

EXECUTIVE 14th March 2024

Report Title	Children's Services Education Case Management System Contract Variation
Lead Member	Cllr Scott Edwards, Executive Member for Children, Families, Education & Skills
Report Author	Neil Goddard, Assistant Director for Education. Children's Services

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	N/A
Which Corporate Plan priority does the report most closely align with?	Better, brighter futures

List of Appendices

Appendix A – Climate Change Assessment tool

1. Purpose of Report

- 1.1. The current contract with Capita to provide a Case Management System (CMS) for Education Services ends in March 2024. This report seeks approval to proceed with a Variation to the Original Agreement for the extension, for a period of two years of delivery of the Capita One Education Software and associated Services, to enable a suitable migration and implementation period for the new Education Case Management System (ECMS), which is currently being procured.
- 1.2. This report seeks delegated authority to the appropriate Executive Member of Children, Families, Education and Skills in consultation with the Assistant Director of Education, to take any further decisions and/or actions required to agree and conclude this variation to the contract of the current CMS with Capita Business Services Limited, to allow continuity of service during full and appropriate implementation of the new ECMS.

2. Executive Summary

- 2.1 The current system used in Children's Services is Capita One Education which was procured before the local government reorganisation and is contracted for use until Sunday, 31st March 2024 (inclusive).
- 2.2 The new Education Case Management System procurement and implementation was agreed by Council on the Thursday, 31st August 2023. The completion date for this project is September 2025.

- 2.3 A variation to the current contract will enable the Capita One Education Software to remain in operation until Tuesday, 31st March 2026 (inclusive), while the new Education Case Management System is implemented at North Northamptonshire Council.
- 2.4 The budget for the variation was agreed by Full Council on 22nd February 2024 and by Spending Management Panel on 28th February 2024.
- 2.4 If the contract for Capita One Education is not extended, there is a risk that from April 2024, North Northamptonshire Council could not fulfil its statutory requirements relating to the provision of Education Services in North Northamptonshire. A contract extension will ensure that the Service can continue to be delivered in a safe and legal manner.

3. Recommendations

- 3.1. It is recommended that the Executive:
- a) Approve that the Council proceeds with a Variation to the contract with Capita Business Services Limited for the Capita One Education Software for a two-year extension and 220 additional licences.
 - b) Delegate authority to the Executive Member for Children, Families, Education and Skills, in consultation with the Executive Director of Children's Services (Interim DCS), to take any further decisions and/or actions required to agree and conclude a variation to the contract of the current CMS with Capita Business Services Limited, to allow continuity of service during full and appropriate implementation of the new Education Case Management System.
- 3.2. Reason for Recommendations
- a) To support the procurement and implementation of a new Education Case Management System.
 - b) To maintain a consistent and stable service provision to children, young people, parents, and carers. The new Education Case Management System will not be fully implemented until September 2025. It is essential that accurate records and case work are maintained in order to continue to deliver the service effectively.
 - c) Enable Children's Services to operate in a safe and legal manner. The service has a number of statutory requirements that it must deliver including safeguarding and government data returns. The extension of the current system until implementation is complete will enable the service to comply with these.
- 3.3. Alternative Options Considered
- a) **Do Nothing** – There is the option to allow the contract for Capita One Education to end on Sunday, 31st March 2024 with no extension.
 - b) **Re-procure the current system using a Direct Award** – Using a compliant framework agreement, so far as permissible by the relevant legislation (Public Contracts Regulations 2015), the Council's Contract Procedure Rules, and the terms of the framework agreement.
 - c) **Explore the use of alternative existing case management systems** within the Council.

4. Report Background

- 4.1. During August 2020 Northamptonshire County Council awarded the current contract to Capita Business Services (Capita) for the provision of an Education

Services Case Management System (Capita One Education SaaS). The term of the contract ran to March 2021 with extension options until March 2024.

- 4.2. In December 2020 the contract was amended to novate the contract to North Northamptonshire Council with West Northamptonshire Council listed as an Affiliate as of April 2021. The contract was then extended to 31st March 2024.
- 4.3. At this time, work commenced to split the databases into North Northamptonshire Council and West Northamptonshire Council instances, ahead of the Northamptonshire Structural Changes Order 2019 replacing County, Borough, and District Councils with two new Unitary Councils, and moved to a Cloud hosted solution.
- 4.4. Children Services has undertaken a project to address the needs of the service to ensure a suitable Education Case Management System is procured and implemented. Capita One Education continues to be in place until March 2024. However, it is recognised that there is a requirement to have a fully operational Case Management System in place until the new system is fully implemented in September 2025.
- 4.5. Currently the ECMS supports the delivery of statutory and non-statutory duties of the North Northamptonshire Children's Services. It also supports Northamptonshire Children's Trust to carry out their duties through direct access to the system. Additionally, where there are services still to be disaggregated, West Northamptonshire Council staff are also required to access the Capita One North Northamptonshire system to deliver services.
- 4.6. Following a review of requirements, an additional 220 user licences will be included in the variation contract.
- 4.7. Capita One have agreed to a variation, subject to the approval of Executive.

