Te Tāhuhu o te Mātauranga
Ministry of Education

Briefing Note: Implementation update for Pourato (Education Resourcing System

To:	Hon Jan Tinetti, Minister of Education		
Date:	13 September 2023	**Priority:**	Medium
Security Level:	In Confidence	**METIS No:**	1316047
Drafter:	Patrick Rogers	**DDI:**	s9(2)(a)
Key Contact:	Sean Teddy	**DDI:**	s9(2)(a)
Messaging seen by Communications team:	Yes	**Round Robin:**	No

Purpose of Report

The purpose of this paper is to update you on the progress of the revised plan for Pourato, the Ministry resourcing system, to deliver the remaining functionality for schools | kura and options for early learning services and advise on the benefits achieved with respect to the Cost Escalation Claim approved by Cabinet in November 2022.
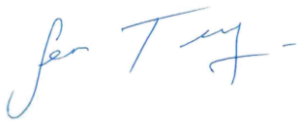
Summary

1. The ERS Programme has delivered Pourato to meet the key resourcing milestones for schools | kura. Delivery of remaining core functionality plus delivery for early learning services is on track. This will protect against a resourcing system failure and enable critical resourcing to be delivered.

2. Prioritisation of the delivery of remaining functionality to remove the reliance on the legacy system, EDUMIS, has led to decisions that balance delivering important resourcing requirements against non-core functionality for Ministry users of the system and desirable functionality for the sector.

3. The current opt-in funding approach for early learning services is prioritised to be delivered. Functionality for pay parity for education and care providers has been deferred until after the Pay Parity Funding Review [METIS 1312618].

4. The Education Resourcing System (ERS) Programme is a multi-year stand-alone programme that is scheduled to finish in 2025. It is staffed by a mix of contracted, fixed term and permanent skilled people. Contracted resources will be progressively released in the latter half of calendar 2024 as planned.

5. A small permanent Ministry team is being stood-up to perform on-going support and maintenance and to deliver the remaining scope after the programme closes. We are managing the transition to this team and there is a risk of an extended timeframe to deliver the remaining functionality depending on the demand of future policy changes and maintenance requirements.

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6. **agree** that the Ministry of Education release this briefing in full once it has been considered by you.

Agree / Disagree

Sean Teddy
Deputy Secretary
Te Pae Aronui

Hon Jan Tinetti
Minister of Education

13/09/2023

08 /10 /2023

Background

1. In the Briefing Note to you dated 31 May 2023 [METIS 1309332] we committed to reporting back on the revised plan for the delivery of the remaining functionality of Pourato for schools | kura, and options for the delivery of the funding system for early learning services. We also said we would provide feedback on the impact on benefits with respect to the Cost Escalation Claim approved by Cabinet in November 2022.

2. The ERS Programme is implementing the new resourcing system, Pourato for schools | kura, and early learning services over several years, through a series of software releases and associated business process changes, aligned to Government policy initiatives and education sector resourcing cycles.

3. Pourato will replace the Ministry's 35-year-old legacy system, EDUMIS, which runs on outdated technology that risks a resourcing system failure and for which vendor support will not be provided after 30 April 2025.

4. The ERS Programme has been established for schools | kura and early learning services based on high-level benefit measures to:

    a. Reduce the overall risk profile by decommissioning EDUMIS.

    b. Reduce the time and effort to complete a task or output.

    c. Improve responsiveness within the education system.

5. A Cost Escalation Claim submitted to address ERS Programme cost pressures of $69.33 million was approved on 7 December 2022 by the Cabinet Economic Development Committee to ensure the programme could meet contractual obligations in January 2023 and continue to resource and deliver a replacement core funding system. [Cab Minute DEV-22-MIN-0296 (Revised)]. This amount was adjusted by Treasury to $74.46 million to account for the treatment of depreciation and capital charge.

6. Challenges previously identified following the late delivery of the 2023 confirmed roll have meant that subsequent work is behind schedule [METIS 1309332]. The ERS Programme is working through the remaining functionality but it will not be able to be completed at the time the programme would be closed having exhausted programme funding, including the funding provided under the Cost Escalation Claim.

