overall value from systems replacement programmes, the position is perhaps not that clear; developing a business case to justify an investment plan is usually predicated on 'cashable benefits', 'cost-avoidance' and 'strategic business gain'. But, it would be unusual for councils to have undertaken a thorough post implementation review [PIR] to prove if any defined benefits realisation programme had been delivered. Typically, as social care is in a state of permanent change, it is probably quite difficult to pin down where successful change was solely down to IT programme activity and in many cases, other pressures and priorities tend to overtake the PIR activity.

In terms of the overall value for Case Management Systems suppliers in providing solutions, it is very clear that in the last five years, LA's have been getting substantially improved systems functionality and features through systems replacement programmes, or incremental software enhancements to help them manage workloads and caseloads for a very competitive and arguably, low 'price', especially if you were to look at this on a 'cost per user/functionality on offer, basis'[18].

This improved functionality has been achieved primarily in two different ways: for LiquidLogic, they have incrementally improved their core offering, with minimal implementation cost increases whereas CL have gone for a database upgrade from FrameworkI to Mosaic, which has attracted implementation costs and more markedly, OLM have gone for a major platform upgrade with correspondingly higher implementation costs.

However, profit margins for all IT suppliers need to be reasonably healthy to generate new developments and product innovations and to maintain high quality customer services. LA's need to be aware of the 'balancing act' that suppliers need to perform to support their business operations and be prepared to have a dialogue with them over this as part of the engagement process in developing closer relationships with their key suppliers.

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18 Arguably, as a systems user, you get the functionality of a very comprehensive case management system for a lower price than Microsoft Office.

## [iv] Approach to technology innovation:

The UK Government is committed to encouraging public sector organisations to take advantage of cloud-based computing. The aim is to drive down cost, improve efficiency, and assist the development of service transformation by taking a Digital by Default approach to public services. Many LA's have started to embed this strategy into their technology architectures[19] and inevitably will move more in-house data centres, networks and software applications in this direction to reduce direct costs and create flexibility in their growth and business transformation programmes. A typical starting point for this is to migrate previously managed in-house systems and services to a cloud-based/ hosted service in a private sector environment, and then explore other options for extending the utilisation of the data centre and other technology led services, particularly where there might be public-facing or other internet enabled service innovation underway in the council.

In essence, cloud computing is a logical extension of Internet based services and there are variations offered by private sector companies offering high quality, value for money, and very secure facilities[20]. All three of the major suppliers in the social care IT sector offer cloud-hosted services that can meet these standards, either directly through their own company-wide data-centres or via third parties, for example Google or Microsoft etc. All three can also provide secure direct access to their systems solutions via the Internet, for mobile working or to utilise web-apps etc. and LA's can choose which option meets their systems access authentication and usability standards, e.g. displaying and controlling large volumes of information and data.

One of the key drivers in how this strategy is adopted for the social care sector is the security and confidentiality and data-governance aspects, and internal corporate standards will usually determine how 'public' the cloud based hosted services actually are. With an increasing emphasis upon creating service user access to records and information sharing with other agencies, particularly the health sector, many LA's take an understandably cautious approach with the technology-led option of cloud-based computing. Where their current IT supplier includes cloud-based hosting solutions, councils can get the best of both worlds, which can increase their confidence in exploring how to get engaged with 'future technologies, today'.

Delivering cloud-hosted solutions are only part of the strategic vision of IT suppliers in the sector, other key factors will include the extent to which they have a strong history in UK social care IT, and how this strategic vision extends beyond these immediate boundaries, for example, both LiquidLogic and CoreLogic have extensive healthcare systems solutions in their parent company portfolio. All three major suppliers now have, or are also developing comprehensive systems solutions covering Education Management Services.

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19 Around 80% of the public sector have moved towards cloud based computing in some form or other and could easily have more than one 'cloud' provider.
20 The security and privacy facilities can usually exceed LA's IT services, and have to meet extensive national security level standards for access, disaster recovery and business continuity. Future proofing is also more easily achieved as LA budgets are continuing to be reduced.

