

Brighton & Hove City Council

Policy & Resources Committee

Agenda Item 64

Subject: Learning Management System replacement

Date of meeting: 6 October 2022

Report of: Executive Director, Governance, People and Resources
and Director of HR & Od]

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Ward(s) affected: All

For general release

1. Purpose of the report and policy context

1.1 WebBased, the provider of the Council's Learning Management System (LMS), known as the Learning Gateway, went into liquidation and ceased to operate in September 2022.

1.2. An LMS is critical for our organisation and partner organisations, providing a way for staff to access e-learning, book on instructor-led training and undertake a robust induction to ensure a well-trained workforce and to ensure the work we do with our customers, clients and in our communities is safe, secure and legally compliant.

1.3. This report gives details about the actions taken to replace our LMS after emergency funding under officer urgency powers was secured in September 2022.

2. Recommendations

- a. That Members note the decision taken under Officer urgency powers (as set out in the report and the offer decision record in the Appendix) to:
 - procure and implement a replacement LMS, including the provision of interim systems and processes and;
 - approve expenditure as detailed in the part II report over 3 years for the purchase, implementation and licensing of the replacement LMS to be met from a combination of revenue commitment, borrowing

(capital financing) and/or addition to the Modernisation Fund subject to the final split of costs between capital and revenue.

- b. Members further note the intention to integrate our learning management system into a fully integrated HR, recruitment, payroll and finance system (which was approved at P&R committee in July 2022) from 2025 onwards.

3. Context and background information

- 3.1 The Learning & Organisational Development (L&OD) team procured the Learning Gateway in 2015 and went live May 2016 to customers. The procurement had an initial financial commitment of £60,000 and ongoing platform hosting costs of £10,000 per year which was covered through income generation from places sold on courses externally.
- 3.2 It resulted in significant savings as an organisation with the Learning & Development Admin team being reduced from a team of eight to a team of three people.
- 3.3 The Learning & OD team were made aware in late July 2022 that WebBased, the company who supplies our LMS, was going into liquidation, with the platform ceasing to exist on 15th September 2022. The liquidation of the company impacts over 40 other organisations – mainly local authorities – who used the same provider. The costs of this system was well below market rates and is potentially one of the reasons for the company going into liquidation.
- 3.4 The liquidation of WebBased has a significant impact on our organisation with staff relying on it to book onto and complete mandatory and statutory eLearning and instructor-led training as well as delivering a comprehensive induction to help new colleagues perform at full capacity as quickly as possible and ensure their development needs are met to best serve the organisation.
- 3.5 As important is the reliance on the LMS by critical partners (care providers, third sector and schools) who heavily rely on the LMS to be legally able to operate. Without the LMS, these partners may fail to show compliance with statutory and mandatory training requirements and, in the worst-case scenario, may be forced to reduce operations or even close. We could also be held responsible for health & safety incidents which take place in schools if they have been unable to complete critical learning to operate safely.
- 3.6 As soon as the liquidation was known about, the Learning & OD team worked to put in place temporary interim arrangements. This included contacting all stakeholders to let them know about the arrangements, getting learners to complete their eLearning and book courses for the rest of 2022 while the Learning Gateway was still in operation, creating webpages to direct learners to relevant interim content and putting in place interim eLearning arrangements for internal staff.
- 3.7 These arrangements buy a bit of time for the implementation of a new system but aren't robust enough to continue indefinitely.
- 3.8 In partnership with IT and procurement colleagues, the Learning & OD team looked at various options to keep delivering our learning programme. After

considering all alternative options (detailed in section 4 of this report) the recommendation was to proceed with procuring and implementing a new LMS.

3.9 Due to the exceptional circumstances of the company going into liquidation, Officer urgency powers were used in September 2022, following consultation with Group Leaders, to enable the team to proceed with rapid procurement of a new LMS.

3.10 To support this procurement, the Learning & OD Team completed broad market testing, looking at platforms that can deliver our functionality at a reasonable price and communicating with other organisations about their findings to avoid duplication / time spent exploring unsuitable solutions.

3.11 Our market testing has shown only a limited number of LMS providers would meet our needs. Some were ruled out due to price (any costing over £50,000 per year), others were ruled out as the configuration wouldn't work for our needs (i.e. only provide for internal training, not external users; no integration with financial systems to be able to charge external delegates to attend courses).

3.12 Following market testing, Learning Pool is our preferred supplier. The full financial details are set out in the part II report as they are commercially sensitive at this stage.

4. Analysis and consideration of alternative options

Hosting the Learning Gateway ourselves

4.1 Our contract with Webbased gave us proprietary rights of the system in the event of liquidation and the company offered to transfer the architecture of the system to us, enabling us to continue with the Learning Gateway in its current form. Unfortunately, due to the legacy programming language that is no longer commonly used and a server set-up that we can't work with, this was not a viable option even as an interim measure.

