

Subject:	Procurement of Schools Management Information Systems (MIS)		
Date of Meeting:	19 March 2015		
Report of:	Interim Executive Director of Finance & Resources and Executive Director of Children's Services		
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Ward(s) affected:	All		

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

- 1.1 This report seeks authority for the Council to access a framework agreement between East Sussex County Council (ESCC) and the software supplier Capita Business Services Limited ('Capita') for the supply of schools management information systems (the 'ESCC Framework Agreement'). The Council participated in the selection and evaluation process for the ESCC Framework Agreement and is one of three local authorities in addition to ESCC, entitled to access the ESCC Framework Agreement.
- 1.2 Maintained schools will have the option to select the management information systems being provided under the ESCC Framework Agreement via the School ICT Service within the Council's 'Services to Schools' portfolio.

2. RECOMMENDATIONS:

That Policy & Resources Committee authorise the Executive Director Finance & Resources to:

- 2.1 Award a call-off contract between the Council and Capita under the ESCC Framework Agreement for the provision of management information systems ('MIS') for maintained schools in Brighton & Hove for a period of four years. MIS are the primary suite of integrated business software applications for schools, covering all aspects of school management ranging from pupil admissions, registration, timetabling and assessment through to school financial management and human resources management. The aggregated data held in the MIS form the basis of school statutory returns and corporate management information.
- 2.2 Extend the initial term of the call-off contract for up to an additional two years, if the Executive Director Finance & Resources considers that it is still delivering value for money.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Council offers a variety of services to schools within its boundaries including ICT software licensing and support services. All schools require specialist MIS to enable the fulfilment of their statutory data obligations for central government and the local authority, as well as to support day-to-day functions in school.
- 3.2 The Council, in common with other South East 7 (SE7) authorities and the majority of local authorities nationally, procure software licensing for the schools MIS centrally, to achieve the best possible value for money. Individual schools then choose whether to select services from the Council.
- 3.3 The Council has supplied a MIS service to schools for a number of years. However, in order to ensure that the Council and in turn local schools were assured of the best value for money, it was decided that a new competition for the supply of MIS for schools was needed.

Procurement Strategy

- 3.4 The Council set out to select and procure a supplier of a MIS for schools in line with the requirements of the schools within Brighton & Hove.
- 3.5 During the market research phase of the procurement planning it became clear that other Local Authorities (LAs) were in a similar position. In accordance with the SE7 Procurement strategy, a collaborative approach was adopted with other interested authorities - East Sussex County Council, Kent County Council and Surrey County Council. This collaborative procurement sought to achieve best value by pooling the requirements of the four LAs to drive value through procuring a framework agreement, awarded to a single supplier, that all LAs could access.
- 3.6 The ESCC framework Agreement procurement was led by East Sussex County Council and the framework agreement was awarded to Capita following a compliant procurement process in line with European procurement regulations for the public sector, including advertising in the Official Journal of the EU (OJEU).
- 3.7 The ESCC Framework Agreement has now been executed by ESCC and Capita. The Council is therefore in a position to call off services available on it, by way of a call-off contract specific to Brighton & Hove maintained schools. The term of the call-off contract will be four years with an option for a further two year extension. The pricing for the call-off contract is calculated annually on pupil numbers for the schools choosing to buy the Council's service. If schools choose not to buy service there is no charge to the schools or to the Council..

Funding

- 3.8 The table below illustrates the estimated value per annum of the call-off contract between the Council and Capita, for the provision of MIS software for schools. MIS contract costs have historically been and will continue to be, fully funded by schools.

- 3.9 Estimates are based on the number of pupils on roll in the current year and numbers of schools buying service. Previous years have not varied significantly.
- 3.10 Procurement through the ESCC Framework Agreement entitles the Council to a discount calculated as follows:

A freeze on per pupil costs from the commencement of the Council's award of a call-off contract under the ESCC Framework Agreement, so that for 2015/2016 pupil prices are held at the 2014/2015 rates;
Deducting 1% from the Retail Price Index (RPIX) as at 30th September each year and applying the resultant % increase to the pupil prices.

- 3.11 There is a cap of 4% on the RPIX increase within the term of the call-off contract.

The table shows a projected yearly increase of the maximum 4% for the 4 years of the initial term. This assumes a stable position in school and pupil numbers and is for illustration only.

