Oracle for Schools – Market Research
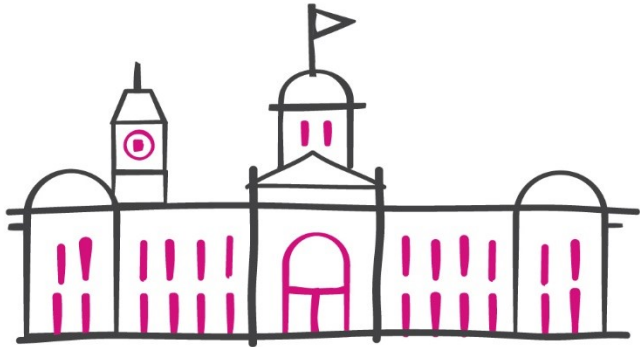
Introduction

This slide pack contains the findings from BCC's Early Market Engagement in relation to the Oracle for Schools Project.

It should be noted that this does not constitute a recommendation for any supplier. The suppliers who attended the early market engagement event represent a very small section of the available market and were chosen to allow BCC a broad view of the market provision while assessing the option that would be taken forward.
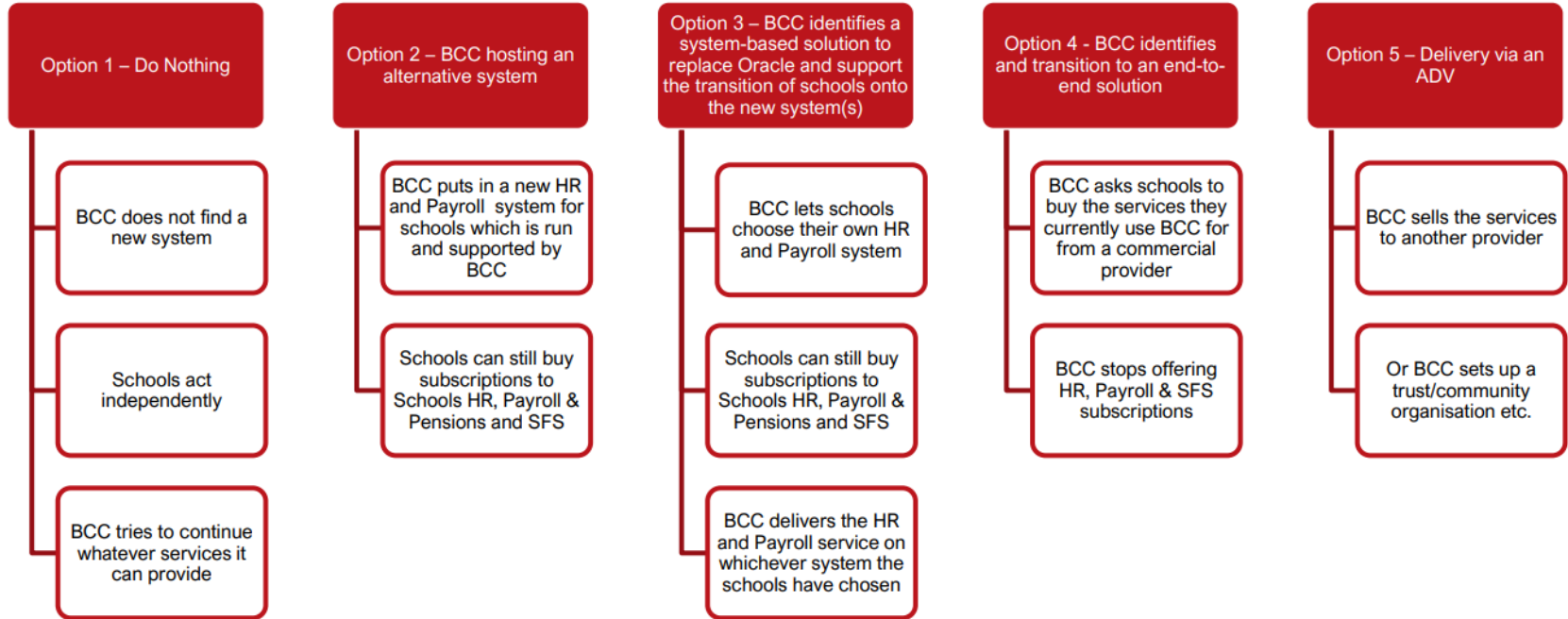
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Early Market Engagement Event

What is Early Market Engagement

- Early market engagement (EME), also known as soft market testing, is the process of engaging with potential suppliers before you begin buying goods or services for your organisation. It gives suppliers the opportunity to both inform the specification and to get ready to meet the demand.

- Taking the time to carry out EME and gather market intelligence is regarded as 'best practice' and recommended as part of the preparation process for any future contract, especially where procurements are complex or of significant value.

- The purpose of BCC's early market engagement event was to engage with suppliers to understand what they can offer and how they could support BCC and our schools. This formed part of our information gathering and market testing to inform the business case and helped us decide about which of the options will be progressed.

