

## Summary Sheet

### Council Report

Cabinet / Commissioners Decision Making Meeting – 14<sup>th</sup> March 2016

### Title

Request for Exemption from Contract Standing Orders to Continue and Extend the Support, Maintenance and Hosting for Synergy FIS (Tribal)

### Is this a Key Decision and has it been included on the Forward Plan?

No

### Strategic Director Approving Submission of the Report

Ian Thomas, Strategic Director CYPS

### Report Author(s)

Aileen Chambers, Childcare Sustainability Manager

### Ward(s) Affected

All

### Summary

The purpose of this report is to seek an exemption under Standing Order 38 from the provisions of Standing Order 47, to enable the continuation of **support, maintenance and hosting** of the Synergy FIS information management system which expires on 31<sup>st</sup> March 2016.

Extension of the current contract for support, hosting and maintenance of the system is essential to enable the local authority to meet its statutory duty:

*Childcare Act 2006 Section 12: to ensure information, advice and assistance is available and accessible to enable service users to make informed choices on childcare, early education, activities or support services in relation to 0-19 year olds and their families.*

The system also supports the uptake of free early education places for vulnerable 2 year olds and all 3 & 4 years olds.

It is not possible to invite tenders from alternative suppliers as the current system provider (Tribal) would not allow access for this purpose from other providers. It will not be possible to

complete a full re-tendering exercise before the end of the current contract. The Early Years and Childcare Service do not have any budget available to purchase a new system, but the current system can be maintained by extending the current support, maintenance and hosting contract.

### **Recommendations**

Cabinet agrees to seek an exemption under Standing Order 38 from the provisions of Standing Order 47.

Cabinet agrees to extend the support, maintenance and hosting of the Synergy FIS to a 3 year contract with the option to extend for a further 2 years.

### **List of Appendices Included**

CYPS DLT 2<sup>nd</sup> November 2015 - Procurement of Early Education IT system

### **Background Papers**

Childcare Act 2006

### **Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

### **Council Approval Required**

Yes

### **Exempt from the Press and Public**

No

## **Title (Main Report)**

Request for Exemption from Contract Standing Orders to Continue and Extend the Support, Maintenance and Hosting for Synergy FIS (Tribal)

### **1. Recommendations**

- 1.1 Cabinet agrees to seek an exemption under Standing Order 38 from the provisions of Standing Order 47.
- 1.2 Cabinet agrees to extend the support, maintenance and hosting of the Synergy FIS to a 3 year contract with the option to extend for a further 2 years.

### **2. Background**

- 2.1 The Synergy FIS information management system (provided by Tribal) was procured in 2009 through funding provided to all Local Authorities by the Department for Education (DfE) for this purpose. A full procurement exercise was carried out at this time and it was advised by IT that a one year support and maintenance contract was entered into which could be renewed annually. The current contract expires on 31<sup>st</sup> March 2016. The Synergy FIS system is the market leader (used by 84 local authorities).

This IT system is essential to enable the local authority to meet its statutory duty: Childcare Act 2006 Section 12: *to ensure information, advice and assistance is available and accessible to enable service users to make informed choices on childcare, early education, activities or support services in relation to 0-19 year olds and their families.* The Synergy FIS system has a direct link to Ofsted and is updated on a daily basis with any changes to local childcare registration details.

It is not possible to invite tenders from alternative suppliers to provide support and maintenance for the system because the system provider (Tribal) would not allow access for this purpose from other providers.. The only alternative would be to carry out a full re-tendering process. Replacing the current system would cost approx. £60k (plus approx. £10k annual hosting and maintenance). There is no budget available to replace the system and a full re-tendering exercise could not be completed prior to the end of the current contract period.

- 2.2 In addition, the Early Years and Childcare Service are currently tendering for a replacement early education finance system to significantly streamline the current manual processing of early education payments. An essential part of this tender is that the system should integrate with the existing Synergy FIS which is the core source of up to date data on registered childcare provision. A five year support, maintenance and hosting contract for the Synergy FIS system would ensure that this contract is in line with the system currently being tendered and would secure the ability to integrate with the new system for the duration of its licence.

A report was submitted to DLT on 2.11.15 to request approval to tender for a new Early Education IT system and retention of the current Families Information Service Information Management system. This request was approved.

