

## Cabinet

<b>Report Title</b>	Contract Award – Liquidlogic Adults & Children’s Case Management System (Support & Maintenance)
<b>Date of Meeting</b>	Wednesday, 25 June 2025
<b>Report Author</b>	Binda Rana - Adults Systems Manager
<b>Lead Officer</b>	Executive Director - Finance & Transformation
<b>Lead Cabinet Member(s)</b>	<p>Cabinet Member for Finance &amp; Resources and Deputy Leader</p> <p>Cabinet Member for Adult Services, Health and Wellbeing</p> <p>Cabinet Member for Children and Families</p>
<b>Why is this a key decision?</b>	To result in the Council incurring expenditure, the making of savings or the generation of income amounting to £1m or more.
<b>Wards Affected</b>	(All Wards);
<b>Identify exempt information and exemption category</b>	<p>Part exempt</p> <p><i>3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information) and includes contemplated, as well as past or current activities.</i></p>
<b>Is the report urgent?</b>	No
<b>Reasons for urgency (only where applicable)</b>	Not Applicable
<b>Appendices (if any)</b>	1. Appendix 1 - Detailed Financial Breakdown for Liquidlogic Contract Extension

## **1. Executive Summary**

- 1.1 This report seeks Cabinet approval to extend the contract with Liquidlogic for the support and maintenance for the Adults & Children's Social Care case management and finance systems.

## **2. Recommendations**

That Cabinet is recommended to:

- 2.1 Delegate authority to the Executive Director – Finance and Transformation (S151 Officer) to extend the contract with Liquidlogic for the support and maintenance for Adults & Children's Social Care Case Management and Finance Systems for a further 5 years beginning on 1 December 2025 and ending on 30 November 2030 with a total contract value of £1.9M;

Delegate authority to the Monitoring Officer and Assistant Director of Legal and Assurance to execute legal documentation associated with the extension of the contract with Liquidlogic;

- 2.4. Approve any necessary exemptions to the Council's Procurement and Contract Procedure Rules to enable the course of action referred to above to proceed.

## **3. Proposals – Reasons for the recommendations**

- 3.1 Cabinet approval is required for the award of a contract to Liquidlogic for the support and maintenance of Adults & Children's Social Care Case Management and Finance Systems. This recommendation follows a direct award process, leveraging Regulation 32 of the Public Contract Regulations, due to the limited number of alternative suppliers and the significant previous investment in the system. The decision is essential to ensure business continuity, stability, and predictability in critical frontline services, finance operations, and support, by extending the current contract for a further 5 years.

- 3.2 Background and Drivers - The Council entered into a contract with Liquidlogic in December 2015 to provide Adults & Children's Social Care Case Management and Finance System Software. The initial contract, valued at approximately £5 million, included significant investments in implementation, data migration, and staff training. Over the past eight years, substantial resources have been allocated to support, training, data management, and system enhancements to meet evolving needs and regulatory requirements. The current contract ends on November 30, 2025, and maintaining the existing supplier is crucial to avoid additional costs and resource strain associated with transitioning to a new system. Objective evidence supporting this includes financial costings and internal appraisal

- 3.3 Policy Outcomes and Objectives - The proposed decision aligns with the Council's corporate plan priorities by ensuring the continuity of critical social care services. The Liquidlogic systems are essential for managing Adults and Children's Social Care, supporting the most vulnerable residents in Sandwell. Extending the contract supports the delivery of key policy outcomes, including the Best Start in Life for Children and Young People, People Live Well and Age Well, and Strong Resilient Communities. The key business owners of the Liquidlogic Systems, including Adults Social Care, Children's Trust, and Adults Finance, have been consulted and support the recommendation.
- 3.4 Proposals and Delivery - The proposal involves extending the current contract with Liquidlogic for an additional 5 years, from December 1, 2025, to November 30, 2030. This extension will ensure uninterrupted support and maintenance for the Adults & Children's Social Care Case Management and Finance Systems. The governance and accountability for this contract will be managed by the Executive Director, Finance & Transformation, with performance management and monitoring of delivery being a key focus to ensure continued service quality. The financial implications have been reviewed and aligned with the Medium-Term Financial Strategy.
- 3.5 Costs - The total contract value for the 5-year extension is £1.9 million. This cost is broken down into annual expenditures for ICT, Adults, and Children's services, as detailed in Appendix 1. The proposal has been fully costed to ensure best value, economy, efficiency, and effectiveness. The cost efficiency has been achieved by leveraging the existing investment in Liquidlogic, avoiding the significant expenses associated with transitioning to a new system, such as implementation, data migration, and staff training. Additionally, Liquidlogic's new 5-year proposal aligns closely with current support and maintenance costs, providing a cost-effective solution. Given the limited number of alternative suppliers in the market, Liquidlogic remains essential for continuity, ensuring no disruption in critical frontline services, finance operations, and support.
- 3.6 Savings - The proposal reduces net expenditure compared to the current Medium Term Financial Strategy by avoiding the significant costs associated with transitioning to a new system. The extension leverages the existing investment in Liquidlogic, ensuring continued value without incurring additional implementation and training expenses.

