



## Report to Policy Committee

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**Report of:** *Meredith Dixon-Teasdale, Strategic Director of Children's Services*

**Report to:** *Education, Children and Families Policy Committee*

**Date of Decision:** *27<sup>th</sup> September 2023*

**Subject:** *Commission of Education Management System*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>(Insert reference number)</i>				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-				
<i>"The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended)."</i>				

### Purpose of Report:

This report sets out the Education System and how it is currently provided.

This report goes on to describe the importance of the Education System and seeks approval to Commission an Education System.

This report also sets out the estimated upfront costs of implementation of the new system and the expected recoupment of these costs over the lifetime of the service.

**Recommendations:**

That the Education, Children and Families Policy Committee approves the commission of an Education System from an external provider for a period of 10 years and estimated value of £4.3 million.

Lead Officer to complete:-		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: <i>Liz Gough</i>
		Legal: <i>Richard Marik</i>
		Equalities & Consultation: <i>Beverley Law</i>
		Climate: <i>Jonathan Pearce</i>
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>SLB member who approved submission:</b>	<i>Meredith Dixon-Teasdale</i>
3	<b>Committee Chair consulted:</b>	<i>Cllr Dawn Dale</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Dominic Sleath</i>	<b>Job Title:</b> <i>Head of Service – ICT&amp;DI</i>
	<b>Date:</b> <i>27<sup>th</sup> September 2023</i>	

## 1. PROPOSAL

### Background

1.1 Following the conclusion of the Capita Partnership in 2021, the Council put in place contractual arrangements to ensure it could still access various key systems previously provided under the Partnership. The Council currently has a single contract in place with Capita Business Services Ltd for the joint delivery of four core IT systems, including Capita One Education.

1.2 Capita provide the Capita ONE system. This is an Education System hosted by Capita in their data centre and accessed by Education staff in the Council. This service is due to come to an end on 30<sup>th</sup> June 2025.

### Education System

1.3 The system facilitates the work of over 30 Services and 500 Officers.

1.4 The system is the Council's key Line of Business System for Education; it holds the records of every child or young person accessing funded education in Early Years Provision, Maintained Schools and Academies.

1.5 The system is vital for recording and reporting on the Council's statutory duties such as Special Educational Needs and Disability Interventions, Assessment and Reviews.

1.6 The system enables back-office functions such as Early Years funding.

1.7 The system also manages processes that the Council carries out on behalf of the Education settings in Sheffield such as school admissions, census checks and maximising Pupil Premium.

### Commission of new Education System

1.8 To prepare for the end of this arrangement on 30 June 2025, the Council must commission an Education System to ensure service continuity.

1.9 The Council will need sufficient time to identify a compliant route to market to either procure a new system or retain the current system. The Procurement Strategy will be developed with Commercial Services and is subject to separate Council approval.

1.10 It is proposed that the selection of a system should be led by the Council's Education Service. The system must meet the requirements and specification being defined by Business Change and ICT and Digital Innovation Services alongside the Education Service.

1.11 It is proposed that the new system must have similar capabilities as the

current system as a minimum.

- 1.12 The proposed commission of the new service also provides an opportunity to improve on these capabilities, including Case Management for Special Educational Needs and Disability (SEND) provision and interventions.
- 1.13 In the last five to ten years the market has matured and there are now several systems that could meet the Council's requirements better, including safe management of SEND cases.
- 1.14 The new system will have the capability to meet the changing needs of the Service.
- 1.15 There is also an opportunity to reduce the Total Cost of Ownership by selecting a system that has a lower annual maintenance cost.
- 1.16 It is therefore proposed that the Council commission an Education System from an external provider for a period up to 30th June 2035, for an estimated value of up to £4.3m which includes an expected recoupment of £800k to cover the upfront cost of implementation of the system.

### **Upfront cost of change**

- 1.17 Once a new provider is commissioned, there will be an upfront cost of change to the new Education System. This will include supplier set up and implementation costs, commissioning external consultants for data migration, business analysis and project management as well as expanding the team to configure the system and for training and service engagement. This will also cover a period where we will have to pay for both systems while we configure the new one.
- 1.18 The value of this cost of change is dependent upon the provider ultimately commissioned.
- 1.19 There is no separate budget for the change to a new external service provider and an initial analysis exercise identifies the upfront costs to be in the region of up to £800,000 over 2 years. The cost of change will need to be considered in the Business Case, as part of the Business Planning process.
- 1.20 Over the period of the service there is an estimated payback time of 4-8 years and as such, a service period of 10 years would allow sufficient time to recoup these upfront costs.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

- 2.1 IT systems are now intrinsic to the efficient delivery of high-quality services.