### **3. Key Issues**

- 3.1 If an exemption from standing orders is not granted the Council will not be able to effectively fulfil its statutory duties under the Childcare Act 2006 section 12.

- 3.2 It is not feasible to invite tenders from alternative suppliers to provide support and maintenance of the current system. Full replacement of the current Synergy FIS system would incur excessive costs for which there is no identified budget.
- 3.3 It is essential that a new early education funding system can integrate with Synergy FIS to reduce duplication and maintenance of data and streamline processes. Agreement for a five year support, maintenance and hosting period would secure both systems for that period of time.

#### **4. Options considered and recommended proposal**

- 4.1 Request an exemption from Contract Standing Orders and continue to contract with the current system provider for support, maintenance and hosting and extend the contract for 3 years with an option to extend for a further 2 years
- 4.2 Go out to tender to replace current FIS IT system (cost to replace system approx. £60k.)

Both of the above options have been considered and Option 4.1 is recommended. There is no available budget to consider Option 2 and a tendering and replacement exercise could not be carried out within the timescale to enable the service to continue to deliver seamlessly and meet Childcare Act requirements from 1.4.16. The current Tribal system is the market leader and is used within 84 local authorities.

- 4.3 The proposed course of action is a value for money solution.

#### **5. Consultation**

- 5.1 N/A

#### **6. Timetable and Accountability for Implementing this Decision**

- 6.1 The current support, maintenance and hosting is due for renewal on 1<sup>st</sup> April 2016

#### **7. Financial and Procurement Implications**

- 7.1 The cost of the support, hosting and maintenance contract for Synergy FIS for the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2021 is detailed in the table below, showing a comparison between Annual Contracts and a 5 Year Contract. Taking out a 5 year contract reduces the overall cost by £1,966.

	<b>(Current) Standard Annual Charge</b>	<b>5 year contract</b>
	<b>Support Renewal</b>	<b>Support Renewal</b>
Year 1	9,998	10,656
Year 2	10,498	10,656

Year 3	11,023	10,656
Year 4	11,574	10,656
Year 5	12,153	10,656
<b>Total</b>	<b>55,246</b>	<b>53,280</b>

The above annual amounts are profiled into the Early Years and Childcare Service budget for future years.

The provision of support and maintenance is only available through Tribal.

## **8. Legal Implications**

8.1 N/A

## **9. Human Resources Implications**

9.1 N/A

## **10. Implications for Children and Young People and Vulnerable Adults**

10.1 The Synergy FIS system supports the Families Information Service to deliver information and advice on local registered childcare. The direct link to Ofsted ensures that parents/carers receive up to date, accurate information on childcare providers including details of their Ofsted grade. Without maintaining the IT system and the direct link from Ofsted there would be a risk that up to date information was not maintained which could lead to a safeguarding concern if Ofsted registrations were cancelled or inadequate Ofsted judgements made and this information was not available for parents.

## **11 Equalities and Human Rights Implications**

11.1 N/A

## **12. Implications for Partners and Other Directorates**

12.1 N/A

## **13. Risks and Mitigation**

13.1 Due to no procurement process exercise being undertaken there is a risk of challenge from other providers who can deliver comparable solutions.

## **14. Accountable Officer(s)**

Jane Moore  
Early Years Quality and Curriculum Adviser

Approvals Obtained from:-

Strategic Director of Finance and Corporate Services:- Vera Njegic, Principal Finance Officer

Director of Legal Services:- Ian Gledhill, Solicitor & Commercial Team Manager

Head of Procurement (if appropriate):- Ian Blagg, Category Manager, Corporate Procurement Service

This report is published on the Council's website or can be found at:-

<http://moderngov.rotherham.gov.uk/ieDocHome.aspx?Categories=>

## Appendix 1:



Public Report  
Council/or Other Formal Meeting

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### **Council Report**

CYPS DLT 2<sup>nd</sup> November 2015

### **Title**

Procurement of Early Education IT system

### **Is this a Key Decision and has it been included on the Forward Plan?**

No

### **Director Approving Submission of the Report**

Strategic Director of Education and Skills

### **Report author(s):**

Name and job title: Aileen Chambers, Childcare Sustainability Manager

Directorate: CYPS

Tel and email contact: x54770 [aileen.chambers@rotherham.gov.uk](mailto:aileen.chambers@rotherham.gov.uk)

### **Ward(s) Affected**

All

### **Executive Summary**

The IT system currently being used to administer early education funding to PVI providers is no longer fit for purpose. It is very inefficient and does not integrate with additional processes which have been developed to meet statutory requirements. Funding is available and approval has been given by the Gateway Zero IT board to replace the current system. The procurement planning process has started and Procurement has recommended that the existing Families Information Service (FIS) information management system is included in the procurement exercise. There is no capital funding available to replace the current FIS Information Management system. A decision is requested on how to proceed with this procurement.