Interestingly, each also has a 'gap' in terms of systems supporting the 'whole system' of care. Housing, Youth Justice systems, Public Health and private/voluntary care services providers are not covered either directly, or through partnership arrangements in any significant way. However, some suppliers do have a 'single view' system solution that can coordinate case management and client information via their mainstream Case Management System to manage data collaboration with these service areas.

One of the key areas for on-going software development by suppliers is how they go about getting credible input from their existing customer base, and demonstrating that there is a clear role for customers to play in defining and shaping future product offerings. This clearly helps to create a cycle of continuous improvement to deliver product enhancements and innovation. One of the major areas of concern[21] held by NPS/OLM customers prior to selecting a new supplier over recent years was the frustration of paying substantial sums of money for software maintenance and yet seeing no significant progress in product innovation in spite of their willingness to contribute staff expertise to achieve this. How NPS/OLM will resolve this problem with the Eclipse software is very unclear, as there are as yet, no live sites in either service group to act as the catalyst for onward development.

Less visible, and equally important for sustainability, is the extent to which technology innovation is tried and tested and deployed within supplier business operations to advance their in-house software development and to improve customer services. Software tools and techniques are improving all the time; for example, the use of 'open source' and advanced programming languages based on industry standards is commonplace in all of the major suppliers in the sector.

This enables them to improve existing systems and should smooth the 'road-map' to next-generation products, thus avoiding the need for major technology platform upgrades for customers, and maintaining the 'shelf-life' for existing software products in their portfolio[22].

Evidence of a continuous development approach is also linked to the amount of money the suppliers dedicate to improving their 'software factory', the focus being on getting new features and products to market quickly and seamlessly and to avoid unnecessary technology 'disruption' and the costs usually associated with this. LA's Chief Information Officers in particular should be aware of how this, and the points mentioned above, are a significant component of supplier capability and capacity.

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21 As described in many business cases.
22 CoreLogic have one CMS [Frameworki] being migrated to Mosaic; NPS/OLM have five systems needing migration to their new technology platform, Eclipse. which has yet to go live in CYPS or ASC.

# Summary & Conclusions

Due to the high dependency of LA social care on commercial IT suppliers to run their business successfully, this report has focused on the supplier market for case management systems; but this is recognised to be only one part of the complex equation of public sector information services. Further reports will concentrate more upon operational service issues and how better value for money and improved organisational performance might be achieved from systems and technology in the wider sense. In essence, this report can be seen as an evidence base for further debate on this.

For Service Directors, it is clear that financial constraints inhibit innovation, strategic planning and exploring how the enabling role of IT could be developed within the service. Even though IT offers opportunities for improving productivity and service quality, investing in systems and technology is a difficult decision given the other pressures and priorities they face. By developing closer relationships with their current IT supplier, a greater level of utilisation of already available systems solutions is likely at reasonable costs, if LA's can apply management skills and resources to achieve this.

However, for many LA's, as the market trends clearly show, the quickest way to achieve substantial improvements in productivity and value for money has been to undertake a systems replacement programme, which will provide more modern solutions to meeting increasingly complex business requirements and act as a catalyst for further change.

For LA Chief Information Officers, the ability of social care IT providers to deliver cloud-hosting should give them confidence in developing their strategic technology architectures particularly with the increasing emphasis upon data security. The technology behind most case management systems today should also be an area of interest to many CIO's, as 'digital by design' is the approach followed by many of the social care IT suppliers.

The value and quality of what's available from the two leading suppliers can also be clearly demonstrated through the rate of tender opportunities they have converted to new customers, and discussion and debate with their user base, alongside case studies provide evidence of innovation and commitment to supporting both major service groups in the social care sector and beyond.