7. A Targeted Investment Review report provided to the Minister of Finance in February 2023 noted that the programme had endured challenging conditions along the way (e.g. COVID impacts) and had met its major milestones. It also noted it was focused on what was immediately necessary for the new system to provide essential features, but that the high inflationary environment and management of future unknowns will likely present future cost pressures.

8. The Cost Escalation Claim included funding for a small dedicated and permanent Ministry team to work alongside the ERS Programme from 2024 and carry on after the programme closes. This team is intended to perform support, maintenance, and deliver ongoing enhancements.

9. It is estimated the small permanent Ministry team would deliver the remaining functionality over an extended period concluding in 2031, excluding future and currently unknown policy changes. This is an unrealistic timeframe and options are being explored so that the broader programme benefits, and important sector functionality can be completed earlier.

Schools | kura status

10. The ERS Programme delivered the Quarter 3 instalment on time and is on track to deliver core functionality required to meet key resourcing milestones.

11. Recent Pourato workshops confirmed users like having resourcing information in one system and that they find it clear and easy to understand. Support inquiries to the Ministry related to Pourato also continue to be low.

12. Feedback has highlighted priorities for the sector that will be considered in an updated schedule – e.g. (1) ability to print or download screens; (2) ability to submit requests in Pourato (Pourato is currently view only)

13. Prioritisation of the delivery of functionality is on removing the reliance on the legacy system, EDUMIS, and remaining within the funding available. This has led to the identification and deferral of non-core functionality for users, and desirable functionality for the sector.

14. Four of six EDUMIS modules for schools | kura were decommissioned in May 2023. The two remaining modules are scheduled to be decommissioned in 2025.

Early learning services delivery status

1. The programme is updating the schedule for delivery of Pourato for early learning services (ELS) to provide the security of a replacement resourcing system which aligns with the remaining funding available.

2. Delivery for ELS was halted in February 2019 to focus efforts on the delivery for schools | kura to meet business deadlines in 2023. Work recommenced in February 2023 and while learnings from the delivery challenges for schools | kura have been accounted for in an updated schedule for ELS, there remains a risk of underestimation and unknown solution complexity when building the early learning services solution.

3. Pourato for ELS is being developed in four-month tranches to incrementally de-risk delivery before a minimal viable product (MVP) is made available. A similar approach for schools led to a fit-for-purpose initial release and a reduction in business and system issues associated with the legacy system and processes.

4. Development for pay parity for education and care providers and home-based services, which was required by November 2024 has been halted until after the Pay Parity Funding Review [METIS 1312618]. Replanning is underway to re-scope Pourato for ELS to defer this requirement and retain the status quo of delivering pay parity under the current opt-in funding approach.

5. The functionality developed to date will be isolated and/or removed and Pourato built to current requirements, to remove the constraint of the reliance on EDUMIS as the priority. An updated schedule will reflect this additional work.

6. Allowing for calculations based on an equity index like schools | kura will be included in the updated schedule. The ERS Programme is focused on the development and implementation of Pourato, with the change management and equity index development work to be undertaken separately.

7. Based on an updated schedule, the two early learning services EDUMIS modules are scheduled to be decommissioned in 2025.

Potential policy change impacts

8. Pourato is designed to increase the flexibility and speed of implementation of typically expected changes in policy. As a multi-year programme, changes are expected and can be accommodated to a certain extent within the capacity of the programme – e.g. (1) rate changes; (2) payment types for which the data is available.

9. Significant policy changes are emerging that were not a requirement in the system design and will require new data inputs that do not exist or are not integrated into Pourato.

10. Some policy changes that may be impacted include:

    a. Pay parity for education and care providers (refer to 'Funding' heading).

    b. Alternative system calendars to recognise te ao Māori calendars.

    c. MITA (Māori Immersion Teacher Allowance) & PITA (Pacific Immersion Teacher Allowance.

11. The implementation of policy changes in Pourato is highly preferable. The alternative of using interim measures (i.e. workarounds) would result in additional un-planned costs and risk the reintroduction of errors and complexity, which are some of the underlying reasons why EDUMIS must be replaced.

