

**Report to: Cllr N Jupp, Cabinet Member for Learning and Skills**

**December 2021**

**Procurement of a School Information and Financial Management System**

**Report by: Mr P Wagstaff, Director of Education and Skills**

**Electoral divisions: All**

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**Summary**

A School Information Management system (SIMS) provides the information necessary to manage a school effectively and provides an objective system for recording and aggregating information to support its operations. A school also has a Financial Management System (FMS) to manage its finances and budgeting.

The current versions of these systems have been in place for a considerable time and are consequently not as user-friendly or flexible as more modern systems, which also potentially offer improved functionality options that would support more efficient and effective working practices, which could benefit both schools and the County Council.

The proposal is to replace the current system with a new solution hosted in The Cloud meaning that maintenance and upgrades are more straightforward. Schools opting in would pay for the systems through formal arrangements with the County Council.

**Recommendations**

The Cabinet Member for Learning and Skills is asked to approve:

- (1) The commencement of a procurement to provide a replacement information and financial management system for all West Sussex maintained schools
  - (2) The delegation of authority to the Director of Education and Skills to award the contract and implement the solution following the procurement process and to settle a service level agreement through which schools would reimburse the County Council for the costs of the system.
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**Proposal**

**1 Background and context**

- 1.1 A School Information Management system (SIMS) provides the information necessary to manage a school effectively and provides an objective system for recording and aggregating information to support the school. It covers:

- Attendance
- Behaviour
- Progress Tracking
- Census
- Student and Staff Profiles
- Communications

In addition, schools have a Financial Management System (FMS) to manage finances and budgeting.

In West Sussex the current system for maintained schools (218 in total), is supplied by Education Software Solutions (ESS) and supported by Entrust through a subcontract arrangement. Licences and support are purchased by the County Council with schools reimbursing these costs through a Service Level Agreement (SLA). It is intended that West Sussex Academies will also have the opportunity of purchasing the system through the SLA on the same terms as maintained schools should they wish to do so.

- 1.2 The County Council relies on data from SIMS/FMS for its Education Management System, HR and Payroll and the County Council schools finance team through interfaces with its core systems. This data also enables the Council to fulfil its statutory duties in relation to both finance (for maintained school costs to be included in statutory accounts) and education processes (such as children missing education and access to removals from roll (RfR) and also our role as employer for HR and Payroll.
- 1.3 Schools currently spend £817,000 per annum on the SIMS and FMS systems. Workshops held with the Schools Forum Resources and SOCA sub-group have identified that there are alternatives systems on the market which offer improved functionality and an enhanced user experience, which could also improve the efficiency and effectiveness of business processes within schools. Whether these efficiency improvements would result in cashable savings to schools will depend upon the school's circumstances, recognising that they have developed different approaches to meeting their information management needs during the lifetime of the SIMS and FMS systems.
- 1.4 A replacement cloud-based system could allow collaboration across all schools supported by the improved functionality now available within the marketplace, including the possibility of access on multiple devices and providing a more up to date and accessible dataset for things such as attendance and exclusions, across all schools. A new system would offer the opportunity of enhancing performance reporting, the comparison of data across schools and communications across the system(s).

## **2 Proposal details**

- 2.1 It is proposed to commence a procurement to provide a replacement information and financial management system for all West Sussex Maintained schools. The intention is for the contract to commence in March 2022 or as soon as possible thereafter against an implementation plan and, following mobilisation, the new system will be progressively operational as it rolls out to during the summer term of 2022. A phased roll out to schools in the summer term of 2022 avoids financial year end, the new school year, holidays etc.

There is also a desire to avoid rolling out the SMARTCORE Project and any SIMS FMS replacement project to schools at the same time.

- 2.2 The evaluation panel will include school representation and WSCC officers. The evaluation panel will inform Schools Forum of its recommendation and the updated SLA with terms and costs per school, prior to a decision being made to award the contract. The updated SLA will be drafted by the Project Manager.
- 2.3 As part of this decision, authority is also sought for the Cabinet Member to delegate authority to the Director of Education and Skills to award the contract which will be the subject of a further key decision as appropriate.

### 3 Procurement Approach

- 3.1 The recommended procurement approach is to initially notify potential suppliers via the Crown Commercial Services (CCS) Digital Market Place. The Digital Marketplace is an online platform available to public sector organisations, widely used to source and buy technology products and services.
- 3.2 Initial market analysis has shown that at least 3 suppliers could potentially deliver a solution to meet the requirements. Two suppliers have taken part in pilots involving 10 West Sussex schools, ranging from a small primary to a large secondary, and the County Council. The Digital Market Place approach will achieve best value for money for the Council as it will reduce the time and resource needed for the procurement (as opposed to a full tender exercise). The Digital Marketplace has been used for other projects in the Council and it has proven to be an efficient means of delivering services.

