Cabinet Report / Key Decision Date: 27th July 2017

Title: Integrated Education Management System (IEMS)	
Ward: All	Cabinet lead: Councillor Cheney
Author: Paul Jacobs	Job title: Service Director, Education & Skills

Revenue Cost: £ 0.6m	Source of Revenue Funding: Education & Skills budgets
Capital Cost: £2.3m + £1.7m	Source of Capital Funding: Capital Programme.
One off ☒ Ongoing ☐	Saving ☐ Income generation ☐

Finance narrative: This report is seeking up to £1.7m additional capital funding because of cost overruns on this ICT project. The table below illustrates this and demonstrates that the cost overruns have not arisen from an increase in the costs of the contract with the development partner for the new system.

Component	Original plan	Revised plan	Change
Contract with Development Partner	£1.900m	£1.900m	£0m
Project support (in-house and external)	£0.400m	£1.687m	+£1.287m
Overlap costs of maintaining existing systems	£0m	£0.120m	+£0.120m
Contingency	£0m	£0.281m	+£0.281m
Total	**£2.300m**	**£3.988m**	**+£1.688m**

The service reports that these overruns have principally arisen because of a far greater need for project support and specialist ICT input than originally planned for. The report sets out some measures which have been introduced to limit costs, but these still far exceed original approvals. Costs had been forecast to exceed budget approvals by £2m in December 2016 before changes to the size, composition and focus of the support teams reduced the pressure to the £1.7m indicated here.

There is a project contingency of £0.3m built in for prudence. The project is at an advanced stage and the benefits (ie the new system) will only be available if the project completes. As indicated in the report, if the decision were to leave the programme, penalties in the contract would be due and the benefits would not be realised.

If Members were to decide to approve the additional capital resources, this would require a capital virement from the ICT Development Strategy capital budget within Resources Directorate to the IEMS capital budget in the People Directorate. The expected profile of the extra costs would be £1.2m in 2017/18 and the final £0.5m in 2018/19.

The £0.6m revenue cost is over 4 years at £0.150m each year and there is sufficient resource from the budgets for licences for predecessor software to meet this cost.

Finance Officer: David Tully, Interim Finance Business Partner

Summary of issue / proposal: To implement a new single Education Management System that integrates with Children Social Care, Early Help and Adult Social Care management systems.

Summary of proposal & options appraisal:

1. **Context:** Currently, Education teams are using a large number of different ICT management systems. (see Appendix A) The council sought a single Education ICT system that would meet its statutory requirements and inherently generate efficiencies, when compared with existing ways of working. The key objectives of implementing an Integrated Education Management System are:

a. Enable the Council to meet statutory duties including Admissions, Attendance, SEND, Children Missing Education etc

b. Support the targeting of services to meet greatest need
c. Improve accuracy of information on children, young people and families through the use of a single data set
d. Reduce duplication of activity and increase service efficiency

When the ICT marketplace was unable to offer an acceptable solution to BCC through a traditional tender process, ICT officers entered into dialogue with six companies to explore the opportunity to encourage market development. Following this process, an ICT development partnership was established and a national provider was confirmed as BCC's IT development partner with an underpinning development contract using the Local Authority Software Applications (LASA) framework. This is a five year contract to procure an Integrated Education Management System for five years (including development phase) at a value of £2.5m. The project is due to be completed by May 2018.

- £1.9m Year 1 – capital
- £0.6m Years 2-5 – revenue per annum (£150k per year)

A capital budget of £2.3m has previously been approved for this development. The original approval was given at Full Council in February 2014. The development of software has been progressing and Phase 1 and Phase 2 (School Admissions) of the project are targeted for implementation in August 2017. Key user acceptance testing has taken place and, whilst a number of significant issues have been raised with the supplier, they are indicating Phase 1 and 2 are still deliverable within the current timescales. The overall view of the subject experts is that the software will be fit for purpose and could bring significant benefits to the Council including some efficiencies. The priority is to implement the new Admissions module in time for the next round of primary and secondary admission applications in September 2017.

