

WHITE PAPER: THE LOCAL AUTHORITY ROLE IN PROCURING MIS AND FINANCE SOFTWARE FOR LOCAL MAINTAINED SCHOOLS

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Introduction

1. [West Sussex County Council \(WSCC\) have achieved something extraordinary](#). They have led a procurement exercise for a modern MIS and finance software system for their 200+ maintained schools. This is not an optional framework like the one I procured in Hackney, which I will discuss briefly in this paper. This project has the agreement of all these 200+ schools who will, at some point in 2022, be using a new modern cloud-based MIS and finance system purchased by their local authority.
2. I have been in local authority (LA) education departments responsible for education finance and procurement for 18 years. I use the word 'extraordinary' to describe what has happened in WSCC because I know from experience that this is a complex project for several reasons.
3. The main reason that this is not easy to achieve is the governance structure. Procurement and other budget decisions are made locally at schools. Financial authority is fully delegated to school governing bodies, who in turn delegate day-to-day management to the executive (headteacher and deputies) according to the schools' own financial regulations. This means that WSCC had to get 200 schools to 'opt-in' to the project individually somehow.
4. What makes this even more extraordinary is that along with this governance structure, there has been a significant reduction in LA staffing levels over the years, means that LA's more and more are looking for activities to stop doing to save resources. This never-ending quest to find activities to stop doing naturally starts with those activities where there is no clear legal duty for LAs to undertake. And this partly explains why I have often heard from LA officers in other local authorities that they are 'not responsible for school procurement; schools are'. Which strictly speaking is true, of course, but I do not think it is that simple.
5. In this paper, I will explain why local authorities have an essential role in school procurement and why I believe the WSCC project might (and should!) result in other local authorities following their lead.

The legal position when it comes to financial governance and other data

Financial governance

6. As mentioned in the introduction, locally maintained schools have complete delegated authority over managing their financial resources. Local authorities have intervention powers if there are serious concerns over school performance and financial management. So, if a maintained school is performing well, and there is no reason to suspect any financial mismanagement, LA's do not have any say over financial decisions.
7. Central government guidance clarifies that 'it is for heads and governors to determine at school level how to optimise the use of resources and maximise value for money.' And that 'for the purposes of procurement procedures, schools are viewed as discrete contracting local authorities.'
8. Whilst LA's can centrally arrange contracts for goods and services, legislation is clear that the school has a 'right to opt-out' of these contracts.
9. Local authorities must publish schemes for financing schools, setting out the financial relationship between them and the schools they maintain. What is published must be within the legislative framework issued by central government. Any discretion (which is minimal) exercised by LA's needs to be consulted on with all locally maintained schools and approved by the local school's forum.

Other data

10. A lot has been happening recently with attendance guidance and legislation affecting the data flow requirements between LA's and schools.
11. Local authorities and schools (of all types) are expected to have regular Targeting Support Meetings, at least termly. Further, to facilitate timely collaborative working across partners, all schools are legally required to share information from their registers with the local authority. As a minimum, this includes:
 - Every time a pupil's name is added to or deleted from the school admission register outside of standard transition times (including the statutory reason for deletion). This must take place before the deletion, and for additions, it must be no later than five working days after the addition.
 - The name and address of any pupil who fails to attend school regularly or has missed school for ten days or more without the absence being recorded as authorised. Local authorities should agree on the frequency this must be shared with all schools in their area. This should be done no less frequently than once per calendar month.
12. Local authorities may seek, and schools are expected to provide, more frequent or comprehensive sharing of data than the statutory minimum where it is essential to fulfilling their obligations under the Education Acts and the expectations set out in central government guidance. To avoid unnecessary burdens for schools, this should always be automatic from school registers and not require additional manual data collection/ returns (e.g. through a data aggregator directly from management information systems). This collaboration allows local authorities to facilitate quicker, more efficient joint working and better target their area-wide attendance strategy.
13. Similarly, whilst the law provides access to registers of maintained schools for local authority officers who need access to fulfil their obligations under the Education Acts, all schools, regardless of whether that legislation covers them, are still expected to provide the local authority with access to support joint working between schools, trusts and local authorities.

LA relationships with locally maintained schools

14. Despite the legal position mentioned above being a consistent picture across the country, you do not have to travel very far to see that there are differences from LA to LA in the way that they see their role regarding the relationship with locally maintained schools.
15. Some LA's have a very close relationship with locally maintained schools where there are shared systems. For example, in some LA's, the school's finance system is an extension of the finance system used at the LA and schools are just 'cost centres' in the LA system; and do not even have separate bank accounts. And when the LA monitors finances, they include school forecasting in their management accounts. Other LA's take a very minimalistic view of their role when it comes to locally maintained schools and have a very skeleton education structure, including for finance.
16. This differing relationship means different levels of procurement support provided to schools. It also means different approaches are taken to data collection and management information.