5. Issues and Choices

- 5.1. **Do Nothing** – Allow the contract for Capita One Education to conclude on Sunday, 31st March 2024 with no extension. Once the contract for the current system has ended, access to the database would cease as it is cloud hosted by the supplier. The risk to the service and Council is the loss of accessible data and an unsustainable statutory service.
- 5.2. **Re-procure the current system using a Direct Award** from a compliant framework agreement – whilst a Direct Award option may be identified, which provides a compliant route to market, this is not guaranteed, and there remains a heightened risk of negative reputational, financial, and/or legal impact when using of this approach, as it contravenes the requirements of the Council's Contract Procedure Rules which form part of its constitution.
- 5.3. **Explore alternative existing systems** – There are no other case management software applications in use within the Council that could be satisfactorily utilised to meet the requirements of Children's Services.
- 5.4. **Proceed with a Variation** – to extend the contract with Capita Business Services Limited for the Capita One Education Software. This would allow the service to continue in a safe and legal manner, with the least disruption to users, pupils, parents/carers and partners. Risk of challenge to this approach is controlled as the variation is being requested to allow sufficient time to undertake a full and appropriate procurement process which is compliant with the relevant legislation (Public Contracts Regulations 2015) and the Council's Contract Procedure Rules.

6. Next Steps

- 6.1. Subject to approval of the way forward by Executive, a variation to the existing contract for Capita One would be put in place. The extension would be for a period of two years to commence from Monday, 1st April 2024 to Tuesday, 31st March 2026.

7. Implications (including financial implications)

7.1. Resources and Financial

- 7.1.1 Subject to approval of the way forward by Executive, it is proposed that the variation of the contract is agreed for two years.
- 7.1.2 The costs quoted for the two-year extension show an increase on current year costs due to added inflation (5% on 2023/24 baseline), and due to an increase in the number of licences required (previously 250 licences; from April 2024 470 licences will be charged). Year 2 costs will be subject to an increase related to inflation.
- 7.1.3 The cost would be met from a combination of existing budgets, the Education Case Management System project budget, and additional funding of £139k per annum for 2 years, which is included in the draft MTFP.
- 7.1.4 The cost would be met as set out in the Table below:

Annual Costs		Year 1	Year 2
Capita One Education Live System & Training Instance		£245,172	£257,430
Additional 220 licences		£65,000	£65,000
Total		£310,172	£322,430
Annual Costs to be Met from the Following Budgets:			
Existing Software Budgets	£108,672	£120,930	
Education Case Management System Project Budget	£62,500	£62,500	
Additional Budget included in draft MTFP		£139,000	£139,000
Total Budget		£310,172	£322,430

- 7.1.5 The budget for the variation was included in the Budget 2024-25 and Medium-Term Financial Plan Report agreed by Full Council on 22nd February 2024 and by Spending Management Panel on 28th February 2024.

7.2 Legal and Governance

- 7.2.1 This is a legacy contract from Northamptonshire County Council. The current system contract was awarded under the KCS Managed Services for Business Framework Agreement - Y16018 ("Framework Agreement") for the timeframe of Monday, 10th August 2020 to Wednesday, 31st March 2021 (inclusive). In December 2020, Northamptonshire County Council exercised the right to extend this to March 2024. Although the Framework Agreement has ended, the Call-Off Contract allows the Council to extend the contract term.

- 7.2.2 The current contract is held by North Northamptonshire Council with West Northamptonshire Council as a named affiliate. The variation to the contract will disaggregate the delivery of the services between the Council and West Northamptonshire Council, thereby, removing West Northamptonshire Council from the contract.
- 7.2.3 Furthermore, the Council will use a variation agreement to formalise extension of the current contract for a further period of two years.
- 7.2.4 Once the preferred supplier has been awarded the new contract after the re-procurement of the service, Capita will be required to work collaboratively with any new supplier (notwithstanding Capita may bid for and win the new contract) to ensure that personal data is securely migrated into a new Education Case Management System at an appropriate time.
- 7.2.5 Noted that the service is currently in the process of being re-procured in compliance with the Public Contracts Regulations 2015 ("PCR") as amended. However, it is worth mentioning that no further extensions can be granted after the one set out in this report, to avoid the Council being in breach of the PCR.

7.3 **Risk**

- 7.3.1 The Council is required to conduct a compliant procurement process and implement a new Education Case Management System which cannot be delivered in the available timeframe ahead of the contract end date for the current system. This could leave the Council without a system to deliver statutory services. The recommendation proposed allows for continuity of current provision with minimal disruption to services and allows for sufficient time to complete a procurement process, including an implementation and migration period, for a long-term Education Case Management System solution.
- 7.3.2 The costs for the solution are subject to inflation. However, the costs included in this report are based on quotes received from Capita Business Systems Limited, and these will be included in the variation agreement. The cost for Year 1 is therefore fixed at a 5% increase on the 2023/24 cost.