2.2 An education system enables us to meet our Statutory obligations which include:

- Special Educational Needs and Disability Statutory Assessment and Review Service (SENDSARS)
- School Admissions Process
- Early Years Pupil Premium Checking and Administration
- Funding Childcare Providers
- 2-year-old Free Early Learning applications
- 30 hours Eligibility Confirmation
- Refresh 30 hours checks
- Disability Access Fund Applications
- Safeguarding Children including the duty under section 436A of the Education Act 1996 to identify and record pupils not on roll.
- Recording Fixed and Permanent Exclusions
- Data returns to the DfE.

### **3. HAS THERE BEEN ANY CONSULTATION?**

3.1 The system is not used by Sheffield citizens, it is a back-office system used to manage critical functions of the Council.  
As such consultation is not required.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### 4.1 Equality Implications

4.1.1 We need to invest in a reliable and modern system to support the work of services. Young people in education and their parents/carers could be affected by a lack of investment in this area, as this could equate to lower quality service delivery.

4.1.2 The project team has drafted and will regularly update an Equality Impact Assessment (EIA), to ensure impacts are mitigated where necessary. This will include ensuring IT software is accessible for users and is compatible with any assistive technology users of the software may have.

4.1.3 The project will adhere to GDPR standards as we recognise the importance of this when retaining information about our residents of Sheffield. We also recognise this may affect some groups more than others, such as disabled children and their carers, and those who are known to us through safeguarding services.

4.1.4 We will also adopt ethical procurement standards in our tendering process too and be mindful of EDI within this.

#### 4.2 Financial and Commercial Implications

4.2.1 The annual cost of the Capita ONE Education system is £430,000 per year. It is anticipated that ongoing costs may well increase as we are currently on a fixed term deal.

- 4.2.2 Benchmarking of other Local Authorities and soft market testing indicate that other systems are available at a significantly lower cost. In this respect the current service costs are considered to be relatively expensive and not representing value for money.
- 4.2.3 A project team has been recently formed to develop a Business Case for change, with an initial analysis exercise identifying those upfront costs of change to be in the region of up to £800,000 over 2 years. These costs will be considered as part of the 2024-25 Business Planning Process.
- 4.2.4 Potential annual savings could be between £100,000 and £200,000.
- 4.2.5 There is a likely payback time of 4-8 years. Therefore, it would be prudent to consider a procurement that could be extended beyond that time, for up to 10 years.

#### 4.3 Legal Implications

4.3.1 The Council has a variety of powers and duties in relation to education in the City including, *inter alia*, the duty (so far as their powers enable them to do so) to contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary education and secondary education and further education, are available to meet the needs of the population of their area under s13 Education Act 1996.

4.3.2 By commissioning a system which:

- Holds the records of every child or young person accessing funded education in Early Years Provision, Maintained Schools and Academies;
- records and reports on the Council's statutory duties such as Special Educational Needs and Disability Interventions, Assessment and Reviews;
- enables back-office functions such as Early Years funding.
- Manages and processes school admissions, census checks and maximising Pupil Premium,

the proposed system will ensure that the Council meets the above duty and other ancillary education duties.

4.3.3 The proposed contracting arrangements in this are permitted under the Local Government (Contracts) Act 1997.

#### 4.4 Climate Implications

4.4.1 The main impact on CO2 emissions arises from Data Centre processing. There are only a handful of suppliers in the market sphere, and as such

we would not expect there to be a significant change in carbon footprint. We will review climate implications at the point of tendering with the replacement third party.

#### 4.4 Other Implications

4.4.1 None.

### 5. **ALTERNATIVE OPTIONS CONSIDERED**

#### 5.1 **Do nothing.**

The Council requires an education system to deliver statutory services. Do nothing is not a viable option – the council must have an education system in place to execute its duties.

#### 5.2 **Develop our own system.**

This would be a significant undertaking, requiring skills and resources that the Council does not have access to. Those resources would have to be retained for future updates and functional changes as statutory requirements and business needs changed.

The Council would also have to consider storage and retention of data. Security and role-based access would need to be managed.

#### 5.3 **Repurpose an existing system (eg for Case Management).**

While we have a Social Care Case Management System, this does not meet the requirements for an Education System.

It does not hold schools' data or modules for the many Services that use an Education System. This would require significant development and manual "workarounds" to deliver a suboptimal solution, if that were possible.

For this reason, the supplier of our Social Care System has a separate Education System in its portfolio.

### 6. **REASONS FOR RECOMMENDATIONS**

6.1 This commissioning decision enables the Council to commence active market engagement and begin planning for its requirements in 2025 and beyond.

6.2 This commission will also ensure:

- The continuance of the Council's key Line of Business System for Education;
- the Council meets its statutory duties;
- back-office functions can continue.

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