

## Notice of Non-key Executive Decision

<b>Subject Heading:</b>	Extension of Education System contract
<b>Cabinet Member:</b>	Councillor Robert Benham, Cabinet Member for Education, Children & Families
<b>SLT Lead:</b>	Robert South, Director of Children's Services
<b>Report Author and contact details:</b>	Darren Purdie – Head of Education Provision & Inclusion 01708 434940
<b>Policy context:</b>	Ensuring children and young people have the best start in life.
<b>Financial summary:</b>	The total cost of the contract including maintenance costs, licence and running costs for a 12 month extension is £82,773.22. The on-going licence and maintenance costs met from a combination of existing core budgets and centrally held Dedicated Schools Grant. This offers a saving of £7,312.02 over this and next year (operating on a +1 +1 extension model proposed in the original ED in 2019).
<b>Relevant OSC:</b>	Children and Learning OSC
<b>Is this decision exempt from being called-in?</b>	Yes It is a non-key decision by a senior officer.

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**The subject matter of this report deals with the following Council Objectives**

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

## Part A – Report seeking decision

### **DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION**

This report requests authority to extend the education management system contract with Servelec Education for a period of 12 months from 1 June 2021 at a cost of **£82,773.22**.

The service has reviewed its requirements and needs to continue with its previously procured system that supports satisfying the needs identified. This extension was originally agreed in principle in a Non-Key Executive Decision signed off in June 2019, but a further Confirmatory Decision was agreed to take place in 2021 for ratification.

It is recommended that the Assistant Director of Education approves the extension to contract to Servelec Education Limited for their Synergy software product, as a Hosted Solution. Details of the funding for this +1 extension (along with the forecasting to mitigate any financial risks for a further +1 year for the academic year 22/23) are included under the finance section.

### **AUTHORITY UNDER WHICH DECISION IS MADE**

Contract Procedure Rule 19.4 An extension to a contract may be made by a chief officer under the Scheme of Delegation provided that it was contemplated at the time the contract was awarded. For an award following an OJEU-compliant procurement, an extension may be approved if the published notice permitted the contract to continue past the defined period, the extension period does not exceed 50% of the awarded contract value, it will not mean that EU Threshold limits are exceeded by more than 50% and performance by the contractor has been satisfactory.

### **STATEMENT OF THE REASONS FOR THE DECISION**

The service has reviewed its requirements and needs to continue with its previously procured system that supports satisfying the needs identified. This extension was originally agreed in principle in a Non-Key Executive Decision signed off in June 2019, but a further confirmatory decision was agreed to take place in 2021.

In order to meet requirements for the new academic year in September 2019, a series of procurement routes had been explored and it had been determined that using the G-Cloud through the government digital marketplace was the quickest and fairest route. Whilst other procurement frameworks allow for longer contracts and extension options, using G-Cloud results in a '2+1+1' (2 year contract and 2 year option to extend, reviewed annually and this will next be reviewed through a new non-key

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decision prior to 1 June 2022). This decision is to extend the contract for the initial '+1' portion of the original Decision.

The first two years have now been completed and have proven successful, and the schools' admissions infrastructure is now dependent on the continuation of this provision of services so as to discharge its statutory duties around school admissions and associated functions.

### **Service requirements**

The system requirements are set so they meet all statutory duties, the needs of the service, and also ensure we can maximise government income through entitlements, such as the free early years' childcare programme. The system must meet the following requirements:

- Have an online parent portal enabling parents to apply for two year old offer & Early Years Pupil Premium (EYPP)
- Have capability to be integrated to meet the requirements of the 30 hours codes, Disability Access Funding (DAF) and EYPP.
- The system must be integrated to the Eligibility Checking Service (ECS) and produce instant outcomes for 2 Year old offer. Must be compliant with all changes around Universal credit entitlements as of April 2018.
- There must be a link between information shared by parents and LA systems allowing for the push of codes (2 year olds and 30 hours) so that when a provider claims the base line child level data is already present in the system
- System meets requirements for 30 hours breakdown of universal hours and extended hours
- System fully meets the needs of the Department for Education Early Years Census and as such all data fields related to child level and establishment data will be format ready for transfer to COLLECT.
- The system is automated for the calculation of funding for providers, enabling them to control their finances for government initiatives.
- System must be flexible so that it allows date parameters for terms, to prevent late returns from providers.
- System automatically calculates the ages of children and interfaces with termly date parameters, so children not eligible are identified.
- No local adjustments required for children who start after census closure - this is automatically managed so therefore no further requirement for a funding transfer manual process.
- No further need to send census exports or 30 hours childcare exports.
- Schools portal allows access to Statutory school age and early years data on one platform.
- System will have specific functionality to highlight and evidence over claims/duplicate data to reduce errors.
- Fully reportable to support data requests from Childcare works, DfE and HMRC
- School admissions system must work with Pan-London admissions configuration and protocol.
- Parent portal for school admissions, allowing application and notification on outcomes for main cohort and in-year applications.

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- Allow for schools to receive details of admissions applicants and self-rank them (so to apply any local admissions criteria) and push back through to the local authority through the system – for both main cohort and in-year.
- System has an automatic method to allocate unplaced applicants to their nearest school with a vacancy.