## **4 Alternative Options Considered**

- 4.1 Option 1: Full OJEU Tender Process  
Opting for a full Official Journal of the European Union (OJEU) tender process would necessitate approximately 12 months, encompassing activities such as drafting system specifications, compiling tender documents, evaluating bids, and ultimately awarding the contract. This endeavour is expected to require substantial resources from various departments within the council, including Adults Social Care, Systems Team, Finance, Procurement, and ICT Teams, alongside representatives from Sandwell's Children's Trust. Following contract award, the implementation phase would require an estimated 18 to 24 months to complete, requiring significant resources from all service areas.

Moreover, the marketplace for such systems features limited suppliers offering comparable products at similar prices. Many of these systems were assessed during the initial procurement process but did not emerge as the preferred supplier. Transitioning to a new system would entail additional costs associated with data migration and setup/implementation costs. This option was rejected due to the extensive time and resources required, as well as the lack of better alternatives in the market.

#### 4.2 Option 2: Do Nothing

Doing nothing is not an option. The Liquidlogic systems are business-critical for Adults and Children's Social Care and must be supported and maintained. Without extending the contract, there would be a risk of service disruption, which could negatively impact the delivery of essential social care services. This option was rejected because it would compromise the continuity and stability of critical services.

#### 4.3 Recommended Option: Direct Award to Liquidlogic

The recommended option is to directly award the contract to Liquidlogic for the Support and Maintenance of Adults & Children's Social Care Case Management and Finance Systems. This approach leverages Regulation 32 of the Public Contract Regulations, allowing for the negotiated procedure without prior publication due to the limited number of alternative suppliers and the significant previous investment in the system. Liquidlogic offers a comprehensive suite of software solutions with a proven track record, ensuring continuity and stability in service delivery. The direct award removes the need for a lengthy procurement process, reducing timelines and resource requirements. This option is chosen because it provides a cost-effective solution, maintains business continuity, and aligns with current business and ICT strategy requirements.

### 5. **Consultation**

- 5.1 The key business owners of the Liquidlogic Systems, including Adults Social Care, Children's Trust, and Adults Finance, have been consulted and support the recommendation. The following key officers endorse the recommendations in this report: the Head of Procurement, Head of ICT, Legal Services, Director - Finance (S151 Officer), Monitoring Officer, and Chief Executive. All have approved the associated exemption report.

### 6. **Financial Implications**

- 6.1 The financial implications of this proposal have been drafted by the directorate and reviewed and finalised by Finance on behalf of the Section 151 Officer, subject to the Section 151 Officer's advice.
- 6.2 Revenue Implications  
The budget for this contract will be funded by ICT, Adults, and Children's services. The total contract value for the 5-year extension is £1.9 million. This cost is broken down into annual expenditures as detailed in Appendix 1.

- 6.3 The current annual costs for the support and maintenance of the Liquidlogic systems are approximately £1.9 million over the 5-year period. The systems support the generation of significant income through efficient management of social care services, including £16 million in invoices generated annually by Adult Social Care. The proposed extension will maintain the current annual expenditure levels, ensuring no significant increase in costs. The continued use of the Liquidlogic systems will sustain the current income levels, with potential for increased efficiency and revenue generation through system enhancements.
- 6.4 The net result of the proposal is cost-neutral in terms of annual expenditure, with the potential for increased income through improved system efficiencies. If there are any additional costs, they will be funded through the existing budgets allocated to ICT, Adults, and Children's services. No external funding sources are required. The proposal achieves savings by avoiding the significant costs associated with transitioning to a new system. These savings can be included in the next iteration of the Medium-Term Financial Strategy.
- 6.5 Capital Implications  
No additional capital funding is required for this proposal as it involves the extension of an existing contract rather than the initiation of a new capital project. There are no revenue borrowing costs associated with this proposal as it does not involve any new capital expenditure. The proposal is expected to maintain current revenue costs with potential savings through improved system efficiencies and avoidance of transition costs.
- 6.6 Alignment with Medium Term Financial Strategy  
The financial figures provided are aligned with the Medium-Term Financial Strategy. The proposal ensures that the financial implications are transparent, and the numbers have been thoroughly checked to ensure accuracy.

