

CABINET

7 March 2023

CONTRACT FOR THE SCHOOLS ADMISSION SYSTEM

Report of the Portfolio Holder for Finance, Governance and Performance, Change and Transformation

Strategic Aim:	All	
Key Decision: Yes	Forward Plan Reference: FP/030223	
Exempt Information	No	
Cabinet Member(s) Responsible:	Councillor Karen Payne, Portfolio Holder for Finance, Governance and Performance, Change and Transformation	
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Ward Councillors	N/A	

DECISION RECOMMENDATIONS

That Cabinet:

1. Approves the direct award of the Annual Hosting and Maintenance contract at an estimated 4 year cost of £354,952, subject to inflation, from 1/4/2023 to 31/3/2027 in accordance with Regulation 33 of the Public Contract Regulations 2015.
2. Notes that the award will give an ongoing saving of around £26,000 per annum from 1st April 2023.

1. PURPOSE OF THE REPORT

- 1.1 To seek approval to award the hosting and maintenance contract to Capita Ltd (Capita) to ensure the optimum running and support of the school admission and other software products until the end of March 2027.

2. BACKGROUND AND MAIN CONSIDERATIONS

- 2.1 The Capita system is the software system for the Schools Admission service. In addition, the Council also has some software from Capita around eStart and IYSS under the same contract.

- 2.2 The Council has been using the system for over 10 years and the system continues to be fit for purpose.
- 2.3 The current 5 year contract which commenced 1st April 2019 is due to expire at the end of March 2024. The scope of this contract is the support and maintenance of the schools admission, eStart and IYSS software and in addition the remote hosting of most of this software by Capita.
- 2.4 Annual costs have risen by inflation and for the period 1st April 2022 to 31st March 2023 and would expect to rise to £114,904 from 1st April 2023.

3. OPTIONS

- 3.1 During 2022, the Council considered its options around a change of supplier, primarily to secure a cost saving to the Council without a change in the overall quality of the delivery of the service.
- 3.2 There is little competition in this area of the market and the main two systems in use are by Capita and a solution provided by another software supplier. Staff were provided with a demonstration of an alternative provider and we were able to discuss with some Local Authorities that had recently moved from Capita.
- 3.3 There were some significant issues presented by those authorities that had recently moved from Capita. Authorities had faced problems with the way the system worked differently from the Capita system, problems with data migration and quality of training for the new system. Their ongoing operations had been directly impacted on both the quality of the service offered to customers and also an impact on internal resources.
- 3.4 There is another challenge in that we currently use other software from Capita under the contract outside of school admission, for instance software for EYSS and eStart. Alternative providers do not provide the full suite of this software and we would likely need to implement alternative solutions.
- 3.5 There is only a small window of opportunity to change system and this is during the summer months, doing this would mean that we would have additional costs of two systems. So any transition to a new system would require additional internal project, IT and service resources to deliver, would lead to additional costs of duplicate licences for a period.
- 3.6 Officers are not confident that if the Council was to change to the alternative solution, the ongoing service to the customer would be to the current high standard and feel that there will be a big impact on the limited internal resource to deliver the service.
- 3.7 Officers have not been presented a formal proposal, but informal discussion with the alternative provider could realise savings in the order of £10,000 per year against the recommended option in this paper. This figure is based on an estimate of the additional costs as described above for training, migration, alternative software and the overlap of maintenance costs.
- 3.8 In summary whilst a financial case exists to change system, the service risks are considered to be significant.

4. CONTRACT NEGOTIATION

- 4.1 On the basis that a move to a new system was not recommended, discussions commenced with Capita to negotiate a new contract.
- 4.2 This negotiation has secured an outright cost saving without the need to change system. Officers were able to negotiate to terminate the contract a year early and agree a new cost from the 1st April 2023 under a new four year contract with the option to extend for four additional years. The contract will cost £88,738 from 1st April 2023 and rise by inflation. The first year saving is £26,166 and over the 4 years base on inflation at 5%, the savings over the life of the contract would be £112,779.
- 4.3 The renegotiation of the contract has been secured without any changes to the delivery and scope of the contract.
- 4.4 The contract will be award under the KCS Framework which was previously used for the contract.

5. CONSULTATION

- 5.1 The Council is not required to consult on this matter.

6. ALTERNATIVE OPTIONS

- 6.1 Aside from the option presented in section 3, the other option is to wait until the end of the current contract in April 2024 and then to consider options to renew. This option is disregarded as this would put the Council in a poor place for renegotiation as it is unlikely a change to new software provider would be an option.

7. FINANCIAL IMPLICATIONS

- 7.1 The current costs of the maintenance of the system are in the current IT budget and there any savings from a new contract could be released.

8. LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council has duties under various pieces of legislation relating to the payment of benefits and it also has the power to raise revenue. The Capita system is able to carry out these functions.
- 8.2 The Capita system requires specific technical support which can only be provided by Capita and is hosted in their environment.
- 8.3 To ensure continuity of technical support, it is the intention to make a direct award using the KCS Framework, on the terms and conditions set out in the Framework and as permitted by Regulation 33 of the Public Contract Regulations.

9. DATA PROTECTION IMPLICATIONS

- 9.1 A Data Protection Impact Assessments (DPIA) has not been completed because there are no risks/issues to the rights and freedoms of natural persons.

10. EQUALITY IMPACT ASSESSMENT

- 10.1 An Equality Impact Assessment has not been completed because there are no service, policy or organisational changes being proposed.

11. COMMUNITY SAFETY IMPLICATIONS

11.1 There are no community safety implications arising from this report.

12. HEALTH AND WELLBEING IMPLICATIONS

12.1 There are no health and wellbeing implications arising from this report.

13. CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

13.1 The Capita system is the system for the schools administration service area. The Council has no immediate plans to change the system. The System requires ongoing support and maintenance to optimise performance and ensure compliance with legislation changes. It is therefore recommended that Capita is appointed to continue to host and provide the support and maintenance to the system.

14. BACKGROUND PAPERS

14.1 There are no background papers.

15. APPENDICES

15.1 There are no appendices.

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