

This issue was originally raised and discussed at the CCWP on 14 May 2009. I was asked by the Convenor, Cllr Marilyn MacLaren, to arrange a meeting between headteachers and members of the Oracle team in order to discuss and hopefully clarify the following two issues:

1. The report from the Oracle team on 14.5.09 indicated £144k net savings to secondary schools but did not mention costs charged to schools, which averaged £10k per school, giving a total of around £230K.
2. The question of "legality" was raised when schools opted to go out with the Oracle contract when procuring goods and services

On Monday 2 November, a member of the Oracle team met with a group of secondary headteachers and business managers to discuss these issues.

'Savings'

We discussed whether the introduction of Oracle had led to schools making savings when purchasing goods and services. We were given a report which indicated that overall, setting aside Oracle charges, schools are making savings. Unfortunately, this cannot be broken down on a school by school analysis and it is therefore difficult for schools to see clearly where these saving are being made.

Concern was raised over the visibility of Oracle charges on the 09/10 budget statement. There had been an expectation that these would be reduced by 50%, but the statement shows no 'e procurement' charges. However, Flexibility Funding has been reduced by approx £5k.

We were told that Oracle has now paid for itself, as promised at the outset; however, it now appears that BT may require schools to pay an ongoing 'licence and maintenance fee' of around £5K. Furthermore, there is concern that the BT charge to Edinburgh is significantly higher than the national Oracle price. The BT contract is in place until 2016.

The issue regarding the removal of Oracle charges and the reduction of Flexibility Funding will to be taken forward by secondary HTs with David Robertson.

'Legality'

The concern raised over schools going out with contract is to avoid 'disaggregation of spend' which is regulated by the EU. As the CEC have overall contracts in place for stationery etc, it is not permitted for Council departments to go out with these.

One off purchases of £50-£100 are unlikely to be classed as illegal but any of significant level would be. If no contract is in existence for a school's intended procurement of over £2k, four quotes are required and if it is over £20k other procedures must be followed.

It was stressed that it was possible in any contract to 'cherry pick' and find one item cheaper elsewhere but for every one there will be three or four cheaper in the contract. It is important for schools to realise that if we 'leak spend' on these contracts it will jeopardise future contract savings.

More efficient procurement is being looked at with increase in staffing in CPU to assist with customer calls – this will help schools report concerns over contract pricing, or where they have difficulty sourcing a supplier.

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