### 4 Options considered (and reasons for not proposing)

| Option   | Benefit summary  | Risk summary  |
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| 1. No change (do nothing option and remain with the existing supplier)   | None.  | <p>Data feeds to the County Council in support of statutory processes will continue, in the short to medium term, to be unreliable and not in real time.</p> <p>Schools may decide to implement their own systems which will result in multiple links from multiple systems and the County Council will be unable to effectively undertake its contractual and statutory processes.</p> |
| 2. Move to a new supplier for SIMS but utilise ORACLE Fusion (a new HR and Payroll and Finance system being adopted by | Enable interconnectivity and consistency with systems to be procured and reduce the number of interfaces | <p>Creating additional pressure on resource could lead to delays in implementing the existing roll out of ORACLE across County Council services.</p> <p>This option would only impact the FMS system and not alter the</p>  |

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| the County Council) to replace the FMS  |  | requirement for a new SIMS system and associated links.  |
| <p><b>Recommended Option</b></p> <p>3.Replacement of the existing SIMS and FMS with a cloud-based system.</p> | <p>Improved management of data updates. More timely access to data and improved data quality.</p> <p>Opportunities for improved business processes.</p> <p>Opportunities for improved reporting using more timely, relevant and reliable data sources.</p> | <p>The implementation of a New HR and Payroll System (ORACLE) and Education Management System will need to interface with the replacement system.</p> <p>There is risk that schools and the County Council will not be able to provide the resource required to implement the new system in a timely way.</p> <p>Some schools may have long term contracts with software and hardware suppliers which could impact their adoption of the new system.</p> |

## 5 Consultation, engagement, and advice

- 5.1 Provider forums and demonstrations with schools and WSCC have been held to raise awareness about the potential procurement and answer questions about the project. The packages the suppliers are offering are not bespoke packages, but are established cloud based software solutions. Some initial pilots have been successfully undertaken in West Sussex Schools.
- 5.2 A Governance structure for the project has been established by the Resources & School Organisation, Capital & Admissions (RSOCA) Subgroup of the [Schools Forum](#) to manage the project.
- 5.3 RSOCA have agreed that there is a need for a single process and a move to a single provider. Schools are aware that in order to progress, notice needs to be given to the current SIMS FMS provider by WSCC before the end of December 2021. They are ready to do this and to be an integral part of the tender evaluation process.
- 5.4 The proposal for a replacement system was discussed at Schools Forum on 30th September 2021 and a further update was provided at the meeting on 25<sup>th</sup> November 2021.
- 5.5 A School Business Manager End User Group has been established as part of the project to use their expertise to develop requirements and inform the pilots with suppliers.
- 5.6 Representatives from Procurement, Finance, IT and Legal Services will need to be part of the project management and governance process going forward.
- 5.7 Internal Education and Skills services including Data and Performance Teams, Statutory Processing Teams, School Finance Team, have provided their expertise in developing the requirements and have participated in the pilots.

- 5.8 In order to provide the required confidence in the project and ensure that all dependencies such as links to County Council core systems are fully understood and planned for, [SOCITM Advisory](#) were engaged by the County Council to undertake an IT Quality Assurance review of the project and the pilots to date and to inform future contracting arrangements with schools. With the support of SOCITM, we are convinced that the suppliers we have engaged with are the key ones proven in the field and with the software that meets our requirements for a cloud based system.

