

# EAST AYRSHIRE COUNCIL

CABINET – 23 JUNE 2010

## SEEMIS – MOVE TO LIMITED LIABILITY PARTNERSHIP

### Report by the Executive Director of Educational and Social Services

#### 1. INTRODUCTION

- 1.1 The purpose of this report is to provide background information on the business need for SEEMIS to change its legal structure to that of a limited liability partnership (LLP) and to seek Cabinet agreement that East Ayrshire Council joins this new structure as a partner.

#### 2. BACKGROUND

- 2.1 SEEMIS was introduced as a management information system within the former Strathclyde Regional Council (SRC) to support Education Services, specifically schools. Following local government re-organisation in 1996 all of the 12 former SRC authorities agreed to continue to use SEEMIS, as partners, with South Lanarkshire Council acting as the lead authority. Each authority pays an annual subscription to SEEMIS based on pupil rolls.

- 2.2 Since 1996 SEEMIS have continued to develop their applications to meet the changing needs of Scottish education authorities. The success in this area for SEEMIS can be demonstrated in that they now support 28 of the 32 local authorities with a high quality management information system. SEEMIS provides the following functionality :-

- Records pupil enrolment data and transfers data between schools at transition stages;
- Facilitates the creation of school and pupil timetables;
- Records pupil attendance and educational performance;
- Records additional support needs of individual pupils;
- Administer subject choices for pupils entering SQA at s3 stage;
- Administers the Education Maintenance Allowance scheme for senior pupils;
- Facilitates communication with parents by generating report cards and standard letters;
- Integration with national systems such as ScotXed and the Scottish Qualifications Authority; and
- Provides the data feed for the GLOW portal which allows pupils and staff to access GLOW.

- 2.3 In the current structure of SEEMIS it is South Lanarkshire, as lead authority, who takes responsibility for the employment of staff and the location of the SEEMIS operation. The strategic management of SEEMIS and development priorities is undertaken by the Development Management Group (DMG), which has representation from all 28 members.

**2.4** The partnership also works on a collaborative basis, in that developments which have been requested and piloted by one authority are available for all partners to use and significantly reduces development costs and associated risk for authorities. Most recently SEEMIS have been working with West Lothian Council to develop a pupil performance tracking and monitoring system which, when completed, will be available to every authority and will reflect the Curriculum for Excellence. SEEMIS also has a function to allow text messaging to parents which is used when children are absent from school with no prior notification. In addition SEEMIS is being developed to facilitate links between school staff and Social Workers on child protection matters. It will also be used shortly to administer the charges which will be implemented for music tuition.

### **3. FUTURE ORGANISATIONAL STRUCTURE**

**3.1** Following the recent increase in SEEMIS members and the scale of development work which was being undertaken the DMG assessed the appropriateness of the current structural arrangements. This work identified a number of risks which required to be addressed :-

- The lack of transparency around the legal structure suggested an unlimited liability for members, with the potential of personal liability for officers;
- The lack of clarity around the ownership of SEEMIS assets, including intellectual property rights; and
- The current arrangements do not address employment issues for SEEMIS staff.

**3.2** The DMG, through South Lanarkshire Council, subsequently commissioned an options appraisal exercise to consider the most appropriate legal structure for SEEMIS which addressed these issues. This review was completed by Dundas and Wilson and considered the following options :-

- Company limited by shares;
- Limited partnership;
- Community interest group; and
- Limited liability partnership.

**3.3** Dundas and Wilson concluded that the most appropriate structure for SEEMIS was a limited liability partnership (LLP) as this would create a separate legal entity for SEEMIS, provide a limited liability for the Councils who became partners, ensure tax benefits for SEEMIS which would be taxed as a partnership, ensure contractual arrangements between partners are private and do not need to be filed at Companies House. Members of the LLP will appoint officers to manage the SEEMIS business activities and the LLP structure will also provide organisational flexibility and transparency.

**3.4** Dundas and Wilson's Outline Business Case has been considered by officers in Legal Services and Educational Services. SEEMIS have also prepared a Members Agreement and a Service Agreement which have been reviewed, and approved, by officers from both services.

**3.5** In national terms, SEEMIS is a very clear example of the majority of Scottish local authorities working together in a shared and collaborative manner for the benefit of all partners.

**3.6** In considering this proposal from SEEMIS the Council is faced with the choice of joining as a partner or as a client. As a partner the Council will be able to shape the future direction of SEEMIS and ensure that its needs are addressed by SEEMIS. As a client the ability to influence SEEMIS development is reduced, but the Council would still be able to procure services from SEEMIS.

#### **4. POLICY / LEGAL IMPLICATIONS**

**4.1** Nil.

#### **5. FINANCIAL IMPLICATIONS**

**5.1** SEEMIS and South Lanarkshire Council have confirmed that there are no cost implications for the Council with the proposed restructuring of SEEMIS to LLP status. Each partner will continue to pay an annual subscription fee to SEEMIS, which in the case of East Ayrshire Council is £84,600 in financial year 2010/11. The Head of Resources has been tasked with reviewing the annual subscription rate with SEEMIS colleagues in an effort to minimise the future cost to the Council.

#### **6. RISK IMPLICATIONS**

**6.1** The present structure is not sustainable, resulting in the risks identified in paragraph 3.1 (above) and it is therefore proposed to create the LLP status for SEEMIS which will reduce the unlimited risk currently faced by all 28 member authorities.

**6.2** Joining the new SEEMIS structure as a partner, rather than a client, will ensure that the Council retains its influence over the strategic direction and on-going development works which reflect the Council's current and future business requirements.

#### **7. COMMUNITY PLANNING IMPLICATIONS**

**7.1** The move by SEEMIS to LLP status will assist the Council in delivering the promotion of lifelong learning strand of the Community Plan.

#### **8. RECOMMENDATIONS**

**8.1** Cabinet are asked to:-

- (i) Agree the need for SEEMIS to move its operating structure and legal status to a limited liability partnership;
- (ii) Agree the decision that East Ayrshire Council joins this new agreement as a partner;

- (iii) Otherwise note the contents of this report.

Graham Short  
Executive Director of Educational and Social Services  
EC/  
7 June 2010

### **LIST OF BACKGROUND PAPERS**

1. SEEMIS - Outline Business Case – January 2010
2. SEEMIS Members Agreement – June 2010
3. SEEMIS Service Agreement – June 2010

Members requiring further information should contact Euan Couperwhite, Head of Resources, Tel: 01563 576090

**IMPLEMENTATION OFFICER : EUAN COUPERWHITE**