

Report of Head of Projects and Programmes

Report to Chief Officer Employment & Skills

Date: 12th August 2014

Subject: Community Learning Management Information System - approval to increase budget allocation

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Rule number: 10.4 (3) Appendix 1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

Summary of main issues

1. The Council manages and provides the administrative support for the Leeds Community Learning Programme, on behalf of the Skills Funding Agency (SFA). To plan and manage the delivery of the £1.8m annual contracted programme, the Employment and Skills Service collates and processes a high volume of data on learners and course information.
2. The management information system (MIS) that currently supports the planning and delivery of community learning does not fully meet the requirements of the service. Following a competitive procurement in January 2014, Tribal Education Limited was recommended for award of contract to develop the new MIS system, Maytas.
3. The initial anticipated costs for the total works including development of the new solution, maintenance costs for 5 years, project management and ICT implementation was £185,000. At the time, an assumption was made that the internal upgrades costs of £25,000 would remain the same as the current system, Aqua, and would therefore be cost neutral. This was not included in the initial DDN as there were no additional costs anticipated but this has now been accounted for in the revised budget as set out in this report. Following more detailed discussions with Tribal and confirmation from ICT Services of the work that will have to be undertaken internally to ensure the new solution fits within the Council's infrastructure, the budget has increased. The revised total costs for the

works has been quoted at £266,180.

4. A number of options to reduce the total costs have been considered in this report. Based on the preferred option, the revised costs to enable the implementation of the new MIS system will be circa £266,180. This includes development of the new solution, 5 years support and maintenance costs and internal ICT and project management services. A contribution from ICT Services of £25,000 towards the hardware costs has been deducted from this budget. ICT are also exploring other potential ways to further reduce the overall expenditure.
5. The information contained in the report supports key objectives set out in the Best Council Plan 2013-17, namely to 'promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses' with a specific focus on helping people into jobs and tackling poverty.

Recommendations

6. The Chief Officer Employment and Skills is to note the contents of the report and, to approve a revised total expenditure of circa £266,180, as set out in Option 1, to enable the implementation of the new MIS system to enable delivery of the Leeds Community Learning Programme. Full cost breakdown is set out in Appendix 1.

1 Purpose of this report

- 1.1 Approval is sought to increase the budget allocation to enable the implementation of the new management information system to support delivery of the Leeds Community Learning Programme.

2 Background information

- 2.1 The Employment and Skills Service manages and provides the administrative support for the Leeds Community Learning Programme, funded by the Skills Funding Agency (SFA). To plan and manage the delivery of the annual circa £1.8m contracted programme, the team collates and processes a high volume of data on learner and course information from commissioned providers. This enables returns to the SFA at key dates throughout the academic year to draw down funding; supports the management of the provider contracts; the checking of provider claims and payments and; registers learners for accredited learning with the appropriate awarding body. The system also enables the service to meet and evidence the requirements of OFSTED on meeting learner and community needs, contract management and quality assurance.
- 2.2 Following the recent procurement, 30 community learning providers are in the process of being awarded contracts by the service to deliver provision for 2014/15, starting in September. During this academic year alone, the providers will deliver approximately 1,500 courses to 8,000 learners with 10,000 enrolments on courses by 31st July 2015. Provider data is submitted 6 times a year, enrolments, completions and achievements data is submitted each term and, there are 5 uploads of data to the SFA.
- 2.3 The management information system (MIS) that currently supports the planning and delivery of community learning does not fully meet the service requirements and, additional systems have been developed over time, which are resource intensive and inefficient.
- 2.4 A competitive procurement process was carried out last November. Unfortunately this process highlighted a limited market to provide a new solution against the service's requirements. In response, a closed tender exercise was undertaken with two interested parties in January, resulting in an award of contract being approved by the Chief Officer Employment and Skills, to Tribal Education Limited to develop a new MIS system, Maytas. The new MIS needs to be compliant with the Council's ICT services. On this basis, contract award was subject to ICT Services defining how the new solution will fit into the Council's infrastructure and, the associated costs for any implementation works.
- 2.5 The Chief Officer also approved an indicative total budget of £185,000 for the development of the new solution and maintenance costs for 5 years plus internal project management and ICT implementation charges. All costs are to be met entirely from external funding received from the SFA.