2. **Resource Challenges:** The resources required by Bristol City Council to effectively support the development and implementation of this project were significantly under-estimated.
a. The support from Council 'client-side' for this project is very significant. This support includes:
i. Project management
ii. Subject expertise to enable the contractor to develop the system
iii. Testing of the product
iv. Developing training materials
£400k of capacity costs were included in the original project business case. However, the costs to the Council of the capacity have far exceeded the capacity originally costed into the project costs. The current forecast is for costs of c£1.687 and is the prime cause of the forecast overspend.
b. IT costs have also been incurred against the budget available to maintain existing systems prior to IEMS being implemented. These costs were c£120k and have been charged to the project budget but were not costed into the original budget plan.
c. To realise the benefits of accessing data across Education, Early Help, Children and Adults' Social Care some additional requirements have been added to the project plan. However, these have not added to the contract cost agreed as some flexibility was built into the contract for 'additional requirements'.

At the end of April 2017, the summary financial position was:

Capital budget allocation	£2,300,000
Less contract payments	£696,190
Less cost of external capacity for BCC	£670,140
Less cost of internal capacity for BCC	£149,481
Less commitments	£ 282,623
Budget remaining	£ 501,566
Outstanding contractual capital obligation	£1,203,810
Forecast Phase 1/ 2 external BCC costs	£58,630
Forecast Phase1/ 2 internal BCC costs	£249,015
Less known outstanding recharges	£32,544
Forecast Phase 3 internal BCC costs	£364,615
Forecast overspend	£1,407,048
20% contingency	£281,410
Total forecast overspend	£1,688,458

3. **Resource Mitigations To Date**:

a. Renegotiate contract: The contract has 'executable options' included. This was intended to provide flexibility to cover issues/new requirements that could emerge during the development. We have been negotiating regularly with the contractor to use this element of the contract to reduce core implementation costs. This currently equates to c £340k costs. The options for the use of this funding are:

- Seek reduction in contract costs to this value – The contractor is currently not willing to accept this option
- Fund elements of BCC costs through the contract to reduce our spend

b. Reduce BCC costs: Costs have been reduced by reviewing the capacity required to efficiently and effectively support the implementation of the project. In particular:

- Some internal recharge rates being lower than predicted
- Delivery Team size kept compact and using experienced / skilled staff with flexible approach
- Moving some delivery from Phase 1 into Phase 3, meant these activities did not need to be resourced in parallel, so less staff required, reducing immediate team burn rate.
- Instigating activity as late as possible (within reasonable risks) to constrain the level of resource requirement and associated overspend

Professional advice from ICT and Change Team is that capacity is already stretched to ensure a safe delivery of the project.

It should be noted that the contract was written as to ensure that both parties remained committed to the cause. (At the inception of the project there was a risk that the contractor might not stay with the programme). If any one of the parties leaves the programme they have to pay the other the costs incurred. This is estimated at approximately £1.2m. If we are able to complete the project, then the Council will have a complete lifecycle view across children, adult and education services and be able to cease, at least, ten existing software products.

4. **Proposed Actions:**

a. Continue to negotiate with the provider to secure best value from the contract

b. Continue to seek efficiencies from within the Council delivery team whilst protecting effective delivery of the System

c. Secure sufficient additional capital funding to ensure the successful completion of the project. The current forecast is that up to £1.7m of further resource is required. The current Capital allocation includes a provision for ICT projects. The recommendation is to allocate £1.7m of this funding to this project.

Recommendation(s) / steer sought:

To approve the allocation of capital funding of up to £1.7m across the financial years 2017/18 and 2018/19 from ICT Development Strategy capital to the IEMS project to ensure the successful implementation of the Integrated Education Management System.

City Outcome: The implementation of an integrated management system across education, early help, children's and adult's social care gives the Council the opportunity to become more strategic in focusing its limited resources on those in most need.

Health Outcome summary:

Sustainability Outcome summary:

Equalities Outcome summary: The introduction of the IEMS should enable a more strategic focus on vulnerable individuals/groups by Education & Skills services and for appropriate information sharing across Children Services about vulnerable children and families

Impact / Involvement of partners: *The key partners are schools and other education providers.*

Consultation carried out: *where has this concept be discussed – partners / Scrutiny etc*

Legal Issues: The Integrated Education Management System contract was called-off the ESPO Local Authority Software Applications (LASA) framework (RM1059) in 27 January 2016. The call-off contract is not being varied in connection with the request for further capital funding, and appears to be on track and

on budget. It follows that there do not appear to be any EU public procurement risks or contractual issues in respect of the continuation of the call-off contract and the request for additional funding.
Legal Officer: Richard Bakewell, Solicitor, Legal Services

DLT sign-off	**SLT sign-off**	**Cabinet Member sign-off**
19th June 2017	27th June 2017	11th July 2017

