LONDON BOROUGH OF
HARROW

Appendix A - Business Case

Purpose of Business Case

To explore options for the Education IT system, which has a current contract end date of 31 March 2024, and to recommend a new contract under the Kent Commercial Services Framework.

General Information:

Project / Programme Name:	Procurement of Education IT System
Directorate:	People / Resources and Transformation
Division / Department:	Education
Project Manager:	David Harrington, Head of BI	**Project Sponsor:**	Patrick O'Dwyer, Director of Education
Change Lead (if applicable):	N/A

Exec Summary

What is the Project/Programme about? What is the problem you want to solve?

This business case considers the options for the Education IT system, comparing a new contract with the existing provider with open competition and a potential switch to an alternative provider.   It requests approval to proceed with a new multi-year contract with Capita Education Services for the One Education Management IT System (One EMS).

It is recommended that the Council enters into a further 3 years year contract from April 2024 to March 2027 with an option to extend for a further two years, on a 'plus one, plus one' basis.

What is expected outcome? What benefits will it bring?

This will meet the needs of Children's Services as the primary integrated IT system for Education Services, and as a secondary system for other areas of Children's Services. It is a fully hosted 'Software as a Service' arrangement, which is in line with Harrow Corporate IT Strategy.

How will Project/Programme progress be tracked?

This is the culmination of 2 years of work to which began with a review the options available and due diligence work with suppliers and other local authorities to inform decision making.   The final stages will be tracked via the work of the existing

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project team, and with a project plan and timeline that works towards a new contract being agreed before the end of calendar year 2023 and in place from 1st April 2024.

Is the Project / Programme achieving:
- ☐ MTFS
- ❖ **Corporate Plan**
- ☐ Flagship Actions
- ☐ Other

MTFS
What MTFS saving proposal is this Project/Programme achieving? How?

Not formally part of MTFS, although the recommended option will produce a modest cash saving over three years and will continue to provide a real terms saving for the Education budget – see Annex for details.

Corporate Plan
What Corporate Priority is this Project/Programme achieving? How?

A borough that supports those most in need. The report is concerned with the main IT system for key services in Harrow Education Services, including Admissions, SEND, Educational Psychology and Sensory teams. It is a critical tool in providing school places for Harrow's children, and in carrying out our statutory education functions. It enables monitoring of progress for all of Harrow's schools and pupils, in terms of achievement, SEN, attendance, exclusions, free school meals and a wide range of other metrics and characteristics. The system also support work on safeguarding and tracking children missing Education, termly DFE return for children missing education and Home Educated. Supplying data to the National Child Measurement programme (school nurses) for tracking obesity, height, and inoculations.

Flagship Actions
What Flagship Action is this Project/Programme achieving? How?

Indirectly supports Flagship Actions around free school meals and SEND.

Other
Why are we delivering this Project / Programme?

We are required as a local authority to support the local education system, which involves a range of support – this could not be carried out efficiently and effectively without an integrated IT system that holds pupil and other data, and supports workflow in the various education services.

Business Options
What options have been explored and what is recommended option?

Do Nothing

Note that each of the options follows a review of the market which began in 2021 and involved research of alternative suppliers and experience of other local authorities in both change and day to day use. The 'Do Nothing' option in this case means not doing anything as a result of this work, until contract expiry necessitates action.

If no further action is taken, the current contract with Capita Education Services will expire at 31st March 2024. This would risk a situation where Education Services cannot carry out its statutory functions in support of support of education in the borough, and would mean that various teams could not carry out their roles effectively. It would lead to uncertainty and potentially a significant deterioration in service levels. Realistically, the Council would be forced to negotiate a short-term extension at a late stage, from a weak negotiating position, and would be unlikely to achieve value for money.

Recommended Option – a 3 year +1 +1 contract with Capita Education Services under the Kent Commercial Services Framework

The possibility of a exploring a new contract that would meet competition requirements and potentially provide value for money for the Council via an existing government framework was identified by the Procurement Team and tested with our legal team. The Kent Commercial Services framework was recommended and used as a basis for negotiation. The team was able to negotiate a 3 year contract with Capita Education Services, on a like for like basis i.e. SaaS, all current modules and support level, with a starting price lower than the current annual maintenance, additional levels of technical support, and no cash costs relating to the implementation (although the time and efforts of the project team should be

acknowledged).This was compared with the modelling of the cost of open competition and change and is considered to provide good value for money.

The project team is therefore recommending this option to Cabinet. Full financial information is provided in the Annex.