3 Main Issues

- 3.1 A series of internal workshops were held between Employment and Skills staff and Tribal to finalise the service's requirements. The workshops identified further work needed to ensure the solution is 'fit for purpose'. In addition, ICT Services have also confirmed that the solution design is far more complex than originally anticipated, to fit into the Council's infrastructure, primarily due to the nature of how external providers will access the new system. This report provides a detailed explanation of the revised costs in Appendix 1.
- 3.2 To enable the implementation of the new solution, three possible options were explored as summarised below:
- Option 1: (preferred option): proceed on the basis of the revised costs above including 5 years maintenance and support costs for Tribal plus project management costs of £25,000 (remain unchanged). Total revised project costs of up to £266,180. This is preferred as it also allows for some contingency in the solution.
 - Option 2: proceed on the basis of the revised costs above including 3 years maintenance and support costs for Tribal (@ £8,140per annum in total). This is the minimum contractual term agreed with Tribal. Total revised project costs of up to £236,700.
 - Option 3: proceed on the basis of the revised costs above including 3 years maintenance and support costs for Tribal and ICT and also excluding the optional £28,700 currently included in Tribal costs for extra work identified by the service through the workshops). Total revised project costs of up to £208,000.
- 3.3 This report seeks approval to proceed with option 1. The first option is based on the originally assumption of 5 years support and maintenance. Further detailed breakdown of the costs associated with the Preferred Option 1 is also included in Appendix 1. These costs will be met from the Community Learning budget that was accrued from 2013/14 to cover the initial estimated expenditure plus an additional amount from the accrued fee income.
- 3.4 The second option, while acceptable does not provide any contingency.
- 3.5 The third option would remove the optional work that Tribal has identified needs to be undertaken to ensure the new solution is fit for purpose. The service is currently reviewing the implications of not including this within the programme and, until this analysis is complete and any risks identified, we are not in a position to recommend this as a way forward at this stage.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 Senior Leadership within both Employment and Skills and ICT Services have been consulted and engaged in the development of these costs, in collaboration with finance and representatives from the supplier, Tribal.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An EIA screening was carried out last year to inform the procurement of a new MIS System in November last year and subsequently to seek approval to award a contract to Tribal Education Limited in January 2014. The proposals in this report have no direct impact on service users. The MIS system is required to collate and analyse information on service users and outcomes to inform service planning and commissioning strategies, the efficient submission of accurately evidenced grant claims to the funding body, the Skills Funding Agency, and to evidence that OFSTED requirements are being met.
- 4.2.2 The new MIS will have the ability to collate and report on learner equality profiles to meet the SFA, OFSTED and Council requirements to ensure that access and outcomes for equality groups can be effectively monitored and planned for.

4.3 Council policies

- 4.3.1 The proposed actions contained in the report will support the effective delivery of the Community Learning programme which will contribute to the achievement of key objectives in the Best Council Plan 2013-17. By supporting residents from disadvantaged communities and groups to re-engage with learning and or acquire new skills, the Council will provide support to communities and tackle poverty; help people out of financial hardship and into work; and promote sustainable and inclusive economic growth by improving the economic wellbeing of local people and businesses.

4.4 Resources and Value for Money

- 4.4.1 The cost of the purchasing and implementing the proposed new MIS system can be met entirely from the approved externally funded Community Learning budget.
- 4.4.2 The proposed new MIS will enable a more effective deployment of existing staff to manage all processes to meet SFA and OFSTED requirements.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The contract value is below that at which the Public Contract regulations apply. The procurement was run in accordance with the Council's Contract Procedure Rules. This decision is a Significant Operational decision and, is not subject to Call In.
- 4.5.2 The information contained in Appendix 1 is exempt under Access to Information Rule 10.4 (3) as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is

considered that the public interest in maintaining the content of Appendix 1 as exempt outweighs the public interest in disclosing the information.

4.6 Risk Management

- 4.6.1 A MIS Project Board has been established, chaired by the Head of Projects and Programmes to evaluate and approve tender documents and oversee the successful implementation of the procured service. The Board will also manage the change programme with staff to re-engineer processes to maximize the benefits and efficiencies to be delivered by the system.
- 4.6.2 The procurement of a new MIS will significantly reduce the risk of non-compliance with the SFA and OFSTED programme requirements, reducing potential reputational risks to the Council and, safeguarding current and potential funding for skills provision within disadvantaged communities.

5 Conclusions

- 5.1 Following a competitive process in January 2014, Tribal Education Limited was recommended for award of contract to develop the new MIS system to support delivery of the Council's Community Learning Programme.
- 5.2 The final costs to develop and maintain the new solution has come in over the original budget of £185k. The revised maximum costs including internal charges, is circa. £266k. Option 1 is preferred as it covers the system for 5 years and also allows for some contingency. The costs will be met entirely from the Community Learning budget allocation (accrued from 2013/14) and, the Council's community learning accrued fees income.

6. Recommendations

- 6.1 The Chief Officer Employment and Skills is to note the contents of the report, to approve a revised total expenditure of up to £266,180, as set out in Option 1, to enable the implementation of the new MIS system. Full cost breakdown is set out in Appendix 1.

7. Background documents¹

- 7.1 Not applicable.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.