Projected Expenditure

2014/15 actual	2015/16	2016/17	2017/18	2018/19	Total spend for 4 years
£123,087	£123,750*	£128,700	£133,848	£139,202	£525,500

*Prices frozen at 2014/15 levels but higher pupil numbers than in 2014/15

Resources

- 3.12 Monies paid to Capita in respect of the MIS for schools form part of a buyback under the Council's 'Services to Schools' and are supplemented at the point of purchase by a set of wraparound services from the Council, enabling schools to make the most of their investment.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 An alternative to accessing the ESCC Framework Agreement would be to run a separate procurement for the Council only.
- 4.2 Choosing to procure separately is unlikely to achieve improved value for money. The purchasing power of the various authorities who have collaboratively procured the ESCC Framework Agreement should ensure that greater value for money can be achieved which would not otherwise be possible for the Council alone to achieve. The three other authorities included in the process have an additional 1042 schools between them.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 Schools were consulted and given the option not to be named in the procurement.

- 5.2 Schools were advised that obtaining a MIS from the Council accessing the ESCC Framework Agreement would not commit them to spend on a longer term basis than currently.

6. CONCLUSION

- 6.1 This is a low risk approach which brings in savings for the Council and schools through the contract pricing and shared procurement costs. The ability for the Council to remove individual schools from the call-off contract without negative consequences for the pricing of others is also important, as there is unknown potential growth in Academy and Free School numbers during the ESCC Framework Agreement term.
- 6.2 In terms of ongoing supplier relationship and contract management, the joint procurement of a framework agreement puts the four authorities in a strong position to ensure continued value for money is delivered under the ESCC Framework Agreement throughout the term of its operation
- 6.3 There are no future cost implications for the Council or for schools as the proposed call-off contract is for MIS systems that are already in use in schools. There are no additional change, migration or upgrade costs.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Procurement through the ESCC Framework entitles the Council to a discount based on a freeze on per pupil costs from the commencement of the ESCC agreement. The call off contract will commence on 1st April 2015 and will run for 4 years with a possibility of a 2 year extension. This freeze should result in a saving of £44,726 over the 4 year period for the call off pricing when compared to the standard pricing based on estimated current pupil numbers.
- 7.2 The cost of the contract will be met from the existing school ICT general fund revenue budget within the 2015/16 financial year onwards. The cost does not exceed that of the current contract and is therefore considered affordable within the existing budget. Schools have been fully consulted on this proposal
- 7.3 The control of the contract will comply with the financial regulations of the council.

Finance Officer Consulted: John Timson

Date: 12/02/15

Legal Implications:

- 7.4 The authority of Policy & Resources Committee is required for matters with corporate budgetary implications, such as the award of the MIS software call-off contract by the Council for the benefit of schools for which the costs are going to exceed £500,000. Accordingly the committee is entitled to agree the recommendations at section 2 above.

- 7.5 Further, the Council's contract standing orders require that authority to enter into a contract valued at £500,000 or more be obtained from the relevant committee.
- 7.6 The procurement of contracts through framework agreements must comply with all relevant European and UK public procurement legislation as well as the council's contract standing orders. Legal officers will be advising on this aspect once the committee has authorised the Executive Director, Finance & Resources on the terms set out in section 2 recommendations above.

Lawyer Consulted: Oliver Dixon

Date: 11/02/15

Equalities Implications:

- 7.7 An Equalities Impact Assessment has not been carried out as there is no material change to the systems used and this is a contract change only.

Sustainability Implications:

- 7.8 None.

Crime & Disorder Implications:

- 7.9 None.

Risk and Opportunity Management Implications:

- 7.10 This procurement offers the opportunity to:
- Achieve financial savings and ongoing closer working with the SE7 authorities concerned.
 - Achieve value for money and strengthened supplier influence.
 - Prevent the risk of challenge from the market.

Public Health Implications:

- 7.11 None.

Corporate / Citywide Implications:

- 7.12 This report sets out the required approach to ensure that the council continues to support schools in their improvement and to optimise financial efficiency. There are no known citywide implications.

Any Other Significant Implications:

- 7.13 The Council already has long established strong relations with its schools and this is evidenced on the schools' side through the sustained high level of buyback to the 'Services to Schools' offerings and on the Council's side by demonstrating its ongoing commitment to an integrated support model. This procurement, for a software product that underpins a wide range of school and Council services, is of benefit to schools, ensuring that they gain value from the Council's procurement strategy and expertise and receive preferred pricing for the period of the call-off contract .

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms

None.

Background Documents

None.