WSCC: a case study and comparison to Hackney LA

17. At an event organised by the supplier of choice for WSCC, senior WSCC staff were invited to discuss their journey. Some of my observations from what they said are as follows:

- They recognised that it is a challenging exercise to change entire systems but feel very confident that it will be 'worth it in the end'. I think this confidence has been very critical to their success. They acknowledged that many LA's are risk averse and stick to what they know and that this was 'leaping into the unknown' – and they have tried to overcome this usual LA attitude.
- The MIS used in schools had not changed significantly from when it was first introduced many decades ago. This is the case for most schools in the country!
- Schools and LAs require far more than what the existing MIS was able to provide, so there were 'lots of workarounds needed' and 'many other software packages to support SIMS and its limitations. WSCC schools and the LA were 'trying to link systems that did not naturally link together. Again, there is a similar picture across the country.
- With the MIS not being cloud-based, the critical data that the LA needed from schools was not 'current' by the time it was sent, received, and processed. Some of the data referred to was children missing education (CME) or children missing from roll. Not having access to live data was a problem. 'There were significant numbers of pupils taken off roll, and we didn't know where they were.' Time lag' of data transfer was cited, and they said they needed many data to execute responsibilities. Whilst there were solutions in the old system to data sharing and aggregating, this was mainly for the statutory items. I suspect if WSCC were having significant issues, it is because they requested additional data from schools beyond what is minimum statutory, in order to execute their strategy.
- There was a complex support structure with WSCC having 'outsourced much of its support' to an organisation who also provided the MIS licence for a product they no longer owned. So, this was also an opportunity to rationalise that support contract structure.
- For WSCC, this project meant there would be 'lots of technology changes at once' as they were also replacing SAP, which they used for schools payroll. They commented, "You have to be brave, and we were brave". I think they were brave, and I think they were right to be brave.
- There was an appetite for change throughout schools. The schools forum came to the LA, asking the LA to manage the project. They needed that central coordination and leadership. Schools would find it more challenging to make the change if the school next door would not be making that change. The LA and schools collectively believed that this was what was needed for the betterment of schools, children and education. This, for me, was a vital point and partly explains the difference between the family of schools in WSCC compared to the LA's I'm familiar with. I have never known a group of schools to be organised enough to collectively understand the benefits of a project like this one. Not to mention a school forum that, in WSCC, does more than the minimum [statutory requirements](#).
- WSCC wanted real-time information as they previously had to chase schools for data. They wanted data to be part of a core system. They wanted an integrated MIS/Finance system to avoid copying and pasting and needing to log out of one system and log into another system. This was another interesting comment and shows that WSCC understood the benefit of having finance integration with MIS.
- The COVID outbreak was one of the triggers for this project. Schools have not been able to work at home as effectively as they wanted to with outdated server-based

systems. The same would be the case for most schools throughout the country, but WSCC are the only LA I am aware of who have taken action.

- Whilst they had school support via the schools forum, there was a process of getting all schools to sign on the dotted line saying they would be part of the project/contract. This makes sense as there are minimal areas where schools forum can take decisions that result in a financial obligation to all local schools.

18. When working in Hackney, I recognised the significant benefits of a project like this. But I never thought a project like the one in WSCC could be successful, so I took a different route. I canvassed schools for interest and had a target number in mind. If a sufficient number of schools expressed interest in new cloud MIS and finance software, I would go ahead with a procurement project.

19. I procured a single supplier framework that all local schools could access when they felt ready to switch systems. The decisions on specification, evaluation, supplier selection, were all undertaken by a representative group of business and data managers from local schools who were all supported and trained by my team. The idea was that this avoids multiple systems across the authority. Schools would either use their legacy SIMS system, or the one cloud system of choice that their peers had decided was the best product that met their requirements.

Schools Forum

20. Every local authority area has a schools forum. Representatives from schools and academies make up the schools forum. The forum acts as a consultative body on some issues and a decision-making body on others.

21. Where schools forum makes decisions is a very discreet list of areas. These are mainly:

- how much funding may be retained by the local authority within the dedicated schools' grant (for example, providing an admissions service or providing additional funding for growing schools)
- any proposed carry forward of deficits on central spending from one year to the next
- proposals to de-delegate funding from maintained primary and secondary schools (for example, for staff supply cover, insurance, behaviour support)
- changes to the scheme of financial management

22. In my experience, schools forum agendas would be, logically, limited to the items above and the discreet list of consultative items. In my opinion, it is a unique and positive situation in WSCC that schools forum played an active role in this project.