Appendix A – Further essential background / detail on the proposal	**YES**
Appendix B – Details of consultation carried out - internal and external	**NO**
Appendix C – Summary of any engagement with scrutiny	**NO**
Appendix D – Risk assessment	**NO**
Appendix E – Equalities screening / impact assessment of proposal	**NO**
Appendix F – Eco-impact screening/ impact assessment of proposal	**NO**
Appendix G – Exempt Information	**NO**

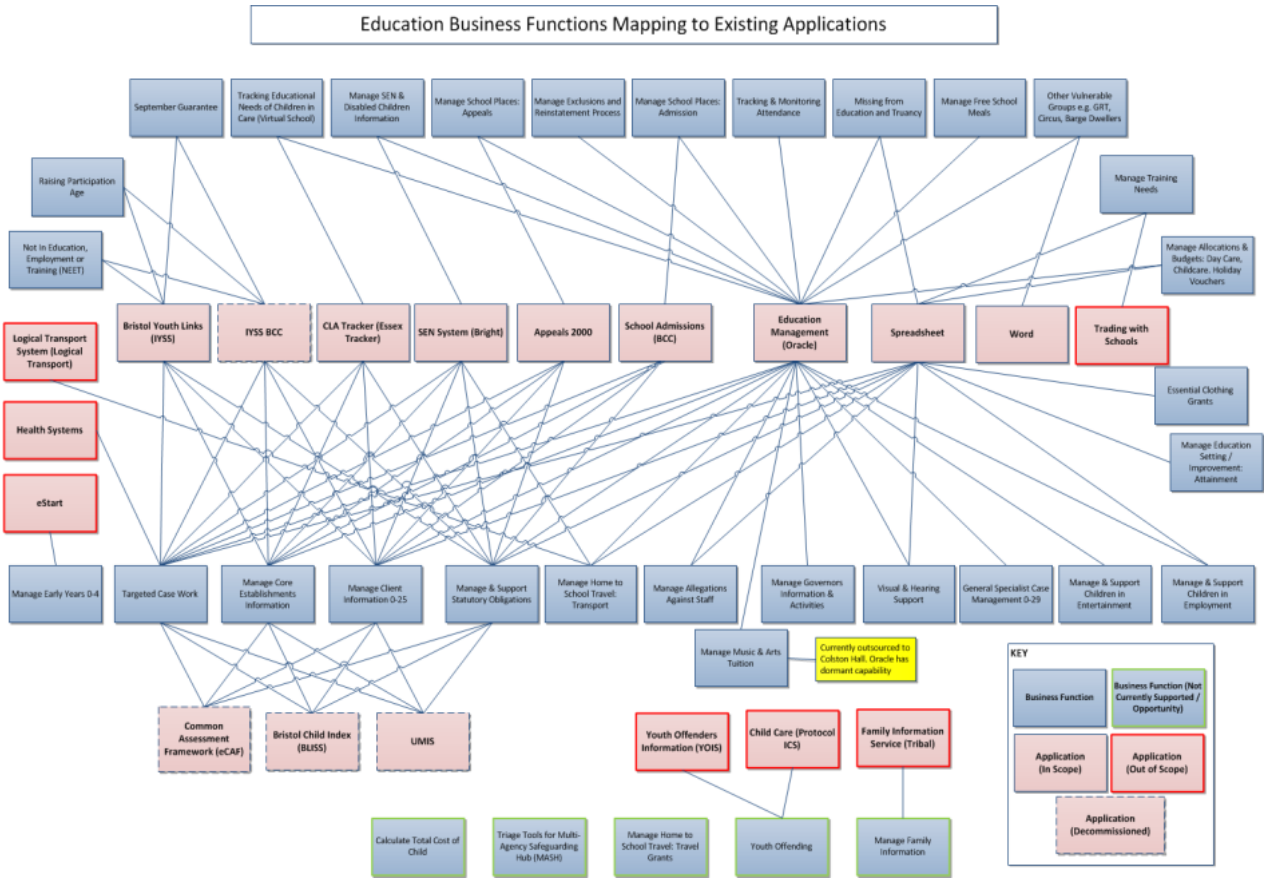
Appendix A - Background to delivery

Integrated Education Management System

A major element of the historical Children First Programme, recognised Education needed help to respond more efficiently to service demands.