Alternative Option – Open competition

This was fully considered and was a realistic option until the later stages of the project. Due diligence identified only one supplier that could supply an integrated solution that was a genuine alternative to One EMS. At the same time, suppliers are improving their offer and developing new and more integrated systems for Education and Children's Services, so there was an opportunity to test the changing market.

Because of this, a cost model was developed using estimates provided by the alternative supplier and other local authorities. The research also suggested that buying separate modules, or less integrated solutions would be likely to be more expensive in the first place and would create additional costs within the Council as integrations would have to be built and maintained.

The modelling of costs suggested that, compared with the existing cost of Capita One EMS, the cost of change would mean that the return on investment would not be within a timeframe that could be considered viable in the IT environment. (See financial detail in Annexe 1). However, this model relied on keeping the costs down for the existing supplier, which could not be assumed, so this option was kept open during the negotiations.

Key Milestones			
The milestone must be described in a clear measurable & tangible way			
No	**Title**	**Description**	**Due Date**
MS01	Preparation and due diligence	Review of suppliers and use of networks to determine other LAs experience of current and alternative suppliers	2021-22
MS02	Procurement options	Investigation of options for a competition and new agreement with existing supplier	Late 2022- early 2023
MS03	Negotiation with existing supplier	Negotiation of price and service levels with Capita Education Services	June 2023 – October 2023
MSO4	Contract	Draft contract produced under KCS framework, overseen by Harrow's Procurement and Legal Teams	October/ November 2023
MSO5	Cabinet Decision	Key decision as over £500k.	December 2023
MS06	New arrangements	New service agreement with enhanced support begins	April 2024

How are you going to deliver this Project/Programme?
Via a project team involving the Education, Business Intelligence, IT, Procurement and Legal functions, and with advice from colleagues in Finance and other areas e.g. Insurance. The project team is already in place and working to a tight timeline with December Cabinet as a key milestone.

Timeline
What is project/programme start and end?
Began 2021, ends with the start of the new contract at 1 April 2024, at which point we will revert to contract monitoring, which is current led by the Business Intelligence team, who currently look after the system/user administration.

Add more rows if required or delete as necessary

Initial Risk				
List the known risks to the successful delivery of the project with their brief description:				
Title	**Description**	**Likelihood**	**Impact**	**Mitigation**
Additional cost to Education Services	The limited nature of the market and the	Managed	Managed	The project team has kept all options open

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	time and cost of change does not give Harrow a strong negotiating position			during negotiation and pushed the supplier to provide
Meeting requirements for competition	The Local Authority must demonstrate competition with public sector procurement requirements.	Managed	Managed	Engagement with Procurement and Legal teams. Requirements
Entering a new multi-year contract leads to a drop in service levels	Leverage is lost in the early stages of the contract, and momentum is lost on improvement priorities	Medium	Medium	Contract includes expectations of continued improvement and names key individuals involved in support. Penalty built into contact for system downtime. Capita provides a service charter as part of the arrangement.

Risk and Opportunity Ratings Matrix - Summary.doc (sharepoint.com)

Inter-Dependencies
List projects dependent on this project, and projects this project is dependent on

- Compatability with the Council's Azure environment
- Data transfers from school systems. With schools now using a wider range of systems, connectivity is important and is built into the proposed contract via Wonde software
- Admissions Waiting list published to my Harrow enabling parents to check their position on school waiting lists
- Supporting the distance measurement tool on the harrow website enabling parents to check distance to school measurements (not specifically projects but we would not be able to provide this if Capita One were not available.
- SaaS arrangements
- Contingent on progress on Multi Factor Authentication, single sign on – ongoing work with Microsoft

Resourcing
Provide details of how Project / Programme will impact Harrow Council's staff capacity.
Due to the limited in-house resources, please careful review the list of resources required for the project.

1. What inhouse staff / team will be involved in delivery?

Project sponsored by the Director of Education and led by Business Intelligence – Head of BI and EMS Manager. Project team includes Procurement Business Partner, Senior Contract Lawyer, Head of IT Business Management.

2. Will IT, Communication, Procurement, Legal team be required to deliver? If yes, who and why.

As above. In addition, advice has been sought from colleagues in Education Services throughout.

3. Do we need external contractors / suppliers to deliver? If yes, who and why.

No external input needed other than from the supplier. The total cost of the project is built into the proposed 3 year total. All in-house effort has been provided by existing staff within their normal duties, so with no additional cost to the Council. The proposal does not involve any major changes to current modules, although it will involve the addition of Wonde software to improve data transfer. This has been included in the overall price.

Financial Information
The financial information that supports this business case is commercially sensitive - see Annex.