## **6 Finance**

- 6.1 The total cost for the proposed 4 year contract term will be determined by the procurement but is estimated to be in the region of £3m [annual cost of £0.7m] (based on the estimated costs of the highest cost supplier who has undertaken pilots/ proof of concepts with the County Council during the first six months of 2021). The actual cost and phasing of the expenditure will be confirmed following the procurement exercise. The implementation and ongoing costs will be fully recovered by the County Council through an SLA with Schools as per the current arrangements. The County Council will incur opportunity costs in order to undertake the procurement which will not be recharged to schools as part of the implementation costs.
- 6.2 A budget for this project will be set up within the Education and Skills Directorate to charge the costs to in the first instance. The expectation is that all these costs will be recharged to schools, so the net budget will be zero in terms of the County Council. The SLA will be managed by the Education & Skills directorate and the work will ensure that all costs that have been incurred during the implementation are correctly picked up and included in the charges.
- 6.3 The revenue consequences over the next 4 years (based upon the pre-tender supplier proposals) indicate that there is potential for savings to be realised over the course of the initial contract, these details will be confirmed following the completion of the procurement exercise.
- 6.4 Implementation costs associated with the programme will become more apparent as the procurement process is undertaken, reflecting the specific provisions and assumptions that are reflected within tenders. It is acknowledged that with the exception of opportunity costs related to procurement and the WSCC Project Manager, the full cost of implementation will be funded wholly by schools including the county costs of upskilling the school's finance team and managing the data integrations.
- 6.5 It is envisaged the annual licensing and support costs for schools will be lower than the current contract once the set-up work is completed. However, the final position will only become clear once the procurement has been completed, at which point the budget plan will be updated accordingly. All costs of procurement and implementation will be covered by schools and any deviation from the estimates, once the detailed costs are known will be covered by schools and recovered through the SLA.
- 6.6 In addition to the ESS SIMS/ FMS licences purchased through the County Council in many cases schools are also directly purchasing licences and support for additional software in order to benefit from additional functionality that cannot currently be provided through the current system and servers. There is consequently the possibility that schools will be able to realise further savings

by reducing/avoiding duplicated costs, however these savings may not be immediately achievable dependent upon the contracts in place with suppliers and/or the additional burden on schools arising from the implementation costs for a replacement of the SIMS/FMS systems.

## 6.7 The effect of the proposal:

### a) How the proposal represents good value:

Going to market will ensure that the best value solution is procured. The proposal represents a compliant procurement method and the evaluation criteria will be structured to ensure that the contract is awarded for a solution that meets the business requirements and delivers best value for money.

### b) Future savings/efficiencies being delivered

It is anticipated that future efficiency gains are likely to arise from the following;

- Reduced duplication and therefore administration time
- Reduced administration through a more efficient system being easier and less time-consuming to use.
- Self-service by the local authority rather than requests to schools meaning reduced administration time
- Time saved through having to review data on fewer systems and improved data reliability / real time.

These potential savings/efficiencies cannot be accurately identified until the procurement has completed and the future solution is known.

### c) Human Resources, IT and Assets Impact

The project aligns with the corporate IT strategy and has passed the Business Design Authority (internal governance process) which tests against the key IT principles. Delivery of this proposal represents a significant IT Project and will require specialist County Council staff resource in addition to the expertise of the suppliers. The cost of these resources form part of the implementation costs that are anticipated to be clarified as part of the procurement, recognising that these will be wholly funded by schools.

Schools and Education and Skills services staff will need to allocate resource to the roll out migration and training on the new system.

An Education and Skills Project Manager has been allocated to the Project.

The Schools Finance Team will need to support two approaches during implementation which will require the temporary expansion of resources by 1 FTE (Grade 10) and will be included in the implementation costs of the project.

## 7 Risk implications and mitigations

| Risk | Title   | How the risk can be overcome/ minimised.  |
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| 1    | Interdependencies with other WSCC IT projects (SMARTCORE) are not effectively managed | Close working and planning of the projects as part of a holistic programme will ensure that all dependencies are managed. |

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| 2 | Project resource capacity limited  | Resource is allotted or bought in if internal capacity is an issue (but this will increase project costs)   |
| 3 | School leaders and business managers not released from business as usual to undertake implementation plan            | Project Board communication with all in scope schools/ adherence to plan and scheduling against tasks to ensure engagement and the required support is in place. Strong Project Management.   |
| 4 | The roll out plan may conflict with other critical activity.   | Ensure that testing/ training/ migration plan is developed in close liaison with schools / WSCC finance team and that any data transfer does not put any processes on the current system at risk.   |
| 5 | Remote schools need sufficient broadband for cloud based system  | Ensure that this is taken account of/ tested in the piloting and design and that there is an alternative solution available.  |
| 6 | Schools may still want to retain bolt on applications which may not be compatible                                    | School Business Managers asked to assess all IT requirements and contractual commitments. The intention is that the core SIMS/ FMS system will dispense with the need for additional applications.  |
| 7 | Not all schools will adopt the new solution making the implementation costs for the remaining schools more expensive | <p>The current SIMS FMS contract covers 218 maintained schools. We will be serving notice on the contract in December and the tender process for a replacement system will cover all maintained schools. Schools can decide if they want to take up the new SLA. If they decide not to then (as now) they can source their own provider and support, but will need to be aware of the following:</p> <ul style="list-style-type: none"> <li>• The current contract with ESS and ENTRUST through WSCC will no longer exist as notice will have been given.</li> <li>• They would not be benefitting from the bulk purchasing.</li> <li>• They will need to pay for their own connections (one off and ongoing ) to WSCC core systems (HR and Payroll, CYPL recording, SAP, ORACLE etc).</li> <li>• The County Council's School Finance team will have difficulty providing day to day support for additional systems (as they will be set up on the selected system).</li> </ul> |
| 8 | Some schools may academise and withdraw from scope.  | The future IT contracting arrangements cover the scenario of a school academising and wanting to exit the SIMS FMS systems contract. In such a scenario the set up (year 1) costs would still be recovered from the school which is academising.  |
| 9 | Required links to the County Council Core Systems such as payroll do not work with the new system                    | Links will be fully tested to the new system prior to any implementation. The pilots have already proved the links to the Education Management System. There will be close working with the   |