7.4 **Consultation**

- 7.4.1 Consultation has taken place with colleagues in the IT, Finance, Legal Services and Procurement teams in preparation of this report.
- 7.4.2 A communication plan is in place to ensure all stakeholders are kept informed. A Change Champions Group has been formed within Children's Services who will support communication and consultation with staff on an ongoing basis.

7.5 **Consideration by Executive Advisory Panel**

- 7.5.1 This decision has not been considered by an Executive Advisory Panel.

7.6 **Consideration by Scrutiny**

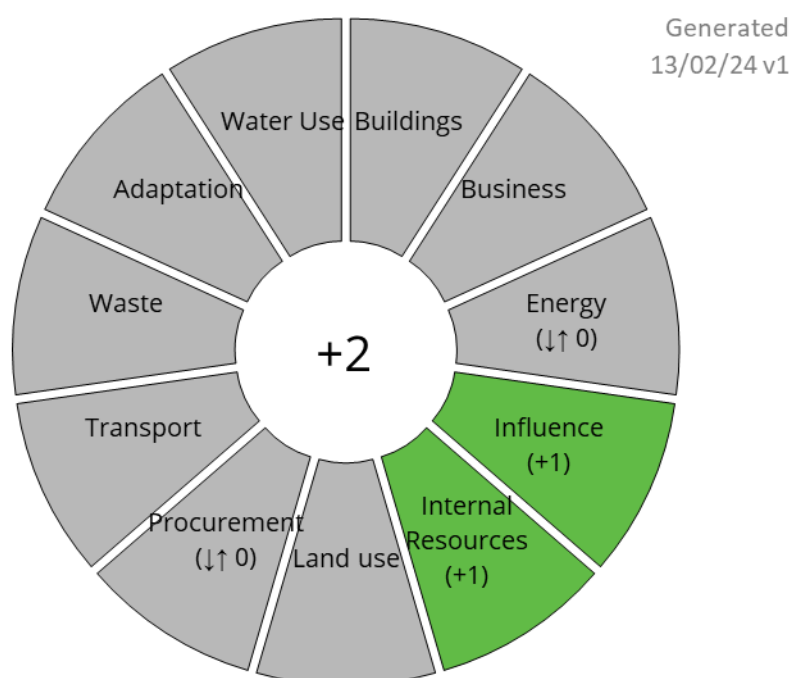
- 7.6.1 This decision has not been considered by the Council's Scrutiny function.

7.7 Equality Implications

- 7.7.1 An Equality Screening Assessment (ESA) has been carried out. This has concluded that the extension of the contract of Capita One Education will have a positive impact on protected groups.
- 7.7.2 Not agreeing a variation to the contract to extend may negatively impact users and customers of several groups due to the lack of a database and case management system to manage the service. This would leave the Council unable to fulfil its statutory obligations and open to challenge.

7.8 Climate Impact

- 7.8.1 With the Council's declaration of a climate emergency in July 2021 and the approval of the Carbon Management Plan in December 2022, we have committed to working towards becoming a carbon neutral council by 2030.
- 7.8.2 The Variation of the existing contract of Capita One Education provides an opportunity for a positive impact on Climate Change. However, the system and the way it will be used, remain virtually as it is currently.



North Northamptonshire Council has committed to being a carbon neutral organisation by 2030, 5 yrs & 10 mos away.

- 7.8.3 The impact on Energy will be neutral as the system and the way it is operated are remaining the same as it is at present.
- 7.8.4 The impact on the Influence category will be positive due to increase of 220 licences. This will enable Northamptonshire Children's Trust (NCT) to use the system more effectively in accessing information (within the guidance of GDPR), leading to a streamlining of the processes, and freeing up the Service to deliver more effectively as they should have less telephone call and email queries from the Trust.
- 7.8.5 The Internal Resources category will be positively impacted by the Variation Agreement as NCT will be able to use the additional 220 licences to access the system and information directly (within the guidance of GDPR) that they require. This will streamline the processes, freeing up the Service to deliver more effectively dealing with less queries from the Trust.
- 7.8.6 There will be a neutral impact on the Procurement as the system and the way it is operated are remaining the same as it is currently.

7.8.7 In procuring a new Education Case Management System, opportunities will be explored to make positive impacts on Climate Change, including improved communication with partners and parents/carers through electronic portals, the reduction in the use of printing and paper producing hard copy documents, and electronic document management.

7.9 **Community Impact**

7.9.1 Helping to ensure children and young people are fully engaged with their Education can lead to positive effects on communities. An Education Case Management System will prevent escalating issues for families and a negative impact on local communities and enable the Council to meet its statutory obligations.

7.10 **Crime and Disorder Impact**

7.10.1 There are no considerations in relation to the crime and disorder impact.

8 **Background Papers**

8.1 There are no background papers.