Using MIS and finance systems as an example, why should LA's get involved in group procurement for locally maintained schools? And who in LA's should care about this?

23. When I think about the [seven principles of public life](#), one of my interpretations of acting in the public interest includes LA officers providing support to schools who often do not have the expertise LA's have. For example, in procurement, IT, and finance. I believe that supporting schools to improve their effectiveness will always be 'acting in the public interest'. I think LA leaders in education (the education director and deputies), finance, procurement, and IT should all care about a project like this. Both because of the principle in this paragraph, and also because of the direct LA benefits of a project like this.

24. Some of the many advantages to schools and LA's, if LA's managed the group procurement for MIS & Finance services centrally on behalf of locally LA-maintained schools, are:

Financial

- Further financial savings for schools by combining their resources (if the G-cloud published information has been interpreted correctly, WSCC schools saved around 46% on licence costs!).
- There would be a more organised transition for central LA MIS & Finance support teams if there was aggregate procurement rather than schools conducting individual procurement and ending up in a 'fragmented' MIS system across the LA. This may provide more financial certainty for LA's and be very helpful to LA data managers. This is a clear direct LA benefit.
- LA's will have more relevant expertise in undertaking a thorough analysis of schools' current technology stack and this expertise can be used to undertake a Total Cost of Ownership (TCO) analysis to maximise financial savings. Potential financial savings go way beyond the licence cost savings. Some thorough case studies cite revenue savings in excess of £10k per annum for an average-sized primary school. It may also make sense for this to be a traded service to schools.
- Schools should also expect to incur lower device replacement costs as technologies such as virtualisation can potentially extend device lifespan.

Non-Financial

- Responsibility and duty-bound as public servants to take a 'one public purse' perspective and provide support for schools even if schools themselves are responsible and accountable for their own budgets and procurement strategies. This is the point I'm making in paragraph 23 above.
 - The LA has more capacity & capability regarding procurement projects and can ensure schools achieve the right mix of economy, efficiency & effectiveness.
 - LA's have a continued statutory role in collecting, consolidating and submitting data returns to central government. Undertaking a central procurement exercise could ensure the LA's correctly specify the requirements regarding data returns. This is a clear direct LA benefit.
 - The DFE alerted schools in December 2018 that they cannot upgrade with the current market-leading supplier without undertaking a compliant procurement exercise. The LA can support schools in achieving this compliance.
 - The LA can ensure that schools do not lose sight of the right educational perspective. The DFE has highlighted the need for any strategy to be firmly rooted within a policy framework that clearly understands how the school expects its ICT provision to facilitate the achievement of its educational objectives and improve educational outcomes or organisational effectiveness. The DFE has clearly stated that ICT initiatives driven simply by a technology perspective rather than an educational perspective are highly unlikely to deliver value to the school.
 - If schools procured a variety of different MIS products from a variety of suppliers independently, it would undermine the long-standing existence of LA support units & expertise, which provides valuable support and mentoring to the schools. Aggregate procurement will underpin the LA's local support units. This is a clear direct LA benefit.
25. LA's can help schools better address some of the issues highlighted by the DFE when moving services to the cloud. Namely:

- A requirement to develop (in conjunction with users) an effective change strategy which supports those users impacted by the change in a timely and effective manner;
- The importance of engaging effectively with key stakeholders, including the senior leadership team, ICT support team, teachers and, where appropriate, students and parents. Everyone must understand the benefits anticipated, the implications for them, the nature of the support being offered and the underpinning project plan and key milestones;
- The importance of recognising that there should be appropriate and early engagement with relevant ICT support staff and their professional organisations where structural changes in ICT support arrangements are envisaged;
- A requirement for effective project planning which identifies key activities and deliverables and an agreed project timeline. An assessment of the costs and savings which should be underpinned by a realistic and achievable benefit realisation strategy;

26. The project undertaken by WSCC means that they realise all the benefits stated above.

The logical procurement route

27. There are merits to WSCC's chosen procurement route. The benefits and the drawbacks of using a framework, or a route like G-Cloud:

Benefits

- Saving time and money on all the activities associated with a comprehensive procurement project. Namely:
 - Designing a specification of requirements
 - Preparing contract and tender documents and advertising the tender
 - Designing evaluation criteria and getting together an evaluation panel to read and assess bids

Drawbacks

- You cannot usually change the specification, so there is a risk that you will not get what you want.
- You may exclude suppliers which you would like to evaluate because they are possibly not on the framework of choice, or they do not appear as an option after the filtering process that exists on routes such as G-Cloud.
- Your standard contract terms and conditions may be more favourable than the framework template contract, which must be adopted when using the framework.