However, because it has taken a long time get the OLM next generation systems into operational service, there is yet to be a greater understanding as to how capable these might be, particularly in relation to their legacy products, but also when compared against the other market leaders; although this may change in the near future. Also, being able to retain major customers like Birmingham and other NPS sites is vital for the future health of the company.

The loss of two major companies [Northgate Public Services and Capita] in the social care IT market is to an extent 'cold comfort' to the other case management IT

suppliers in the sector, and is a reminder that the financial health of the supplier community is unduly influenced by the 'short-termism' of reducing LA IT budgets, particularly in times of increasing service complexity. Reduced prices for the industry inevitably mean that new entrants to the sector will be discouraged, and choice is reduced. This should reinforce the need for LA's to choose carefully their longer term IT partner, not least based on their financial health.

More details around supplier and service priorities and issues, and how technology opportunities can contribute to improvements in service delivery will be the subject of further reports in the near future.

# Attachments

## Attachment 1 2017 activity

| 2017 | Service Group | LA Type | Old Supplier | New Supplier | Notes |
|---|---|---|---|---|---|
| Derbyshire | ASC & CYPS | County | CL/CSC | CoreLogic [CL] | over-run 2016 |
| Kent | ASC | County | NPS | CoreLogic | |
| Suffolk | ASC & CYPS | County | OLM | LiquidLogic | over-run 2016 |
| Wiltshire | ASC & CYPS | County | OLM | LiquidLogic | over-run 2016 |
| Sheffield | ASC & CYPS | Met City | OLM | LiquidLogic [LL] | over-run 2016 |
| Shropshire | ASC & CYPS | County | OLM | LiquidLogic | over-run 2016 |
| Durham | CYPS | County | In-house | LiquidLogic | |
| Stockport | ASC &CYPS | Met | OLM/CL | LiquidLogic | over-run 2016 |
| Nth Somerset | ASC | Unitary | NPS | LiquidLogic | over-run 2016 |
| Manchester | ASC & CYPS | Met City | CL | LiquidLogic | |
| NE Lincs | CYPS | Unitary | NPS | LiquidLogic | over-run 2016 |
| Oxfordshire | CYPS | County | CL | LiquidLogic | |
| Havering | ASC & CYPS | LB | NPS | LiquidLogic | |
| Telford & Wrekin | ASC | Unitary | OLM | LiquidLogic | via Shropshire |
| Knowsley | ASC | Met | OLM | LiquidLogic | via CYPS tender |
| ER Yorkshire | CYPS | Unitary | NPS | Soft Market testing | over-run 2016 |
| Somerset | ASC & CYPS | County | NPS/ LL | Soft Market testing | |
| N Lincs | CYPS | Unitary | OLM | Soft Market testing | over-run 2016 |
| Gloucestershire | ASC | County | In-house | Soft Market testing | |
| Newcastle | ASC & CYPS | Met City | OLM | Soft Market Testing | |
| Salford | ASC & CYPS | Met | OLM | Soft Market Testing | |
| Central Beds | ASC | Unitary | NPS/LL | Soft Market Testing | |
| Halton | ASC & CYPS | Unitary | OLM | Soft Market testing | |
| Dudley | ASC & CYPS | Met | NPS | Tender | |
| Durham | ASC | County | In-house | Tender | |
| Solihull | ASC & CYPS | Met | OLM | Tender | over-run 2016 |
| Doncaster | ASC & CYPS | Met | OLM/LL | Tender | over-run 2016 |
| Croydon | ASC | LB | NPS | Tender | |
| Portsmouth | CYPS | Unitary | NPS | Tender | |

**Note:**

The change of supplier is credited to the year when the LA makes the decision to change supplier, which is usually after the stand-still period, not when the new system is implemented or the contract finally signed or the last software maintenance fee paid to the old supplier occurs.