## **7 Legal and Governance Implications**

- 7.1 The Council has the legal capacity to make this decision under Regulation 32 of the Public Contract Regulations, which allows for the negotiated procedure without prior publication in specific circumstances. This regulation is applicable due to the limited number of alternative suppliers and the significant previous investment in the Liquidlogic system. The decision complies with statutory and legal requirements, including the Public Contract Regulations 2015 and the Council's own Procurement and Contract Procedure Rules.

## **8 Risks**

- 8.1 The primary risks associated with extending the contract with Liquidlogic include financial commitment, supplier dependency, service disruption, and market limitations. This risk is managed by ensuring the contract extension aligns with the Medium-Term Financial Strategy, leveraging existing investments to avoid additional costs.

The dependency on Liquidlogic as the sole supplier for these systems poses a risk. This dependency is mitigated by the supplier's proven track record and

the comprehensive support and maintenance services they provide, ensuring continuity and stability.

- 8.2 Any disruption in the support and maintenance of the systems could impact critical frontline services. This risk is managed by extending the current contract, which ensures uninterrupted service and support.
- 8.3 The limited number of alternative suppliers in the market poses another risk. This is addressed by conducting thorough market analysis and confirming that Liquidlogic remains the most viable and cost-effective option.
- 8.4 Measures in place to manage these risks include regular monitoring of the contract and supplier performance to ensure compliance and service quality, developing contingency plans to address potential service disruptions or supplier issues, and engaging with key stakeholders, including business owners and councillors, to ensure comprehensive risk management and support for the decision.

## **9 Equality and Diversity Implications (including the public sector equality duty)**

- 9.1 The EIA for this decision has been completed and the findings are summarised below. The assessment focused on identifying any adverse impacts on protected groups and how these impacts can be avoided or mitigated. Where adverse impacts cannot be avoided, the assessment considered countervailing factors such as the need to make budget savings or respond to an emergency.
- 9.2 Findings of the Equality Impact Assessment  
The assessment identified that there are no significant adverse impacts on any protected groups as a result of extending the contract with Liquidlogic. The systems provided by Liquidlogic are essential for managing Adults and Children's Social Care, supporting the most vulnerable residents in Sandwell. Therefore, the continuation of these services is crucial for maintaining equality and preventing discrimination.
- 9.3 As no significant adverse impacts were identified, no specific mitigation measures are required. However, the Council will continue to monitor the implementation of the contract to ensure that it remains compliant with equality duties and addresses any emerging issues promptly.
- 9.4 The decision to extend the contract is justified by the need to ensure business continuity, stability, and predictability in critical frontline services, finance operations, and support. The extension leverages existing investments and avoids the significant costs and disruptions associated with transitioning to a new system. This approach supports the Council's commitment to providing high-quality services to all residents, including those with protected characteristics.
- 9.5 The extension of the contract with Liquidlogic is expected to have positive impacts by ensuring the continued provision of essential social care services.

These services are vital for supporting vulnerable groups and promoting equality within the community.

## **10 Other Relevant Implications**

### **10.1 Workforce and Human Resources (HR) Implications**

There will be no Transfer of Undertaking, Protection of Employees (TUPE) implications associated with the extension of the contract with Liquidlogic. The continuity of the Liquidlogic systems will support the existing workforce by maintaining stability and avoiding disruptions that could arise from transitioning to a new system.

### **10.2 ICT / Digital Implications**

The extension of the contract with Liquidlogic has significant ICT and digital implications. The Liquidlogic systems are integral to the Council's digital infrastructure, supporting critical social care services. The proposal ensures that the existing infrastructure remains robust and that additional resource needs are addressed effectively. The continued use of Liquidlogic systems will facilitate ongoing digital transformation initiatives, enhancing service delivery and operational efficiency.

