

Nursery Management System Business Case

Date: 05 August 2022

Report of: Victoria Fuggles

Report to: Deputy Director, Children & Families Social Work Service

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- The report provides information for the decision maker on the business case for the procurement of a nursery business management system.
- The report supports the council's ambition to improve the financial sustainability of the Little Owls nurseries and reduce deficits
- Little Owls Nurseries contribute to the outcomes of the Childrens and Young peoples Plan, Best Start and the Child Friendly City initiatives.

Recommendations

- a) The Deputy Director, Children & Families Social Work Service is recommended to approve the procurement and implementation of an appropriate nursery management system.

Why is the proposal being put forward?

- 1 The Little Owls Nursery business looks after up to 2,900 children each day. Each of these children brings in income from either government free entitlement grants or private fees and employs around 600 individuals. The turnover of the business is in the region of £10 million per year.

Currently, each Little Owls setting manually records information using school register books, writing attendance and fees owed/paid into the margins.

Staff rotas and childcare bookings are held separately on A4 paper sheets which are revised weekly and paper child registers must be stored for 21 plus years.

The waiting list and attendance records are held on CCMS which is not GDPR compliant and attendance needs to be transferred from the paper registers to the CCMS system daily.

Lunch numbers and milk claims must be calculated manually and cannot be easily monitored.

Free entitlement claims are manually calculated and then need to be typed into the FIS portal by admin staff.

Parents do not receive invoices for fees because they do not have the administrative capacity to manually produce individual invoices and mail them out families. The business is therefore not compliant with Government regulations regarding the transparency of charging for full day care alongside free entitlement.

- 2 The lack of transparency around the financial transactions in the nurseries and the inability to interrogate real time data means that the business cannot be run effectively, and business mistakes cannot be caught early.
- 3 The lack of ability to forward plan places and staffing effectively has resulted in loss of business and this has been recorded as a reason for parents going elsewhere.
- 4 Inability to plan puts Little Owls business at a disadvantage when competing with the private sector.

The loss of 1 full-time day-care place costs the service £12,398.40 (15 hour TTO FEEE place for a 3-4 year old currently brings in £2,725, with a 30 hour place then being £5,450.)

What impact will this proposal have?

Wards affected:

Have ward members been consulted?

Yes

No

- 5 The implementation of a business system will
 - a) Improve the efficient collection and recording of fee payments
 - b) Provide a digital archive for documentation reducing the need to keep paper copies
 - c) Provide a GDPR compliant registration and attendance monitoring system
 - d) Provide an efficient and accurate tally of free entitlement claims preventing loss of income through human error

- e) Provide a DFE compliant fee invoicing system preventing reputational damage to Leeds City Council should a complaint be received.
- f) Secure fee collection against simple fraud.
- g) Prevent loss of places due to inability to book vacant places up to 12 months ahead.

What consultation and engagement has taken place?

- 6 Staff have been consulted about the proposed implementation of this system and it has been well received.
- 7 CSLT have been consulted and have welcomed the proposal
- 8 Cllr Venner has been briefed.
- 9 The proposal has been to the IDS project Board and approved.

What are the resource implications?

- 10 The cost of the system is estimated to be in the region of £2,000.00 per setting per year.
- 11 It is anticipated that the total value of the three (3) year contract will be in the region of £177k.
- 12 There are likely to be additional project management and implementation costs of around £25,000 in the first year.
- 13 In order to justify the maximum annual costs, the system will need to
 - a) help prevent 6 full time childcare places within the service being unoccupied. (£74,388)Or
 - b) enable more efficient deployment of staff across all centres reducing the need for agency costs. A reduction in 2 full time agency staff members (£75,600)
- 14 The costs may be met from the Vote 24 monies top sliced to IDS but in any event will be affordable due to the efficiencies enabled by such a system.

What are the legal implications?

- 15 Failure to implement this proposal will mean that
 - a) Leeds City Council will be unable to decommission the CCMS system which remains non-compliant with GDPR.
 - b) The Leeds City Council nurseries will be non-compliant with DFE legislation requiring all providers of Free early education entitlement to provide transparent invoicing enabling parents to ensure that the provision is free at the point of delivery. Leeds City Council is itself required to enforce this legislation.

What are the key risks and how are they being managed?

- 16 The CCMS was due to be decommissioned last financial year. This is a non-GDPR compliant system and cannot be decommissioned until a new business system is procured. – un-mitigated risk
- 17 Non-compliance with DFE requirements – unable to comply due to lack of business system – Although managers can provide information on charges using paper registers this is extremely inefficient and open to human error. The service does not have the ability to generate accurate invoices – unmitigated risk.

18 Loss of business due to inability to predict pipeline vacancies – unable to manage without new system.

Does this proposal support the council's three Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

19 Little Owls nurseries provide services in areas of high deprivation to all children including those with SEND allowing children and families to access education and training and supporting families who need childcare to work and train in areas unattractive to private provision or where the needs of the local population cannot be accommodated in a purely commercial venture.

20 Little Owls also works in partnership with the Infant mental health service, health Visitors, physiotherapy, the child development unit, dental and public health services to ensure a healthy start and supports access to healthcare provision that families may not already be accessing.

Options, timescales and measuring success

What other options were considered?

21 An in house-built system was attempted in 2016. This failed due to reliance on the CCMS system which was unable to support the extra data and reporting.

22 Research was undertaken on several other systems already implemented by Leeds City Council including synergy. None of these systems provided the functionality that is required to run a childcare nursery business.

23 Some excel spreadsheet systems are currently being used to support business management but these are not real time system and therefore cannot provide the functionality required.

How will success be measured?

24 Success will be measured by the procurement and implementation of an appropriate nursery management system

What is the timetable for implementation?

25 It is hoped that the system can be implemented by the October of 2022. This depends on the speed of procurement and the implementation process.

26 The long stop date for implementation will be end of the financial year 2022/23.

Appendices

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Background papers

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