# Attachments

## Attachment 2  2018 activity

| 2018 | Service Group | LA Type | Old Supplier | New Supplier | Notes |
|---|---|---|---|---|---|
| Dudley | ASC & CYPS | Met | NPS | LiquidLogic [LL] | over-run 2017 |
| Solihull | ASC & CYPS | Met | OLM | LiquidLogic | over-run 2016 |
| ER Yorkshire | CYPS | Unitary | NPS/OLM | Soft Market testing | over-run 2016 |
| Somerset | ASC & CYPS | County | NPS/ LL | Soft Market testing | over-run 2017 |
| N Lincs | CYPS | Unitary | OLM | Soft Market testing | over-run 2016 |
| Gloucestershire | ASC | County | In-house/LL | Soft Market testing | over-run 2017 |
| Newcastle | ASC & CYPS | Met City | OLM | Soft Market Testing | over-run 2017 |
| Salford | ASC & CYPS | Met | OLM | Soft Market Testing | over-run 2017 |
| Central Beds | ASC | Unitary | NPS/LL | Soft Market Testing | over-run 2017 |
| Portsmouth | CYPS | Unitary | NPS/OLM | Soft Market testing | |
| Halton | ASC & CYPS | Unitary | OLM | Soft Market testing | over-run 2017 |
| Durham | ASC | County | In-house | Tender | over-run 2017 |
| Doncaster | ASC & CYPS | Met | OLM/LL | Tender | over-run 2016 |
| Croydon | ASC | LB | NPS/OLM | Tender | over-run 2017 |
| Portsmouth | CYPS | Unitary | NPS/OLM | Tender | over-run 2017 |

# Attachments

## Attachment 3  Mixed sites

| Local Authority | Type | ASC Supplier | CYPS Suplier | Notes |
|---|---|---|---|---|
| Richmond | London Borough | CoreLogic | LiquidLogic | |
| Barnet | London Borough | CoreLogic | LiquidLogic | |
| Croydon | London Borough | NPS | LiquidLogic | |
| Redbridge | London Borough | OLM | LiquidLogic | |
| Enfield | London Borough | OLM | LiquidLogic | |
| Central Beds | Unitary Council | NPS | Corelogic | Soft Market Testing |
| Peterborough | Unitary Council | CoreLogic | LiquidLogic | |
| Stockton On Tees | Unitary Council | Careworks | OLM | |
| South Glos. | Unitary Council | NPS | Corelogic | |
| Swindon | Unitary Council | OLM | Capita | |
| Bracknell Forest | Unitary Council | LiquidLogic | Corelogic | |
| Milton Keynes | Unitary Council | CoreLogic | LiquidLogic | |
| Blackburn | Unitary Council | CoreLogic | LiquidLogic | |
| Hartlepool | Unitary Council | OLM | LiquidLogic | |
| Bedford Borough | Unitary Council | NPS | Azeus | |
| NE Lincolnshire | Unitary Council | TPP | NPS | CYPS tender |
| Barnsley | Met Council | LiquidLogic | Corelogic | |
| Bolton | Met Council | OLM | LiquidLogic | |
| Bradford | Met Council | TPP | LiquidLogic | |
| Coventry | Met Council | Careworks | LiquidLogic | |
| Doncaster | Met Council | OLM | LiquidLogic | Tender |
| Kirklees | Met Council | OLM | LiquidLogic | |
| Leeds | Met Council | In House | Corelogic | |
| Wigan | Met Council | CoreLogic | LiquidLogic | |
| Durham | County Council | In House | LiquidLogic | ASC Tender |
| Somerset | County Council | NPS | LiquidLogic | soft market test |
| Gloucestershire | County Council | In House | LiquidLogic | soft market test |
| Kent | County Council | CoreLogic | LiquidLogic | |
| Leicestershire | County Council | LiquidLogic | Corelogic | |
| Buckinghamshire | County Council | NPS | LiquidLogic | |
| Northumberland | County Council | NPS | LiquidLogic | |