### **Recommendations**

To approve the tender of a new Early Education IT system and retention of the current Families Information Service Information Management system

### **List of Appendices Included**

Appendix 1 – Gateway Zero Report

Appendix 2, eGovernment Board Report

**Background Papers**

Early Education and Childcare Statutory Guidance for Local Authorities September 2014

**Consideration by any other Council Committee, Scrutiny or Advisory Panel**

No

**Council Approval Required**

Yes/No

**Exempt from the Press and Public**

No



## **Title (Main report)**

Procurement of Early Education IT system

### **1. Recommendations**

To approve the tender of a new Early Education IT system and retention of the current Families Information Service Information Management system

### **2. Background**

- 2.1 The IT system currently being used to administer early education funding to PVI providers is no longer fit for purpose, is very inefficient and does not integrate with additional processes which have been developed to meet statutory requirements.

Reports have been submitted to the eGovernment Board and Gateway Zero IT board in August 2015 and approval has been sought to replace the current system (see Appendices 1 and 2).

A meeting has taken place with IT and Procurement to begin the procurement process. At this meeting it was highlighted by the Early Years and Childcare Service that the new system would need to integrate with the existing FIS information management system as the FIS system holds the core data on all childcare providers. Tribal, who provide the current system, also produce bolt-on modules which meet all of the early education functionality requirements but it is appreciated that a tendering process must be undertaken rather than procuring the additional modules from the current supplier.

Procurement advise that their recommendation is that the FIS information management system is included in the procurement exercise.

#### **Background on the current FIS Information management system:**

The current FIS Information Management system was purchased in 2009 when the DfE decommissioned a central information management system and provided each local authority with funding to procure local solutions to meet the Childcare Act Information Duty requirements. The system purchased was Tribal Synergy, following an appropriate procurement process. It is used to hold details of all Ofsted registered childcare providers (fed directly from Ofsted) as well as information on activities and services for children and families. Elements of this information feed a website which parents can access. The system is also used to log all enquiries received by the FIS as well as training delivered by the EY&CS.. The core data of childcare providers and childcare staff is used by the whole Early Years and Childcare Service team to support our work with providers. Thirteen staff are trained to use and currently directly access this system.

### **3. Key Issues**

- 3.1 It is essential that a market tested system with proven effectiveness is purchased. One of the system requirements is to gather annual DfE early years census data on which the Early Years Block funding is based. The technical requirements to enable this data to be submitted electronically to the DfE change each year and we need to be confident that a supplier can meet this requirement. There are issues with the current supplier each year.
- 3.2 There are only 2 suppliers on the market who offer fully integrated solutions
- 3.3 No funding is available to replace the current FIS information management system (cost would be approx. £40k)
- 3.4 The training implications for staff if the FIS system is changed at the same time as introducing a new early education system would be prohibitive and impact on the service delivered and our ability to meet statutory requirements.

### **4. Options considered and recommended proposal**

- 4.1 Procurement of Early Education system only (to integrate with existing Families Information system)
- 4.2 Procurement of replacement Families Information System and new Early Education System

### **5. Consultation**

- 5.1 N/A

### **6. Timetable and Accountability for Implementing this Decision**

- 6.1 To enable a new Early Education system to be fully functional in time for the annual DfE census in January 2017 it needs to be purchased before the end of this financial year to allow time to train all childcare providers (170) to begin using the system fully by the Autumn term 2016.

### **7. Financial and Procurement Implications**

- 7.1 £55k of Early Years Block funding has been carried forward from 2014/15 to purchase the Early Education IT system. Informal quotes indicate that the market leading systems would cost approximately this amount.
- 7.2 There is no capital funding available to replace the current FIS Information Management system. A full procurement exercise was carried out in 2009 when this system was purchased. As the annual hosting costs are £6k and the annual support costs are £3.5k. Procurement advise that the FIS

system is included with the procurement exercise for the new EE system to eliminate the need to get director approval to pay the ongoing annual costs.