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|    |   | SMARTCORE project on the timing and delivery of the ORACLE solution.   |
| 10 | Schools data may not be clean enough for migration.   | Data cleaning will be completed prior to any migration or through the use of the migration tool (as successfully proven by the pilots).  |
| 11 | That the implementation programme will overrun.   | A contingency sum will be included within the budget for the programme.  |
| 12 | There may be a need to integrate with the WSCC SAP system and then the Oracle Fusion system.  | This will be included within the implementation costs budget, funded by schools, that will be clarified as part of the procurement process.  |
| 13 | Clarity needed on where obligation for compliance, retention, information security etc. sits. | Data management covered in the pre-tender documentation and will be reviewed in tender process. The methodology has been tested in the pilots. Suppliers are ISO27001 accredited, which is the international standard for an ISMS (information security management system)<br>Data sharing agreements are already on place with all schools. |

## 8 Policy alignment and compliance

8.1 This project is aligned with the aims of [Our Council Plan](#), focussing on the need for recording system(s) to support provision of a high-quality service to children and their families whilst making efficiency improvements and savings. The project will also help people and communities achieve their potential by supporting schools through their improvement journeys with the availability and effective use of real time data and management information

### 8.2 Legal Implications

All public sector procurement requirements will be adhered to during the procurement process.

GDPR processes, GDPR Article 5 Principles and compliance will be adhered to throughout with such data risks being managed. A Data Sharing Agreement may also be necessary for the migration of personal information (school by school basis). A suitable Data Controller will be nominated. An appropriate Data Protection Impact Assessment will be incorporated into the programme management and governance.

### 8.3 Equality duty and Human Rights assessment

The Council is mindful of Article 8 of the European Convention on Human Rights – The Right to Respect for Family and Private Life - and has taken relevant factors into consideration in preparing this proposal. The processing of personal and special category data is subject to the Council's Data Protection Act policies and procedures in relation to discharging the Council's and its partners' legal responsibilities. There is no impact on the Council's public sector equality duty to those with protected characteristics.

#### 8.4 **Climate change**

As part of the response to the opportunity, providers will be asked to describe their policy or approach to sustainability, which can then be monitored as part of the Contract Management process.

#### 8.5 **Crime and Disorder**

There are positive implications for Sections 17, 37 and 39 of the Crime and Disorder Act 1998 in the prevention and reduction of crime and anti-social behaviour, and in reducing offending and re-offending by young people, all of which are supported by the Service being able to use a high quality, integrated IT recording solution.

#### 8.6 **Public Health**

Not applicable.

#### 8.7 **Social Value**

This project is aligned with the aims of [Our Council Plan](#), focussing on the need for CYPL recording system(s) to support provision of a high-quality service to vulnerable children and their families whilst making efficiency improvements. The project will also help people and communities achieve their potential by supporting schools through their improvement journeys with the availability and effective use of real time data and management information. The implementation of the service improvements will also respect sustainability principles in accordance with the County Council's strategic policies.

As part of the response to the opportunity, providers will be asked to describe their policy or approach to social value which can then be monitored as part of the Contract Management process.

**Paul Wagstaff, Director of Education and Skills.**

**Contact Officer:** James Richardson, Project Manager Education and Skills, Telephone 0330 222 2327 and email [james.richardson@westsussex.gov.uk](mailto:james.richardson@westsussex.gov.uk)

**Restricted Background Paper** - SOCITM Advisory Report - NOT FOR PUBLICATION -  
By virtue of paragraph 3 of Part I of Schedule 12A of the Local Government Act 1972