28. The alternative option is to undertake a compliant procurement project – which for something the size of a cloud MIS & Finance, would be:

- I. prepare your contract and invitation to tender
- II. consider whether to use the restricted procedure to reduce the number of bids you have to assess later or the open procedure to let anyone bid
- III. advertise a contract notice using the UK e-notification service, [Find a Tender \(FTS\)](#).
- IV. make your invitation to tender and all other documents available electronically from the time that the contract notice is published

- V. assess all the bids you get fairly, using the same process
 - VI. choose the supplier that offers the best value for money
 - VII. award the contract to the highest scoring bid supplier
29. Whilst it is much work, taking a lot of staff time and staff cost, I always preferred to manage my own procurement process, rather than using a central government framework, for a purchase as important as this one. I always thought it meant I would have more control. Having said that, if G-Cloud works for an LA as big and as connected to their schools as WSCC, then using that should be just fine.

What do LA officers I have spoken to think about this?

30. I have spoken with a senior manager in a LA management information services team responsible for statutory education returns and other school-related management information. They had the following points to make:
- They thought that all schools using the same MIS would greatly benefit LA's trying to obtain consistent management information for statutory and other requirements.
 - When it comes to WSCC, they assumed that there is a requirement for bespoke reports to execute their attendance strategy beyond the statutory data requirements. This is because, whilst not a modern system, the MIS used in schools does have the functionality for data aggregation and transfer to local authorities.
31. I have spoken with a senior LA officer responsible for, amongst other things, education technology services. They have the following points to make:
- MIS and finance software is a vital part of schools 'technology stack'. If schools want to have modern technology in schools which maximises the effectiveness of a school improvement strategy, they need to procure cloud MIS and finance software.
 - This is also in line with the advice of the DFE – who, for several years, have been advising schools to procure cloud software.
 - The finance system used in most maintained schools does not provide a robust accounting/bookkeeping solution for schools
32. I have spoken with a senior leader responsible for their LA's attendance and children missing education service. They have the following points to make:
- The flow of accurate and timely information from schools to the LA is vital to ensure that schools and LA work jointly for the best outcomes for children and young people.
 - The technical systems are in place for data sharing collection, but many schools, particularly academies, have previously chosen not to share data with LAs. Regarding WSCC, they likely had requirements beyond statutory, or they are using this procurement as a catalyst for better joint working/data sharing.
 - [The new statutory proposals](#) are a significant extension of the existing statutory duties. The new duties move LA statutory duties away from one limited to largely undertaking enforcement action to now also having strategic responsibilities and a requirement to undertake preventive work, including casework around individual children. This represents a significant shift in DfE thinking around what LAs should and should not do.

Solution and conclusion

33. I have tried to explain in some detail in this paper why more local authorities should follow in the footsteps of WSCC. The benefits to schools are clear. They will modernise the technology used in their schools, whilst at the same time, make significant financial savings.
34. If there are some LA officers still not convinced about their duties as public officers when it comes to projects like the ones in WSCC and Hackney, this paper also highlights direct benefits to the LA. These include ensuring the LA can efficiently receive required school data and increasing trading prospects. Also, schools making financial savings improves their financial position and reduces the likelihood of the LA needing to intervene.
35. Speaking for myself from a purely financial management point of view, there are many tangible financial, contract management, and ethical reasons justifying a LA managing a procurement process to purchase cloud MIS and finance for their local schools. The content of this paper, I think, will show why I feel this way, but just to pick a few of the main reasons:
- Financial savings for schools – WSCC schools made savings of some 46% on licence costs they would have otherwise had to pay for the same software if the LA did not coordinate this project.
 - Avoiding a fragmented system in a local area where the LA needs to obtain data from various systems. A fragmented system could lead to costs incurred in designing workarounds and recruiting staff to manage a less-streamlined system.
 - Lending LA expertise to schools in designing a specification, drawing up a contract, and contract management. If these activities are not managed professionally, they could result in costly rectification.
 - LA expertise in maximising the benefits of the total cost of ownership. The 46% savings I have quoted above are for licence costs only. There are also savings on servers and server maintenance, energy (obviously a big thing at the moment!), work around 3rd party software (an important issue for WSCC) and more. **I think this project could eventually lead to revenue savings in excess of £2m per annum for WSCC schools.** This estimate is based on [an earlier white paper from a former DFE IT director](#).
36. I think an ideal project plan would be one like WSCC. I do not believe however that many other LA schools forum's would be as active or as aware of the benefits of a project like this one. So, my suggestion to senior managers in LA finance, IT and procurement departments is to approach schools with the offer to run a project similar to WSCC. If there are many schools who do not express an active interest, then consider procuring a framework like Hackney and actively promote it to get as many schools as possible to 'call off'.