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our ref

SJN/MD

your ref

Dear

Future of CBOSS/SAP Solution for Schools

We are writing to confirm the outcomes of the meeting of the Officer Project Board which Richard Hemsley discussed with you earlier today.

As we explained at our meeting, the Board has met to consider the issues – and particularly the key question as to how we should proceed with the CBOSS/SAP solution for schools. After carefully considering the evidence from the pilot the Board will be recommending to Cabinet that we do not move to roll out. In writing to you, we would like to emphasise both the corporate as well as the service aspects of the reasons for our recommendation.

As well as the signatories to this letter, the Board includes Richard Winson and Annette Grose. We came to a unanimous view. Given the planned schools trade fair we felt we should set out for you the reasons for our recommendation, before that event.

On the basis of the evidence from the pilot, we feel we must recommend to the Cabinet meeting on the 15 November that, for the foreseeable future, we abandon the vision of rolling out the full CBOSS/SAP solution to schools. Although this is a difficult decision (and indeed we were both key architects of that original vision) we feel it is the most positive and rational thing to do in the interest of both the school community and the County Council as a whole.

The key rationale for our recommendation to Cabinet can be summarised as follows:

- As a project, the Council has invested over £300k to date to attempt to achieve the full original vision for schools. The chances of success have to be high to justify the significant additional public money involved in attempting a full roll out across all schools.
- Despite, the Herculean efforts of the pilot schools, and other colleagues, we simply do not have a robust, workable solution to roll out. In reality our pilot school colleagues have never been testing a reasonably fashioned schools solution. Rather, they have



been part of a 'test-bed' of different emerging solutions. Even the existing solution has major gaps/snags, not least the absence of HR cost planner, the continued flaws in EBP and the overwhelming complexity that it would still present to most schools.

- The core software supplier, SAP, have not delivered a working solution, of a full schools model, anywhere – in this country or abroad. Up to now, it is we who have been driving progress (e.g. the 'latest' simplified solution). There is no real basis for any substantive confidence that SAP (and our core contractor – SERCO) would be able to deliver a full working solution in the short or medium term. We do not state this as a criticism of our partners but simply as a statement of reality as we see it.
- Our core contractor has, as part of the original tender, estimated a cost of £0.5million to rollout a working solution and provide associated training etc. It sounds a sizeable sum. It is only now we know what would be involved that we can estimate that, in point of fact, it will cost in excess of £1million. The 'first' £0.5m is covered corporately but the second £0.5m (minimum) is not covered. The County Council, in our view, cannot afford that additional cost and we do not believe that schools can.
- The Council was committed to the original vision, as were we, but the fact remains that the benefits were also going to be subtle or 'soft' for individual schools, involving mainly some savings in productive time in reconciliations and real time information, driving out best value and improving decision making. Actual 'hard' savings within the school were always going to be difficult to realise and would be dependent upon each school driving them out. All of this was true presuming we could have rolled out a working effective school SAP solution. We would be putting schools through considerable disruption with little net gain – now or over the medium term at a time when there are many other school initiatives needing your attention.
- The currently evolved solution, and likely variations over the foreseeable future, cannot run successfully and reliably over the existing schools network. Increase in the County network capacity, which could include schools will only come if Cabinet approve an "invest to save" bid for a new next generation network (to be considered in November) but that would not be rolled out for some time.
- The Council cannot support, technically or financially, two different core school systems given that schools, rightly, have choice. We must have reasonable confidence that a new solution would command very high take-up. We do not have that confidence.
- Since this project started not only have we learnt that, even with modification, SAP is a difficult product to use in the school environment, but also we know that new developments in SIMS/FMS will address some of the key issues which this project had sought to resolve.

We do not regret initiating the original vision with you, and we all tried our utmost to make it work. The mature and sensible course now requires us to pause, take stock and recommend

the way forward. To continue would have, in our view, led to guaranteed failure. Instead we have to plot a course that leads to guaranteed success for all our schools.

The work of the pilot schools has been superb but the logic of the view we have reached means that continuing to pursue a schools SAP solution just for 6 pilot schools must also come to an end. We will ensure you receive the support required to cease the 'pilot' solution by 31 March 2006 in a safe and supported way.

The future does not, however, mean you or all schools reverting to the previous schools systems just as they were before CBOSS. There are significant elements of our learning to date that can comprise a revised realistic solution for all schools. We would like to ask you to help shape that and financially to recognise your role in going forward. The key elements of a revised solution are:

- A two-way interface transmitting financial and HR information from school to SAP and vice versa on a regular basis
- An environment where school finances are up to date with key commitments and balances, whether initiated in school or centrally
- The ability for schools to capture and record data regarding staff once only (i.e. no re-keying)
- Improved connectivity between schools and the centre
- Enabling schools to drive out best value in procurement with the help of the Council
- Improved support arrangements
- Adopt the "Keep it Simple for Schools" approach to these systems, and related policies and procedures

Let us conclude with the next steps. Ultimately, this is a decision for Cabinet to take on the 15 November. In the meantime, we will continue with normal service. Subject to Cabinet accepting the officer recommendation, we would like to define with you the precise nature/elements of a revised solution and when, with certainty, those improvements can be delivered successfully. We would also, subject to your agreement, wish to involve you in the process of developing this solution to ensure that we build on your expertise and creativity.

Finally, we once again thank you for the great efforts to date and ask you to reflect on the rationale behind our recommendation in the context of the whole school community and the County Council as a whole. We ask that you continue to help shape effective school systems going forward.

Yours sincerely



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