- 7.3 Internal Audit advice has also been sought. They advise that as we have an incumbent system which only the existing supplier can effectively support, it would be acceptable to continue to pay the annual hosting and maintenance costs without getting alternative quotes as long as director approval is given.

## **8. Legal Implications**

- 8.1 The local authority has a statutory duty to manage the early education funding process to enable children to take up their early education entitlement.

## **9. Human Resources Implications**

- 9.1 Replacing the current Early Education IT system would free up staff capacity to enable other essential tasks to be completed e.g. auditing of early education providers as required through a recent review by internal audit.

## **10. Implications for Children and Young People and Vulnerable Adults**

- 10.1 Delivery of early education places supports all children in Rotherham. The proposed new system would make it easier for parents of eligible two year olds to carry out an online eligibility check and find out instantly if their child is eligible for a free place which could increase take-up.
- 10.2 The new system would speed up the time taken to pay early education providers, improving their cashflow and supporting their ongoing sustainability. It would also provide improved, more timely information for providers e.g. on early years pupil premium eligibility which will enable providers to make best use of the funding to support children

## **11. Equalities and Human Rights Implications**

- 11.1 Early Education for two year olds (15 hours per week) is based on eligibility criteria: non-working / low income families, children claiming disability living allowance, children with a statement of SEN or education, health & care plan, looked after child, children who have left care through special guardianship or adoption

Early education for 3 / 4 year olds (15 hours per week) is for all children from the term following their third birthday.

Early Years Pupil Premium funding for 3 and 4 year olds is based on eligibility criteria non-working families, looked after child, children who have left care through special guardianship or adoption

## **12. Implications for Partners and Other Directorates**

12.1 N/A

## **13. Risks and Mitigation**

13.1 If no action is taken to replace the current early education system, the service will continue to run inefficiently and will not be able to meet internal audit recommendations.

13.2 If the current FIS system is included with the procurement of a new early education system, the risks are that there will not be adequate funding available to purchase the system and the time required to implement and train staff on the new system would have implications on our ability to deliver a service and meet statutory requirements.

## **14. Accountable Officer(s)**

14.1 Frances Hunt, Assistant Head of School Effectiveness

Approvals Obtained from:

Strategic Director of Finance and Corporate Services: Named officer: Joy Hobson, Principal Finance Officer

Director of Legal Services: Named officer: Ian Gledhill, Principal Officer

Head of Procurement (if appropriate): Ian Blagg, Procurement Category Manager

## Gateway 0 – request for ICT

Your request is not considered ‘business as usual’ as it has the potential to require input from a number of different teams across the ICT Service and/or will require changes to our existing support arrangements. In order that we manage the request properly, we need more detail about what it is that you need.

Once you have completed this form, please email it to the IT Service Desk who will log the request [robert.savage@rotherham.gov.uk](mailto:robert.savage@rotherham.gov.uk) or [jillian.ansell@rotherham.gov.uk](mailto:jillian.ansell@rotherham.gov.uk) to review.

Please note: ICT Services will only support projects that are necessary to either deliver a Corporate Priority, to a meet legislative change or that can be proven to deliver cost savings to the organisation.

Information required	Your response
Name of person completing this form (name, division, service area, phone number):	Aileen Chambers, Early Years and Childcare Service, CYPS, x54770
Business Lead:	Aileen Chambers
Title for the request/ project name:	Early Education IT System
Date:	25.8.15
Name of Director sponsoring the request (mandatory):	Karen Borthwick
Provide a High Level overview of your request and what support/ input you require from IT Services – please give as much detail as you can to help us understand what help/support is needed so we direct this request to the correct team from the outset	<p>Please see attached report which was submitted to the eGovernment Board on 13.8.15</p> <p>IT support is needed to help develop the functional specification, purchase and implement the system</p>
Describe how this project will either: <ul style="list-style-type: none"> <li>- Deliver an Corporate Priority</li> <li>- Meet a legislative change</li> <li>- Deliver Savings</li> </ul>	<p>LA’s have a statutory duty to secure early years provision for 2/3 &amp; 4 year olds. Part of this function includes managing the eligibility checking process for 2 year old early education places and early years pupil premium for 3 / 4 year olds (recent legislative changes) as well as managing the funding of all early education delivery in the PVI sector. The proposal will integrate all of the functions and improve the efficiency of the systems and processes, delivering significant time savings that will enable us to implement actions which have been raised from a recent Internal Audit of Early Education processes(which we otherwise will not have the capacity to implement).</p>

