

From: Sarah Hammond, Corporate Director of Children, Young People and Education

To: Rory Love, Cabinet Member for Education and Skills

Subject: Decision 23/00094 - Management Information Systems (MIS) and Financial Accounting Systems (FAS) for LA Maintained Schools

Key decision – It affects more than 2 Electoral Divisions

Classification: **Unrestricted**

Past Pathway of report: Children’s and Young People’s Cabinet Committee – 21st November 2023

Future Pathway of report: Cabinet Member decision

Electoral Division: All

Summary:

Kent has had local authority (LA) contracts for SIMS in place since 2014. This has provided SIMS, a Management Information System (MIS), (and other modules including FMS, a financial accounting system (FAS) to maintained schools at a preferential rate, which they then pay for through de-delegation (SIMS and FMS are the brand names of the systems).

This was done in the past because all schools in Kent used SIMS. That is no longer the case, and many schools have chosen to move away so are having to pay for SIMS via de-delegation and the new system of their choice (usually Arbor or Bromcom).

ESS (the supplier of SIMS and FMS) is not offering LA contracts any longer due to changes to their cloud and hosting arrangements, so the contract will end on March 31, 2024, as will the de-delegation.

We have been keeping schools informed and have run a working group with schools about what to do going forward. Schools want to make their own choices, so will direct award with the supplier of their choice from April 2024 for a 3-year term (standard across all suppliers).

We would not want to seek to enter another LA contract with a different supplier as the market has splintered and different schools want different systems, so it would be reputationally damaging if we tried to force schools down a particular route.

We have been working with suppliers to negotiate the best possible prices for our schools, so they are not paying more from April 2024. Arbor and Bromcom have offered competitive pricing for the next three years, but to get competitive pricing for SIMS we need to sign a Facilitation Agreement, which ends various terms and

licences under the old contract and means the supplier (ESS) will then offer schools the same pricing they're currently on for the next three years.

Recommendation(s):

The Cabinet Member for Education and Skills is asked to take the proposed decision to:

- 1) No longer purchase MIS and FAS for maintained schools
- 2) To support schools to contract directly with their supplier of choice with competitive pricing negotiated by Kent (including signing the Facilitation Agreement with ESS to enable this for SIMS)
- 3) Delegate authority to the Corporate Director of Children, Young People and Education, to take necessary actions, including but not limited to entering into contracts and other legal agreements, as required to implement the decision

1. Introduction

- 1.1 Every school has a management information system (MIS) that handles key attendance and performance data on its pupils, and a Financial Accounting System (FAS) that supports effective financial and budget monitoring. These systems support the day-to-day running of the school and produce statutory returns throughout the school year. Most schools manage their finances and budget within the same system/supplier, but this is not obligatory.
- 1.2 This report outlines the changes to the MIS and FAS market nationally, and in Kent Maintained schools, and makes a proposal to ensure schools can use the system of their choice with the best possible value.

2. Management Information Systems (MIS) and Financial Accounting Systems (FAS) in Maintained Schools

- 2.1 A previous SIMS contract was in place 2014 to 2021. The current contract for maintained schools has been in place since 01/04/2021. The core contract term of three years ends on 31/03/2024. During this contract, the LA has paid for SIMS and then this money has been taken back from schools through de-delegation.
- 2.2 ESS, the supplier of SIMS, are no longer issuing or extending LA contracts, as they are moving to more cloud-based systems and the data storage and information governance requirements change with this, meaning that they will only contract directly with schools.
- 2.3 Over the last few years, the MIS and FAS market has changed significantly. Nationally, SIMS have dropped to a market share of 55%, down from 75% in 2020. In Kent, some maintained schools have already opted to move away from SIMS to an alternative MIS provider. Academies often use alternative providers. The MIS market is therefore splintering in Kent, and some schools are currently paying for two systems, which is not a sustainable position for stretched school budgets. With this backdrop schools need to make their own decision about what they pay for.