Business continuity and full procurement in 2023/24 financial year

4.2 We have also considered whether we could extend short-term business continuity provisions to enable a longer procurement timetable. The total cost (interim & system replacement and salary costs) would be too high and so was deemed unsuitable.

Piggybacking on a system used by another local authority

4.3 The team has looked at co-procuring with other organisations to reduce the cost of a new system. This option is not possible due to the need to put an alternative system in place at pace and due to the differing timescales/approaches for procurement being considered by neighbouring local authorities WSCC and ESCC, as well as nearby coastal councils.

4.4 The team will continue to be in contact with local authorities and, if another organisation wishes to use our system, we will look to do this to generate income which will then be used to offset the cost of the new LMS.

Proceeding without an LMS

- 4.5 We have also considered whether we could work without an LMS but this would be untenable. We need a full-functioning LMS to provide low-cost eLearning for all our customers, provide certificates to show completion and report on completion rates, which all require an LMS. Additionally there would be more staffing requirements to perform manual tasks and this would carry a much higher risk of data corruption.

5. Community engagement and consultation

- 5.1 The team is consulting with all relevant stakeholders, both to deliver business continuity in the short-term and to understand long-term needs of a new LMS.

6. Conclusion

- 6.1 The use of the officer urgency powers enabled us to proceed at pace with procurement of a new LMS to safeguard the learning needs of our organisation and those external organisations who rely heavily on us to deliver their services.
- 6.2 Due diligence has been taken to ensure any system procured delivers value for money and any contingency will only be used where critical to deliver a system to meet our basic needs.
- 6.3 In 2025, a full HR, recruitment, payroll and finance system (also known as an ERP) is due to be implemented for the Council, as approved at P&R committee in July 2025. The intention is for the ERP to include LMS functionality if possible.

7. Financial implications

- 7.1 The Learning Gateway had a hosting cost of approximately £10,000 per annum met from income generation, with no budget identified for a new system.
- 7.2 The proposed replacement system is expected to provide an interim solution for a minimum of 3 years with the costings set out in the part II report, which includes significant contingencies due to the wide variation of pricing and functionality of systems available in the market and due to the L&OD team still testing and understanding the full specification of various learning management systems to meet our basic needs which may alter pricing.
- 7.3 The purchase and implementation of the new system can be treated as capital expenditure but until the procurement exercise is complete the split between capital and revenue cannot be determined. After the 3-year period, the system is expected to be replaced by a new ERP corporate system as approved in principle by Policy & Resources Committee on 29 July 2022. Therefore, at this stage, it is assumed that all costs will be spread over 3 years and a budget commitment will be factored into the budget for 2023/24 to 2025/26 in respect of annual licensing and financing costs with an additional sums in 2022/23 for system implementation costs.

7.4 Any costs that cannot be capitalised will need to be provided for through an addition to the Modernisation Fund. The annual financial commitment will be amended once the procurement exercise is concluded and costs are determined.

Name of finance officer consulted: James Hengeveld Date consulted:
15/9/22

8. Legal implications

8.1 The routes to markets to be pursued will need to comply with the Public Contracts Regulations 2015 and the Council's Contract Standing Orders.

Name of lawyer consulted: Elizabeth Culbert Date consulted: 11/9/22

9. Equalities implications

9.1 The LMS is essential to deliver to our Fair and Inclusive Action Plan (FIAP), which includes an output to 'provide an effective and comprehensive equality, diversity & inclusion training offer', to help us deliver our commitment to being a fair and inclusive place to work.

9.2 The FIAP also includes an output to 'deliver the outcomes of the IT&D accessibility and digital inclusion workstreams'. This means any future system procured should be accessible to all, including staff who are users of assistive technology.

9.3 In addition, the 2021 staff survey found that staff who are disabled, male, and from Black or Mixed ethnic backgrounds are less likely to feel they have the opportunity to grow and develop at work. Reduced access to a broad training offer may adversely impact those staff groups.

9.4 The LMS provides a range of equalities training for staff working in FCL and HASC directorates. Proceeding with no LMS will have a substantial impact on our ability to train up staff in working with the diverse communities we have in Brighton & Hove.

10. Sustainability implications

10.1 The LMS has a module on climate change that is mandatory for all staff and enables them to understand their contribution to our carbon neutral objectives.

10.2 It has been used for our Carbon Literacy training for senior leaders, so has been invaluable for advertising and administering these courses.

10.3 The LMS also allows for better sustainability of training offer, accessing on demand eLearning (instead of having to attend in person training that may require travel to attend) or virtual sessions.

11. Social Value and procurement implications

11.1 Suppliers we have engaged with have compliant routes available to direct award through gov.uk digital marketplace. If advantageous pricing is available outside of the framework, it may be required to create a waiver of the Contract Standing Orders to direct award.

12. Public health implications

12.1 The LMS advertises and administers a range of public health learning for individuals in the area of Brighton & Hove. It is vital we continue to deliver training through an LMS to meet our public health aims and objectives.

Supporting Documents

Appendices

1. Record of Urgency Decision

Background documents

None