<p>Have you already spoken to IT staff about this request? If yes, please give details</p>	<p>Previous discussions with Richard Copley and Susan Gray</p>
<p>Risks: please indicate the business risks associated with not progressing at this time</p>	<p>The current system is ineffective and inefficient. A significant amount of staff time is taken up with manual entry of data which could be automated with a new system.</p> <p>Risk:</p> <ul style="list-style-type: none"> <li>• approx. 5 weeks of projected time saving will not be achieved.</li> <li>• Improved accuracy of information will not be achieved</li> <li>• Capacity to undertake internal audit recommendations will not be achieved</li> <li>• Capacity to carry out greater analysis of data and budget projections will not be achieved</li> <li>• Cost savings of printing and posting several reams of paper to 163 childcare providers twice pre term will not be achieved (headcount forms / adjustment forms / remittance advices)</li> <li>• We will continue to run less efficiently and effectively than is possible</li> </ul>
<p>Funding details:</p> <ul style="list-style-type: none"> <li>- What budget do you have for the project?</li> <li>-</li> <li>-</li> <li>- How will you meet any on-going costs?</li> <li>- Are there any spending restrictions e.g. does it have to be spent by a particular date?</li> <li>- Is partnership funding involved?</li> </ul>	<p>The anticipated cost of the project is £55k initial investment for software purchase, first year's maintenance, implementation and training with a £7k ongoing annual cost. £55k of 2 year old early education trajectory funding was carried forward from 2014/15 for this purpose. There would be no impact on the revenue budget.</p> <p>An amount of £4k is already budgeted annually for software support. The increased annual maintenance / support costs would be sourced from the Early Years Block DSG funding. There would be no impact on the revenue budget.</p> <p>No</p> <p>No</p>
<p>Who will use the system? How many? Where?</p> <ul style="list-style-type: none"> <li>- Staff</li> <li>- Partners</li> <li>- Public</li> </ul>	<p>Early Years and Childcare Service staff, early education providers (web portal), parents (eligibility checking via web portal)</p> <p>8</p> <p>163 childcare providers</p> <p>Parents of two year olds</p>
<p>Timelines:</p> <ul style="list-style-type: none"> <li>- When Does the work need to be completed by?</li> <li>- Are the deadlines critical?</li> <li>-</li> <li>- What are the consequences of the delay?</li> </ul>	<p>There would be a significant amount of training to be carried out with Childcare Providers (160+) before the new system can be fully implemented. We would require the system in January 15 with a phased implementation between then and September 15.</p> <p>No as long as the existing system is maintained until the new system is fully functional</p> <p>DfE January census is carried out in January each year. This impacts on the budget the LA receive. If full implementation is delayed we would risk accuracy of January 17 census.</p> <p>Also delay in improving efficiency and creating capacity for</p>

	other work to be undertaken e.g. site audits of early education providers (audit recommendation)
Does the project involve the use, storage or transmission of financial, personal and/or sensitive information? If yes: - What information is involved and  - how much?  - What is done with it?	Yes Names, addresses and dates of birth of children/ details of LAC / calculation of early education payments / details of twice termly funding payments to childcare providers Payment details for approx. 163 providers and child records for approx.3500 annually The information is used to validate provider claims and calculate payments to early education providers
Please add any further detail that you consider relevant to your request *	The Early Years and Childcare Service currently use Tribal Synergy information management software for the Families Information Service function. This provider is one of the market leaders both in FIS software and early education finance software (which consists of bolt on modules). The current FIS module holds details of all Ofsted registered childcare providers in Rotherham. This information is needed for the early education payments (and is currently held separately in the finance system that is now being used). The preferred option would be to purchase the Tribal bolt on modules to carry out the early education payment processing and eligibility checking functions.

\*It is preferable that ICT are involved from the earliest point but it is recognised that you may already have an idea of what system/solution could meet your needs e.g. following advice from another Authority. If you have a specific solution in mind, please give details, but note that any solution would need to conform to the Councils Procurement, ICT and Information Governance standards.