Programme closure and a dedicated permanent Ministry team

12. A small, dedicated Ministry team of permanent staff is being formed to perform support, maintenance, and deliver ongoing enhancements of Pourato. The team is targeted to commence alongside the ERS Programme team from 1 February 2024 to ensure a smooth transition to business as usual.

13. The small size of the permanent Ministry team would result in an extended period to complete the remaining work in the scope of the programme, and when combined with additional policy requirements emerging would prolong the delivery of 'must have' functionality for the sector.

14. Contracted resources are scheduled to begin to leave the programme from late 2024. Options are being considered for retaining some of this resource with the skills required to deliver the remaining programme scope.

Funding

15. Budget 2022 provided $6.76 million, and Budget 2023 additional funding of $8.03 million, for pay parity for education and care providers functionality in Pourato: a total of $14.79 million.

16. The functionality for pay parity for education and care providers that has been built to date (and which is no longer required) is expected to consume a significant portion of the funding provided for this purpose.

17. The scale and complexity of some of the unplanned changes required to Pourato are beyond what was anticipated – e.g. primary and secondary teachers' collective agreement outcomes. The cost and funding sources for the changes are continuing to be assessed.

Key risks and issues

18. If pay parity requirements for Education and Care Services are not available before the ERS Programme begins to release the contracted workforce from the latter half of 2024, and significant change is required, resources will need to be recruited to deliver changes on a timely basis.

19. There are also a range of new policy initiatives emerging that may require significant change and would need to include a request for funding to implement in Pourato.

20. Retaining the contracted workforce and intellectual property until the programme is closed is an ongoing risk which will increase as the programme comes to an end and contractors seek job security. The small permanent Ministry team tasked to maintain and support Pourato scheduled to be in place in February 2024, will help to reduce this risk.

21. Recruitment and staff retention of permanent staff in information technology roles is an ongoing challenge for the Ministry.

Next steps

22. We will continue to provide implementation updates on the ERS Programme.

Other relevant information

23. Pourato will process $8.4 billion per annum in operational funding payments for schools | kura, and early learning services, and provide schools | kura with their staffing entitlements and roll information. The system is required to deliver critical education initiatives in the future including the equity index and pay parity for Education and Care Services and home-based services.

24. The underlying platform of EDUMIS is a maintenance risk (e.g. system failure impacting payments to the sector) owing to the out-of-date hardware, operating system, and database, and being under extended support arrangements.

25. Pourato releases are being built as a 'minimum viable product' (MVP) to ensure investment is targeted and value-for-money. The Ministry continues to balance the Ministry requirements with the 'must-haves' of the sector to ensure the system is providing the functions needed.

26. The status of the primary benefits and the impact of the adoption of a minimum viable product (MVP) approach in the delivery of Pourato has been assessed against the high-level business outcomes. Measures and key performance indicators (KPIs) for the ERS Programme have also been reviewed so that effective, non-onerous measurement can be put in place.

27. As Pourato progressively replaces EDUMIS, benefits include:

    a. A reduction of time and effort – e.g. the business process for the 2024 provisional roll was completed earlier without overtime and the sector no longer needs to predict provisional student rolls.

    b. Improvements in the maturity of the internal control environment.

    c. Easier and faster for the Ministry to answer resourcing queries from the sector – e.g. the Ministry and the sector view the same information online.

d. Access to real time information providing transparency, accountability and control over the significant financial investment made in the education sector.

    e. Responsiveness of the education system is improved – e.g. introduction of the Equity Index for schools | kura.

28. Over 99.5% of schools | kura are accessing Pourato, including all state and state-integrated schools. Previously information was exchanged via email and the Secure Data Portal where documents are shared with the sector.

29. The ERS Programme has a mature governance structure and well-managed delivery approach that has built confidence in the quality of the delivery. The programme continuously measures, adjusts, learns, and optimises its delivery.

Proactive release

30. It is recommended that this Briefing Note [METIS 1316047] is proactively released, with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982.