### **10.3 Procurement Implications**

All procurement decisions should have input from the Procurement services, and this proposal is no exception. The decision to extend the contract with Liquidlogic follows a direct award process, leveraging Regulation 32 of the Public Contract Regulations. This approach is justified by the limited number of alternative suppliers and the significant previous investment in the system. The procurement implications have been thoroughly considered, ensuring compliance with procurement policies and achieving best value for the Council.

### **10.5 Climate Change Implications**

The extension of the contract with Liquidlogic may have implications for climate change outcomes. The continued use of digital systems can contribute to reducing the Council's carbon footprint by minimising the need for physical paperwork and enhancing remote working capabilities. Additionally, the proposal supports the Council's commitment to sustainability by maintaining efficient digital infrastructure that reduces resource use and environmental impact.

### **10.6 Corporate Parenting Implications**

The Liquidlogic systems play a crucial role in supporting the Council's corporate parenting responsibilities. By extending the contract, the Council ensures that the systems used to manage and support children in care remain stable and effective. This continuity is vital for maintaining high standards of care and support for vulnerable children and young people, aligning with the Council's corporate parenting objectives.

### **10.7 Social Value Implications**

The extension of the contract with Liquidlogic has positive implications for social value. The systems provided by Liquidlogic enhance service delivery,

support local employment, and contribute to the overall wellbeing of the community. By maintaining these systems, the Council continues to create social value through efficient service provision, supporting local traders, and offering opportunities for young people.

- 10.8 Liquidlogic achieves social value through several key initiatives. The company achieves social value by promoting local skills and employment, supporting responsible local businesses, enhancing community health and resilience, and implementing environmentally sustainable practices. These initiatives contribute to the overall wellbeing of the community and align with the Council's social value objectives.

10.8 Health and Wellbeing Implications

The Liquidlogic systems are essential for managing social care services, which directly impact the health and wellbeing of the community. Extending the contract ensures that these services remain uninterrupted, supporting the physical and mental health of vulnerable residents. The proposal aligns with the Council's health and wellbeing objectives by maintaining high-quality social care services that promote overall community wellbeing.

10.9 Crime and Disorder Act 1998 Implications

Under Section 17 of the Crime and Disorder Act 1998, the Council has a duty to consider the impact of its work on crime and disorder. The Liquidlogic systems support various activities that have the potential to impact crime and disorder, including managing anti-social behaviour, substance misuse, and re-offending. Extending the contract ensures that these systems continue to support community safety initiatives, aligning with the Council's obligations under the Crime and Disorder Act

**11. Background Documents**

Exemption Report in accordance with Procurement and Contract Procedure Rules - Contract Award - Liquidlogic Adults & Children's Case Management System (Support & Maintenance) \*\*Exempt\*\* - 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information) and includes contemplated, as well as past or current activities.

**12. How does this deliver the objectives of the Strategic Themes?**

- 12.1 Growing up in Sandwell - The Liquidlogic systems are essential for managing and supporting children's social care services. By extending the contract, the Council ensures that these systems remain stable and effective, providing high-quality care and support to vulnerable children and young people. This continuity is vital for maintaining the standards of care and promoting the best start in life for children and young people in Sandwell.

- 12.2 Living in Sandwell - The Liquidlogic systems play a crucial role in managing adult social care services, supporting the most vulnerable residents in Sandwell. Extending the contract ensures uninterrupted service delivery, contributing to the wellbeing and quality of life for adults in the community. The proposal aligns with the Council's objectives to create a safe and supportive environment for all residents.



- 12.3 Healthy in Sandwell - The Liquidlogic systems directly impact the health and wellbeing of the community by managing social care services that support physical and mental health. Extending the contract ensures that these services remain uninterrupted, promoting overall community health and wellbeing. The proposal supports the Council's commitment to maintaining high-quality social care services that enhance the health of vulnerable residents.
- 12.4 Thriving Economy in Sandwell - By maintaining efficient social care systems, the Council supports the local economy through job creation and the provision of essential services. The Liquidlogic systems contribute to the economic stability of the community by ensuring that social care services are delivered effectively and efficiently. Extending the contract supports the Council's objectives to foster a thriving economy in Sandwell.
- 12.5 One Council One Team Approach - The extension of the Liquidlogic contract aligns with the Council's strategic theme of a One Council One Team Approach. By ensuring continuity and stability in social care services, the proposal promotes collaboration and efficiency across different departments and teams within the Council. This approach supports the Council's commitment to working together to deliver high-quality services to the community.