**For ICT Business Manager Use Only**

Recommendations :  
Please provide any further information relevant to this request to assist the approver(s) in their decision

**Approved/Rejected**

**Date**

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**ROTHERHAM BOROUGH COUNCIL – REPORT TO**

<b>1.</b>	<b>Meeting:</b>	<b>eGovernment Board</b>
<b>2.</b>	<b>Date:</b>	<b>August 13<sup>th</sup> 2015</b>
<b>3.</b>	<b>Title:</b>	<b>Early Education IT System</b>
<b>4.</b>	<b>Directorate:</b>	<b>CYPS</b>

**5. Summary**

5.1 The IT system currently used by the Early Years and Child Care Service, to manage the funding process for early education places in the Private, Voluntary and Independent Sector (167 providers), is no longer fit for purpose. A number of government policy changes have been introduced over the last two years including 2 year old early education and early years pupil premium and the current IT system does not have the required functionality to meet these needs. In addition, because the existing IT system does not meet information security requirements for electronic transfer of data. Large amounts of information currently has to be manually entered into the system twice each term which is a very ineffective use of staff time.

A recent internal audit report of early education funding processes has identified actions which the Early Years and Childcare Service are unable to meet with the current IT system in place. Replacement of the current system would lead to greater efficiency and significant time savings (which are detailed in Appendix 1) which would enable the internal audit actions to be met.

Corporate IT support the need to change the system. Investigation was undertaken into whether the current system or other existing systems could be developed to meet needs and would not be cost effective.

**6. Recommendations**

**6.1 That this is approved as a formal procurement project**

**6.2 That that either all / or the gap funding is provided from the Corporate Capital IT budget to procure the new early education IT system**

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## **7. Proposals and Details**

### **7.1 Background**

The Local Authority has a statutory duty under Section 7 of the Childcare Act 2006 to secure early education places for eligible 2 year olds and all 3 and 4 year olds until the child reaches compulsory school age.

The Department for Education (DfE) guidance *Early education and childcare Statutory guidance for local authorities September 2014* details the requirements that the local authority must meet.

In Rotherham early education is delivered by 167 providers in the Private, Independent and Voluntary Sector (PVI) and 65 schools. The Early Years and Childcare Service manage the contracting process for all providers and schools (through the creation of annual contracts) and managing the funding of PVI providers. The annual budget for 2, 3 and 4 year old early education in the PVI sector is approximately £6 million per year. This funding is provided by the DfE via the Early Years block of the Dedicated Schools Grant. The number of children taking up a place fluctuates termly and peaks in the Summer term with approximately 3,500 children. Providers are funded on a termly basis with Headcount and Adjustment payments each term (based on the number of hours taken up by each child).

The IT system currently being used to administer the early education funding to PVI providers is no longer fit for purpose as detailed below.

DfE early education requirements have changed significantly over recent years and the QA system has not kept up with these changes. In addition to passporting funding to providers to deliver the early education places additional IT requirements have developed in recent year through the introduction of early education for 2 year olds and early years pupil premium (which both require an eligibility check to be carried out) and additional payments to providers.

There are now other bespoke web based systems on the market which have been developed to meet current needs.

#### **Current Position**

The Early Years and Childcare Service are currently using QA Plus to administer early education funding for PVI providers. This was a purpose built, server based early education system and was purchased by the local authority approximately 10 years ago. It is used by a very small number of authorities (approx. 5). The system no longer meets our needs – see Appendix 1 for details.

There are currently a number of systems in place within the Early Years and Childcare Service to manage the early education function processes including:

- Families Information Service information management system – bespoke web based system provided by Tribal - stores details of all Ofsted registered providers (as well as additional functions to meet Early Years and Childcare Service needs)
- Spreadsheet – holds details of all 2 year old eligibility checks
- Spreadsheet – holds details of all early years pupil premium eligibility checks

- QA database – bespoke system - holds details of all early education providers and is used to process the payments

The QA database is no longer fit for purpose. It is a stand-alone bespoke database which does not integrate with other systems and does not have the functionality to meet current needs e.g. we currently have to post claim forms out to approximately 180 early education providers twice per term because the electronic functionality of the QA system does not meet RMBC information governance requirements.