#### **ICT Requirements**

Technical and information security requirements have been satisfied. The system is cloud based and meets Havering requirements, as demonstrated over the last two years.

#### **OTHER OPTIONS CONSIDERED AND REJECTED**

Re- procure the service – rejected - based on the timelines the service benefits from the continuity of the service; conducting a full OJEU tendering process would mean the service would not have a new system in place in an appropriate timeframe and result in the same risks as keeping the status quo.

#### **PRE-DECISION CONSULTATION**

No formal consultation required.

#### **NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER**

Name: Darren Purdie

Designation: Head of Education Provision & Inclusion

Signature 

Date: 16/10/2021

## **Part B - Assessment of implications and risks**

### **LEGAL IMPLICATIONS AND RISKS**

This report seeks to extend the contract with Servelec Ltd for a period of 12 months.

The Council has the general power of competence under section 1 of the Localism Act 2011 to do anything an individual may generally do, including the matters set out in this report.

The extension must comply with the Council's Contract Procedure Rules (CPR). Under CPR 19.4 an extension is permitted where certain conditions are fulfilled which are the extension was contemplated at the time the contract was awarded, the award followed an OJEU-compliant procurement and the published contract notice permitted the contract to continue past the defined period. CPR 19.4 also requires the extension does not exceed 50% of the awarded contract value. The body of the report confirms that the proposed extension falls within CPR 19.4.

The existing contract with Servelec Limited permits two contract extensions of 12 months each.

Under CPR 19.5 the extension document will be completed in the same manner as the original contract.

### **FINANCIAL IMPLICATIONS AND RISKS**

The costs can be met from reserves that are held within the Dedicated Schools Grant (DSG) for this purpose.

For annual licence and maintenance costs, there is budgetary provision in the DSG that supports central services and core funding that funds the annual costs of the current system. This was unavailable in 19/20 due to the ongoing use of the previous system which had to run concurrently to facilitate transition without disruption to the statutory service provided, hence the use of DSG Reserves to meet the 19/20 licences and maintenance cost.

The anticipated profile of the £82,773.22 for 21/22 (along with the forecasting for the additional +1 agreed in principle in 2019 to pre-empt financial implications for 22/23) expenditure to deliver and maintain the system for the extended period is illustrated in the following table

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		<b>1 Year Extension (Y3)</b>	<b>2 Year Extension (Y4)</b>	<b>Total</b>
		<b>2021/22</b>	<b>2022/23</b>	
		<b>£</b>	<b>£</b>	<b>£</b>
<b>Expenditure</b>				
Annual Licence & Maintenance Costs, Training Days, Additional modules to improve efficiency of performance including access to provider portal reports)				
<b>Total</b>		<b>82,773.22</b>	<b>84,983.54</b>	<b>167,756.76</b>
<b>Funding</b>				
DSG Reserves		0.00	0.00	<b>0.00</b>
Core Budget		0.00	0.00	<b>0.00</b>
DSG Budget – A33480, A33420, A33400, A33600, A30460, A35700		82,773.22	84,983.54	<b>167,756.76</b>
<b>Total</b>		<b>82,773.22</b>	<b>84,983.54</b>	<b>167,756.76</b>
<b>The applicable costs at cost centre level are as follows:</b>				
		<b>Year 1 Extension (Y3)</b>	<b>Year 2 Extension (Y4)</b>	
		<b>82,773.22</b>	<b>84,983.54</b>	
<b>Category</b>	<b>Cost Centre Holding Code</b>	<b>Split of cost</b>	<b>Split of cost</b>	
Admissions	A33420-Schools Admissions	12,790.00	12,790.00	
Admissions	A36000-Pupils Database	7,850.00	7,850.00	
Early Years	A33480-Early Years Admissions and Business Support – DSG	13,460.00	13,460.00	
Early Years	A30460-DSG Contingency	39,183.22	30,243.54	
PSS	A33400-Social Inclusion	9,490.00	9,490.00	
PSS	A33220-Home Education By Parents	0.00	11,150.00	
<b>Total</b>		<b>82,773.22</b>	<b>84,983.54</b>	
<b>Funding</b>				
<u>Annual Licence and Maintenance Costs from academic year 2021/22 onwards:</u>				
Centrally held DSG funding:				
- 2021-22: £82,773.22				

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- 2022-23: £84,983.54

### **Risks**

The key risk is around the availability of the annual DSG in continuing to fund the system longer term, especially given current indications that funding for schools is increasingly under pressure due to underlying increases in costs beyond annual increases in the grant allocation. Current available budget projections allow for this expenditure for Years 3 & 4.

### **HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

The recommendations made in this report do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

### **EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS**

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

### **BACKGROUND PAPERS**

None



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**Part C – Record of decision**

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

**Decision**

Proposal agreed

***Delete as applicable***

~~Proposal NOT agreed because~~

**Details of decision maker**

Signed



Name: Trevor Cook

Cabinet Portfolio held:

CMT Member title:

Head of Service title: Assistant Director, Education Services

Other manager title:

Date: 19/11/2021

**Lodging this notice**

The signed decision notice must be delivered to the proper officer, Debra Marlow, Principal Democratic Services Officer in Democratic Services, in the Town Hall

**For use by Committee Administration**

This notice was lodged with me on \_\_\_\_\_

Signed \_\_\_\_\_