- 2.4 In Spring 2022, we agreed to set up a working group with maintained schools to look at systems and suppliers so we could pull together information to support and inform decision making about suppliers and future contracts from April 2024.
- 2.5 The working group, made up of a range of school types, and with a range of MIS and FAS experience, has met several times since autumn 2022 and we have surveyed schools, seen demos from the main suppliers, and have gathered responses to key questions arising from those. The working group have a variety of differing views about their preference going forward which reiterates the fact that there is no 'right answer', and that schools need to be free to make their own decision about which system to use going forward.
- 2.6 For those schools choosing to move away from SIMS and FMS, Cantium and The Education People will work with them to extract the required information from their systems before the end of March 2024.
- 2.7 Outside of the working group, KCC, Cantium and The Education People have been working with suppliers to negotiate the best possible prices for Kent maintained schools. Competitive pricing has been agreed with Arbor and Bromcom, the two systems that most schools move to (and which are also supported by Cantium and The Education People). To benefit from ongoing competitive pricing from SIMS we need to sign a Facilitation Agreement which ends various terms and licences under the existing contract and means the supplier (ESS) will then offer schools the same pricing they're currently on for the next three years.
- 2.8 If Kent doesn't sign the Facilitation Agreement schools would have to pay significantly higher prices for the SIMS and FMS products. From information gathered so far, over a third of schools have indicated they want to stay with SIMS, and over two-thirds want to stay with FMS, and would benefit from continued low prices, guaranteed for this next 3-year term.
- 2.9 Kent does not want to seek to enter another LA contract with a different supplier as the market has splintered and different schools want different systems. It would be unnecessarily restrictive of their freedom of choice if we tried to force schools down a particular route.

3. Financial Implications

- 3.1 The current SIMS contract is cost-neutral for the LA, as the costs are recovered from schools through de-delegation. De-delegation is agreed every year at Schools Funding Forum and communicated with schools. They are aware that the current year of de-delegation should be the last as all maintained schools are aware the SIMS contract is ending next March. De-delegation takes back a proportion of the DSG delegated to schools. The de-delegation approach means that the deductions occur after the formula has run so individual schools can see the cost of each element in their budget. For SIMS the amount that is taken depends on the number of pupils on roll as MIS and FAS licences are based on a per-pupil cost. Going forward, schools will retain this amount to spend directly with suppliers for a new MIS/FAS contract (which will also be costed on a per-pupil basis).

3.2 By moving away from an LA contract for SIMS, there is no budgetary implication for the LA. However, Kent is keen to ensure that schools can secure best value prices from the main suppliers.

3.3 After the three years of schools' initial terms with their supplier of choice, including SIMS (the Facilitation Agreement only offers the competitive pricing for SIMS for three years and we don't anticipate another Facilitation Agreement as that ends specific terms in our LA contract so would not be required in future), we do not know what the pricing will be, though as the market is likely to be even more competitive by then, the main suppliers will be keen to maintain their foothold in Kent, so pricing is likely to remain competitive. This will be something for schools to make decisions about in the context of their other budget commitments.

4. Legal implications

4.1 The ESS Facilitation Agreement has been reviewed by solicitors commissioned by Legal Services and they are content with the terms of the agreement.

5. Equalities implications

5.1 The EqIA has indicated this to be low risk, as there is no change to the information that is recorded. All MIS and FAS used by schools have to be accredited by the DfE to capture all the required information in order that they can meet schools needs and produce all the statutory returns to the LA and central government.

6. Risk and Other Factors

6.1 It is vital that schools are supported to have a valid contract for their MIS and FAS, with a DfE-accredited supplier, to ensure they can continue to fulfil their statutory obligations to both the LA and central government.

7. Governance

7.1 The Corporate Director for Children, Young People and Education will be authorised to be the delegated officer to enter into the relevant contracts on behalf of the Council.

8. Alternatives considered

8.1 It is vital that schools are supported to have a valid contract for their MIS and FAS, with a DfE-accredited supplier, to ensure they can continue to fulfil their statutory obligations to both the LA and central government.

8.2 If Kent doesn't sign the Facilitation Agreement schools would have to pay significantly higher prices for the SIMS product. We know quite a lot of schools want to stay with SIMS and would benefit from continued low prices, guaranteed for this next 3-year term.

8.3 The market has splintered, and different schools want different systems. It would be unnecessarily restrictive of their freedom of choice if we tried to force schools down a particular route.

9. Conclusions

9.1 Kent does not want to enter another LA contract with a different supplier as the market has splintered and different schools want different systems and therefore need to make their own decision about what they pay for.

9.2 By moving away from an LA contract for SIMS, there is no budgetary implication for the LA. However, Kent is keen to ensure that schools can secure best value prices from the main suppliers.

10. Recommendation(s):

The Cabinet Member for Education and Skills is asked to take the proposed decision to decision to:

- 1) No longer purchase MIS and FAS for maintained schools
- 2) To support schools to contract directly with their supplier of choice with competitive pricing negotiated by Kent (including signing the Facilitation Agreement with ESS to enable this for SIMS)
- 3) Delegate authority to the Corporate Director of Children, Young People and Education, to take necessary actions, including but not limited to entering into contracts and other legal agreements, as required to implement the decision

11. Contact details

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