In order to streamline the early education process and reduce duplication we would like to procure a system which will ideally bolt on to or integrate with the current FIS information management system to enable more efficient, integrated management of the early education process including:

- Provider details held in one place
- 2 year old eligibility checking (online automated / telephone / post)
- Electronic processing of early education claim forms
- Automated generation of provider payments
- Processing Early Years Pupil Premium applications
- Processing Early Years Pupil Premium payments
- Comprehensive reporting functionality

The efficiencies of time achieved through an integrated system would enable the Early Years and Childcare Service to carry out more indepth analysis of take-up , more audits of early education provision as recommended by Internal Audit, as well as providing support to new providers in meeting the financial requirements. The system would simplify the claims process for providers and would provide an online automated two year old eligibility checking function for parents.

The Department for Education have been providing support to local authorities looking to replace IT systems in the form of regional workshops and supported conference calls. The majority of local authorities now use Tribal or Capita systems specifically designed for this purpose.

Discussions have taken place with Corporate ICT who support this proposal and would support the procurement of a new system.

In addition, the following actions have been requested, following a recent internal audit of the early education funding processes:

The Early Years team should liaise with the ICT department to identify a suitable method of file transfer which would maintain the confidentiality of the headcount forms and increase the efficiency of the payment process as well as reducing the amount of staff time needed. *This has been reviewed and it is not cost effective to progress further due to the other issues with the current system.*

Controls should be added to the QA database which ensures that only management are able to input hours totalling more than 570 hours and only in exceptional

circumstances where deemed allowable under the Government's Early Education Funding scheme. *This is not possible without incurring costs for the changes.*

The Early Years team should ensure that site visits are performed during the audit process to reinforce the fact that providers are being monitored against the accuracy of their submitted documentation. *This action cannot be met due to current capacity. Introduction of a new IT system would create time savings to enable site visits to be carried out (see Appendix 1 for details).*

## **8. Finance**

8.1 There are 3 main suppliers of bespoke systems. The costs are approximately £60k - £70k for an early education funding system to cover all of the above requirements. £55k has been carried forward from 2014/15 two year old early education DSG budget which could be used to contribute towards replacing the early education IT system.

## **9. Risks and Uncertainties**

9.1 The current system is ineffective and inefficient. A significant amount of staff time is taken up with manual entry of data which could be automated with a new system. There is an increased risk of inaccuracy with the current system as data is manually entered several times into different systems / spreadsheets.

There is a not the capacity to carry out auditing of early education providers through site visits, by current staff within the Early Years and Childcare Service. Introducing this system would reduce the overall financial risk to the local authority by enabling more indepth auditing of early education providers.

Capacity to deal with provider queries is already stretched – if this is impacted further the risk of inaccurate submission of claims increases which impacts on processing time.

## **10. Policy & Performance Agenda Implications**

10.1 This IT system helps the LA to meet DfE and Childcare Act 2006 statutory requirements.

It also contributes to to the following CYPS Improvement plan priority:

- Children and young people start school ready to learn for life

## **11. Background Papers and Consultation**

11.1 Childcare Act 2006

Early education and childcare Statutory guidance for local authorities September 2014

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## APPENDIX 1

The information below details the issues with the current QA system and the benefits / time savings of a new system:

Payment Advice: Current system is not fit for purpose and needs amending each term

**Time saving approx. 10 hours per term**

This will also be an improvement for our customers

Term Time Delivery: Current system is not fit for purpose for delivery of term time, variable hours/weeks cannot be entered, new system will allow this so less time spent resolving queries

**Time saving approx. 6 hours per term**

This will also be an improvement for our customers

All Year Delivery Model: Current system does not work for the all year delivery model (which is a DfE requirement)

Currently has to be checked manually, new system will do this automatically

**Time saving approx. 10 hours per term**

This will also be an improvement for our customers

2 Year Eligibility Checks: Currently done manually, new system will automatically do this

**Time saving approx. 4 hours per term**

Electronic Data Input: Currently manual entry of information Headcount – 2 people x 3 weeks, Adjustment 2 people x 2 weeks per term

**Time saving – significant** - need to review new system functionality in more detail to identify how much time would be needed to manage the information when received automatically / electronically but a significant amount of time would be saved based on the current manual entering of data –

Query Resolution: Due to mistakes in manual entry error on forms by providers e.g. missing/incorrect information. New system will reduce this due to mandatory fields.

**Time saving approx. 4 hours per term**

Raising Payments: Currently Headcount payments are automated but Adjustment payments at the end of term are made manually. New system would automate both.

**Time saving approx. 10 hours per term**