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The options we considered

Option 1 – Do Nothing

- BCC does not find a new system
- Schools act independently
- BCC tries to continue whatever services it can provide

Option 2 – BCC hosting an alternative system

- BCC puts in a new HR and Payroll system for schools which is run and supported by BCC
- Schools can still buy subscriptions to Schools HR, Payroll & Pensions and SFS

Option 3 – BCC identifies a system-based solution to replace Oracle and support the transition of schools onto the new system(s)

- BCC lets schools choose their own HR and Payroll system
- Schools can still buy subscriptions to Schools HR, Payroll & Pensions and SFS
- BCC delivers the HR and Payroll service on whichever system the schools have chosen

Option 4 - BCC identifies and transition to an end-to-end solution

- BCC asks schools to buy the services they currently use BCC for from a commercial provider
- BCC stops offering HR, Payroll & SFS subscriptions

Option 5 – Delivery via an ADV

- BCC sells the services to another provider
- Or BCC sets up a trust/community organisation etc.

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Early Market Engagement Event Overview

i.   Five suppliers attended the early market engagement event – EPM, TES (EduPay), Services 4 Schools, MHR (iTrent), Supporting Education Group.

ii. Two suppliers presented on a cloud hosted system only solution (to inform Option 3) and three suppliers presented on an end-to-end solution (to inform Option 4).

iii. These suppliers were selected to represent a broad range of the market and give the most insight about the options available.

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Market Provision

i. It has been established that there are providers in the commercial market who would be interested in the delivery of either Option 3 or Option 4.

ii. There is strong appetite from providers to take advantage of any change in provision by BCC.

iii. Some suppliers have begun contacting BCC schools and demonstrating solutions ahead of a decision being made by BCC on the route forwards.

iv. Education specific HR and Payroll services exist and are well established. These services accommodate the nuances of school pay and conditions, including staff holding multiple posts, the use of spine points, compliance with green and burgundy books etc.

v. Different suppliers may be more appropriate for different school types. Some suppliers have more focus on large MATs, while others are geared towards smaller schools.

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Payroll & Pensions

i. There is a robust and competitive market for the provision of payroll services within the education sector.

ii. There are solutions tailored to the specific challenges faced within the education sector, including employees holding multiple posts, term time only working and spine points.

iii. Option 4 would result in an increase in school level responsibility for payroll, including checking the payroll before authorising.

iv. Costs are commonly per payslip per month and appear competitive when compared with BCC charges.

v. There may be additional charges above a basic bureau package for some services, such as emergency payments.

vi. As payroll providers issue pay from the schools' bank account, Option 4 would require schools to become chequebook.

vii. The provision of pensions services cannot be fully devolved, with BCC retaining a responsibility in the process.

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HR

i.   There are several cloud hosted systems available on the commercial market. These systems allow for customisation in the form of purchasing additional modules to add functionality.

ii. These platforms allow for employees to self-serve on a range of HR basics such as updating personal information or claiming overtime.

iii. End-to-end solutions are available from a range of suppliers. These function in a similar subscription model to the current Schools HR services.

iv. Some suppliers may place limits on certain activities, such as number of hours of meeting support etc. It should be noted that this would be a change for schools and is not how Schools HR currently operate.

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Financial Services

i.   There is provision of Financial Services to schools, often in the form of day-rate consultancy, which would not mirror the model delivered by Schools Financial Services but may give schools access to support and guidance as required.

ii. For some schools this would be more cost effective and deliver the ad-hoc support they need.

iii. Other schools are more reliant on the Local Authority and may struggle to receive the dedicated support they have become accustomed to if directed to the commercial market.

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Other Considerations

System

i. It has been established that either Option 3 or 4 could be technically supported by the commercial market, with providers available to provide a cloud hosted HR and payroll system.

ii. There are likely to be suppliers who could meet BCC's data transfer and security requirements for either Option 3 or Option 4.

iii. There are implementation costs to be factored in for the majority of suppliers. These vary in scale significantly.

Legal Compliance

i. All providers stated that they were able to maintain compliance with all relevant data protection and HR requirements.

ii. The relationship between BCC and any end-to-end supplier would be essential to ensure schools were compliant with BCC policies and BCC was able to assure its compliance with all of BCC's statutory duties.

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Next Steps

Things to consider when looking for a provider

Assess your school's needs

- Before you start, assess what your school needs. Consider:
  - how many staff are under your school's remit
  - what percentage of staff are teachers compared to other roles such as administration or maintenance
  - whether your school has any extra HR requirements like looking after pensions or publishing gender pay gap reports
- You may want to use your current SLAs as a benchmark of the services you currently receive.

Find out the costs

- what services you need and their likely total cost over the calendar or academic year

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Things to consider when looking for a provider

Choosing a Service

- Decide what your school needs. This could be:
    - an outsourced HR service
    - an outsourced payroll service
    - both - an outsourced HR and payroll service
    - a combination - one service delivered in-house and one outsourced

Assess the level of service you need

- Before you switch or onboard to a new supplier, think about what level of service you will need.
- Your supplier should have experience within the education sector and your circumstances.
- Most suppliers will offer 3 levels of service such as:
    - bureau
    - part-managed
    - managed

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Support available

- BCC will be working closely with the **DfE Get Help Buying for Schools Team** to ensure that you get all the support you need throughout this process.

- [The DfE Get help buying for schools](#) website has advice on how to buy, what to consider, creating a specification and DfE approved frameworks.

- **It is important to complete the expression of interest at the link below as soon as possible**. This does not commit you to anything at this stage but ensures that your school can be considered in any aggregated approach: [Expression of Interest (EOI) For Birmingham Schools](#)

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