

Decision maker:	Officer: Assistant director communities
Decision date:	23 March 2016
Title of report:	Renewal of support and maintenance for schools software
Report by:	Performance Manager - Hoople

Classification

Open

Key Decision

This is not a key decision.

Wards Affected

County Wide

Purpose

Approval is sought to renew the annual maintenance for the council's Capita Schools Information System (SIMS) licences and the HCSS school budgeting software. The SIMS licences are held in perpetuity by the council.

Recommendation

THAT:

- a. The SIMS maintenance contract is renewed on an annual basis for a period of up to 2 years (31 March 2019) at cost of £133k for the reasons contained in this report; and complete review of service needs within 6 months to inform future options;**
- b. by virtue of this decision report an exemption to paragraphs 4.6.13.2 b, c and d of the council's contract procedure rules be granted to enable the direct award of the SIMS contract at a cost of £133k for the reasons set out within this report;**

- c. **The HCSS software licence is renewed on an annual basis for a period of up to 3 years (April 2020) at an annual cost of £26,000 subject to inflation; and**
- d. **By virtue of this decision report, an exemption to paragraph 4.6.13.2e of the council's contract procedure rules be granted for HCSS at a cost of £78k for the reasons set out in the report below.**

Alternative Options

1. **To not maintain SIMS** - This is not recommended as it may lead to the system becoming unstable subsequently affecting the Accuracy, security and integrity of the data that it holds and information generated by schools for the Council.
2. **Council stop providing SIMS to schools** – Currently ownership of the licences resides with the Council for use by the schools. Terminating this arrangement would risk introducing a level of system complexity and cost as schools would need to buy into the product individually losing the combined buying power and preferential pricing available to the council or seek to introduce new systems independently which may force the council to integrate with various systems. This is therefore not recommended.
3. **To not maintain HCSS** – this is not recommended as it is essential in these financially difficult times that schools are able to budget ahead accurately and to ensure budget reductions are implemented as necessary.
4. **Tender for a new System for Schools-** The council would take on the responsibility of developing robust requirements across the various schools in the county in order to deliver a system that meets their needs. This would introduce a significant cost of change including requirements development, new system licence costs, system transition costs as well as training costs for all applicable stakeholders. This option is therefore not recommended.

Reasons for Recommendations

SIMS

5. The Council holds perpetual rights to SIMS licences and renewing the support ensures that the system is adequately updated, maintained and ensures availability of any system upgrades.
6. Support and maintenance for this product can only be obtained directly through Capita Business Services Ltd, the proprietor of the software.

7. Subsequent to consultation with Schools, the system continues to meet their requirements and they have requested that the annual maintenance is maintained thereby retaining SIMS as the software of choice for the management information system in local authority controlled schools. Market research shows that the product currently holds a market share of 82%, due to the reliability of the product and ability to meet with the ever-changing needs of schools' requirements and alignment with legislation.

HCSS

8. The HCSS budgeting software is purchased annually following agreement with Schools Forum to deduct funding from locally maintained schools budgets to achieve savings by purchasing a county licence.
9. Schools are currently using the HCSS software to plan options for their 2017/18 budgets. The original purchase decision for HCSS was for the 2016/17 financial year only and the waiver stipulated that the budgeting software would be retendered as part of the schools management information system (i.e. SIMS) specification. As the SIMS software will not now be retendered within the next two years, there is insufficient time to test the market, consult with schools and determine the cost of a possible alternative prior to Schools Forum making a decision on de-delegation of funding at their meeting on 13th January 2017 (as required by the Department for Education) and to avoid schools having to potentially duplicate the financial planning on a new system in April and May 2017 so that governor approved budgets can be submitted to the local authority by the statutory deadline of 1st June. It is inevitable that schools will purchase the HCSS software at the higher individual licence price.

Key Considerations

SIMS

10. The SIMS software enables the Council to upload information relating to pupils and contacts from the schools SIMS system into the Council database enabling the accurate maintenance of information at both school and Council level.
11. A contract was awarded to Capita in 2012 for a period of 5 years. The current arrangement expires in March 2017 and the pupil rates will revert to the standard local authorities pricing at the rates shown below.
12. The new contract would be based on a direct award to Capita for a period of 2 years at the current standard per pupil rates representing a 4% increase over the two years when compared with the current rates.

	Estimated Annual Maintenance Charges based on pupil numbers		
	2017/18	2018/19	Total over 3 years
Standard local Authorities Pricing	£66,774.85	£68,013.72	£204,070

Figure 1 SIMS Pricing

13. An exemption from the Contract Procedure Rules is requested as the support and maintenance for this product can only be obtained directly through Capita Business Services Ltd, the proprietor of the software. Over the next two years Hoople will undertake a review of SIMS software and associated maintenance in order to determine whether this still meets the requirements of the council and schools or whether there are more suitable alternatives in the market. It is also recommended that the council begin to consider their approach for provisioning of ICT systems to schools during this time.

HCSS

14. The purchase of a HCSS county licence is more cost efficient at £350 per school than individual purchases which are double the cost. Schools already using the HCSS software have made savings by the de-delegation/budget top-slice arrangements and any reversion to individual school purchasing decisions would be more expensive than a county licence.

15. As set out in paragraph 13 above, an exemption is requested for the HCSS software and the requirements for school budget planning will be included in the Hoople review of SIMS and schools' management information requirements.

Community Impact

16. Ensuring that access to and support of these systems will have no direct impact on the community. The recommendations leverage the requirements of multiple schools within the county, continuing to support the integrity and reliability of data ultimately delivering better value to schools and the council.

Equality and Human Rights

17. The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying "due regard" in our decision making in the design of policies and in the delivery of services.

18. As this decision is in regards to “back office” functions we do not believe that it will have any impact on our equality duty.

Financial Implications

19. The estimated cost of the direct award is SIMS is £133k and is budgeted for in ICT Revenue Budgets for 2016/17. The SIMS charge is fully recovered from schools.

20. The estimated cost of the HCSS budget planning software is £78k for the 3 years, fully funded by de-delegation from school budgets. Without such agreement from Schools Forum schools would have to buy individual licences for the software at a greater cost.

Legal Implications

21. The continued use and maintenance of these systems will enable maintained schools to meet their legal obligations to retain and information on pupils, staff and budgets and securely transfer the same between other schools, the LA and other agencies. Reporting from these systems will support both learning and management in schools.

22. An extension of contracts such as these (i.e. where the right to extend is not expressly indicated in the contract) is considered to be a new contract for procurement purposes. This is why it is a direct award.

23. Given the value of the ‘new contracts’ are more than £50,000, under the council’s Contract Procedure Rules, the council would be ordinarily required to conduct a formal tender exercise. This requirement can be waived in exceptional circumstances. The circumstances described in this report appear to meet this requirement, given for SIMS that they are the only provider who support the purchased licenses and for HCSS it is the software currently being used for financial planning. Therefore a waiver of the Contract Procedure Rules has been granted.

Risk Management

24. Risk of schools becoming academies or trusts seeking to invest in their own management information systems software (i.e. both SIMS and HCSS) during the contract period

- a. Mitigation: Schools sign up to a 12 month agreement and the number of schools that may seek alternative solutions will continue to be monitored to ensure there are no adverse financial implications on the council.

- b. Mitigation: The SIMS software is currently licenced per pupil allowing the charges to scale up or down in line with the number of pupils put forward annually.

Consultees

None

Background Papers

None.