- Information needed joining up
- There was too much duplication / data stored for too long
- More data, information about a child, needed to be shared wider
- Struggling to meet statutory obligations & reporting
- Unable to meet internal management information requirements
- Details about a child held in multiple places and not necessarily accurate, or up to date
- Very difficult to see what was happening across a child, let alone a family

How things were done and supported was (and still is) very complex and needed simplifying.



An ICT procurement process was held and it was quickly discovered the marketplace didn't offer a commercial off the shelf software product. (That met the needs of the service, whilst supporting the way the council wanted to work).

BCC options at that time

- Develop something inhouse
  BCC were not a developing authority, strategy was to buy
- Run the tender process again
  It wouldn't give a different answer
- Stimulate the market

In the marketplace there was very little intention to take on market leader, even though product was not fit for purpose

- Look for an ICT development partnership, preferably with other local authorities
  Would a supplier with other interested local authorities be found, several were showing interest
- Put on hold, until market develops
  Would not help the services overcome complicated ways of working
- Don't do anything and leave the services running as they are
  Not going to help Education face existing challenges, or those on the horizon

BCC had to do something, to secure an approach to address the wider issues and get ready for the cuts to come, which were going to be deeper than ever experienced before.

Options were explored and only one was identified as a realistic possibility to move the service on and prepare for the future. To actively seek an ICT development partnership.

Meanwhile whilst all of this was being discussed:

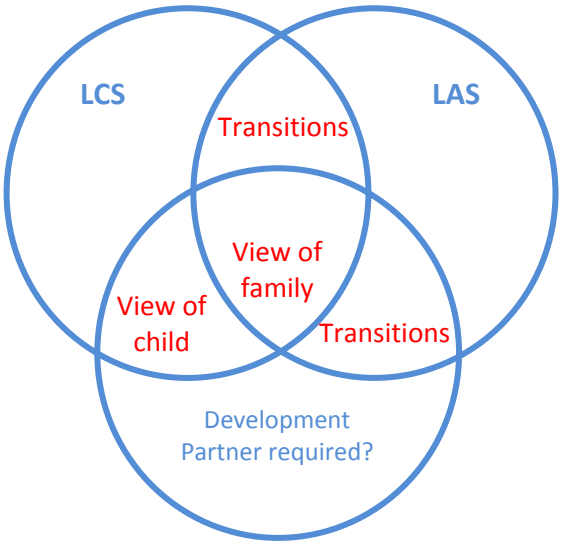
- Children Social Care went live with LCS software from Liquidlogic
- Adult Social Care invested substantially in LAS software from Liquidlogic

With these two commitments in place, there was further potential to achieve wider benefits. BCC had already invested heavily in two of the three areas required to achieve:

- A view of the child

  And

- A view / partial view of a family



At the end of January 2015 a request was approved to explore further and put in place a partnership development contract.

The following year put in place the full development partnership contract, key delivery milestones and commenced initial design workshops in October 2015.

Delivery Scope

1. **Early Years Education System & associated new ways of working - EYES Phase 1**

- Provides underpinning demographics, for use by all other Phases
- Core Client and Establishment Information
- Manage Education Setting and Improve attainment

- Free School Meals
- Exclusions
- Tracking and Monitoring Attendance
- Missing from Education / Truancy
- Home to School Travel
- Other Vulnerable Groups – eg. Gypsy Roman Travellers, Excluded Home Education
- Children in Employment and Entertainment
- Allegations against staff

- Manage Allocations and Budgets for Day Care and Childcare
  NB: Currently under discussion with supplier to move this to Phase 3, due to service pressures and criticality of delivering new hub and spoke Children Centre model (and securing budget savings associated with this).

2. Early Years Education System - EYES Phase 2

- Admissions & Appeals

3. Early Years Education System - EYES Phase 3

- NEET Tracking
- Raising Participation Age
- September Guarantee
- Visual and Hearing Support
- Case Work Specialisms e.g. Inclusion Services
- CLA Tracker
- Parent and Professional Portal

4. Specific supporting software installations

- Troubled Families
- Group Work - Replaces Capita e-Start
- Education Health Care Plans - Replaces Bright (SEND)

5. Preparing for, managing and implementing change

- Anticipating and planning for behavioral impacts across all the services.
- This is one of many changes individuals are going through, expecting multiple impacts.
- Expect managers and teams to all go through a 'change reaction', at different times and at different paces – caused by different triggers.
- Reacting to change is a very human thing and can't be avoided but it must be recognised, supported and managed throughout.