

REPORT TO: EDUCATION COMMITTEE – 23 AUGUST 2010
REPORT ON: TRANSFER TO SEEMIS LIMITED LIABILITY PARTNERSHIP (LLP)
REPORT BY: DIRECTOR OF EDUCATION
REPORT NO: 421-2010

1.0 PURPOSE OF REPORT

1.1 This report updates the Education Committee on the rationale for, and progress to, a SEEMIS Limited Liability Partnership (LLP).

2.0 RECOMMENDATIONS

2.1 The Education Committee is recommended to:

- i. note the content of this report;
- ii. approve Dundee City Council becoming a partner in the LLP; and
- iii. instruct the Director of Education to monitor the progress of the LLP.

3.0 FINANCIAL IMPLICATIONS

3.1 The costing for the establishment of the LLP has been fully anticipated in the SEEMIS annual budget for 2010-11. There will be no increases in charges to SEEMIS either as a result of the transfer to the LLP or in the projected annual charge in future sessions.

4.0 MAIN TEXT

4.1 Background

4.1.1 SEEMIS is the education information management tool used by 28 of the 32 local authorities in Scotland, including Dundee City Council (appendix 1). From the outset, SEEMIS has been hosted from South Lanarkshire Council.

4.1.2 In 1997, twelve local authorities entered into a Joint Agency Agreement to form SEEMIS in order to provide information technology solutions to support electronic education administration within headquarters and establishments. Dundee City Council joined SEEMIS in 2006.

4.1.3 Owing to this extensive expansion of membership, the Executive Committee of South Lanarkshire Council gave approval in July 2009 for an appraisal to be undertaken by external consultants to identify the most appropriate future service delivery model for SEEMIS.

4.1.4 A Limited Liability Partnership brings major benefits. First, ownership of assets including intellectual property will be clarified. Secondly, in this specific case, future service delivery will address some key risks to which member authorities are currently exposed, including:

- unlimited liability for member Councils;
- transparency in ownership and contract risk; and
- structural clarity.

4.2 Transfer to LLP

- 4.2.1 The Outline Business Case for the Limited Liability Partnership was circulated in January 2010 to all 28 member authorities, who were asked to indicate provisionally whether they would wish to be a partner or customer of the Limited Liability Partnership. To date, 19 member authorities have indicated initial support for the transfer to the LLP as a partner (appendix 1). No member has indicated they wish either to be a customer or to leave the organisation.
- 4.2.2 The establishment of the LLP will further develop the alignment of the strategic direction of SEEMIS with the needs and priorities of member councils.
- 4.2.3 A Members' Agreement and a separate Services Agreement for members and customers, detailing the ownership, governance and service delivery arrangements, have been issued to all 28 councils. In terms of governance structure, the LLP Board of Management will have 10 members, comprising an elected member and senior officer from four local authorities, always including South Lanarkshire, together with the senior manager and finance manager of the LLP. The elected member for South Lanarkshire Council will chair the LLP Board. Detailed governance arrangements are set out in appendix 2.
- 4.2.4 If this report were approved Dundee City Council, along with other local authorities, would join as a partner subsequent to the initial creation of the LLP.

5.0 POLICY IMPLICATIONS

- 5.1 This report has been screened for any policy implications in respect of sustainability, strategic environmental assessment, anti-poverty, equality impact assessment and risk management. There are no major issues. An Equality Impact Assessment has been carried out and will be made available on the Council website:
<http://www.dundee.gov.uk/equanddiv/equipact/>

6.0 CONSULTATION

- 6.1 This report has been subject to consultation with the Chief Executive, the Deputy Chief Executive (Support Services) and the Director of Finance.

7.0 BACKGROUND PAPERS

- 7.1 Equality Impact Assessment

JIM COLLINS
Director of Education

11 August 2010
PC/LB

LOCAL AUTHORITY MEMBERSHIP OF SEEMIS FOR 2009-2010

Councils who are members of SEEMIS	Provisional Indication of support for transfer to LLP as partner
Aberdeenshire	√
Angus	√
Argyll & Bute	√
Clackmannanshire	√
Dumfries & Galloway	√
Dundee	√
East Ayrshire	√
East Dunbartonshire	√
East Lothian	√
East Renfrewshire	
Edinburgh	
Falkirk	
Glasgow	√
Inverclyde	√
Midlothian	
Moray	√
North Ayrshire	√
North Lanarkshire	√
Orkney	√
Perth & Kinross	√
Renfrewshire	
Scottish Borders	
Shetland Isles	√
Stirling	
South Ayrshire	
South Lanarkshire	√
West Dunbartonshire	
West Lothian	√

SEEMIS BOARD OF MANAGEMENT

Governance

1. There will be an annual general meeting of the SEEMIS member Councils.
2. At any one time four of the member Councils will act as 'managing councils' to oversee the strategic direction of the LLP on behalf of the membership as a whole.
3. The host Council (South Lanarkshire Council) will act as a managing Council on a permanent basis while the three additional Councils will each serve a two-year term. The three managing Councils who rotate will be selected from geographic groupings as detailed below.
4. Each managing Council will appoint one elected member and one Head of Service to serve as Directors on the SEEMIS Board of Management. In addition, each managing Council will act as a designated member as defined within the relevant LLP legislation.
5. The SEEMIS Board of Management will oversee the strategic direction of the LLP and reduce the administrative burden on the membership as a whole.
6. It is proposed that SOLACE consider appointing managing Councils in accordance with the rota proposed below.
7. It is important to note that the rota does not put an obligation on a Council to serve on the Board of Management. Councils may elect not to serve on the Board of Management and this role would then pass to the next sequential Council on the rota within that geographic grouping.

Area Representation

It is important that the Board of Management membership is governed by controls that are designed to protect against undue influence by any unrepresentative grouping. The following issues should be addressed:

1. There should be a mechanism to introduce a measure of reasonable geographic representation. This is addressed drawing representation from each of the three areas detailed below.
2. The number of managing Councils from each area should be broadly in line with the total contribution from each area.
3. Although the Council order is largely random an attempt has been made to keep a reasonable mix of Councils on the Board of Management at any one time.

Operation and Membership Requirements

1. The members of the Board of Management will have control of the direction of the LLP and its finances. It is essential that the members have experience of making decisions at this level within their own Councils. The permanent officers appointed to the position of Director should be restricted, at least at the outset of the LLP, to Head of Service or equivalent level. This could be reviewed at a later date.
2. Board of Management members may not send substitutes to meetings.
3. Managing Councils may, in accordance with the Members' Agreement, change the individuals appointed to the Board of Management.
4. Should an area not be able to provide a managing Council, the position will be filled from the other areas.

Rotation	Central Area Representative	Northern Area Representative	Southern Area Representative
1	Glasgow City Council	Moray Council	West Lothian Council
2	East Ayrshire Council	Perth & Kinross Council	The City of Edinburgh Council
3	North Lanarkshire Council	Clackmannanshire Council	Midlothian Council
4	Argyll & Bute Council	Aberdeenshire Council	Falkirk Council
5	Renfrewshire Council	Orkney Islands Council	Scottish Borders Council
6	Inverclyde Council	Dundee City Council	Dumfries & Galloway Council
7	North Ayrshire Council	Angus Council	East Lothian Council
8	East Dunbartonshire Council	Shetland Islands Council	
9	South Ayrshire Council	Stirling Council	
10	East Renfrewshire Council		
11	West Dunbartonshire Council		