

## REPORT TO CABINET

31 January 2018

<b>Subject:</b>	<b>Schools BSF Programme, Wave 3, Phase 2, Non-Sample Scheme programme - Extension of the ICT Contract</b>
<b>Cabinet Member:</b>	<b>Councillor Steve Trow - Cabinet Member for Core Council Services</b>
<b>Director:</b>	<b>Executive Director – Resources – Darren Carter</b>
<b>Contribution towards Vision 2030:</b>	
<b>Key Decision:</b>	Yes
<b>Forward Plan (28 day notice) Reference:</b>	SMBC/14/01/2018
<b>Cabinet Member Approval and Date:</b>	Yes 22 December
<b>Director Approval:</b>	Yes 19 December 2017
<b>Reason for Urgency:</b>	Urgency provisions do not apply
<b>Exempt Information Ref:</b>	Exemption provisions do not apply
<b>Ward Councillor (s) Consulted (if applicable):</b>	Ward councillors have not been consulted
<b>Scrutiny consultation:</b>	Scrutiny have not been consulted
<b>Contact Officer(s):</b>	Praful Patel, Strategic Lead, <a href="mailto:Praful_patel@sandwell.gov.uk">Praful_patel@sandwell.gov.uk</a>

### DECISION RECOMMENDATIONS

**That Cabinet:**

1. Approves the council exercising its contractual rights to extend the ICT contract for a further five years with the Local Education Partnership to provide ICT services to Oldbury Academy Sandwell Community Schools (Tipton and Wednesbury).

2. Approves the council making appropriate revisions to the contracts with the Local Education Partnership and the Governing Body Agreements with the relevant schools and the Director – Monitoring Officer be authorised to enter into appropriate legal agreements and ancillary documentation/ agreements as may be necessary on terms to be agreed by the Executive Director of Resources to reflect this five-year extension and these recommendations.

## 1 PURPOSE OF THE REPORT

- 1.1 This phase of the Building Schools for the Future (BSF) programme commenced in 2010 and the services provided on an ongoing basis include facilities management and ICT. The ICT contract commenced when the schools became operational in 2012 and runs for a period of five years (to 20 December 2017) with an option to extend for a further five years.
- 1.2 The schools affected by this ICT contract are: Oldbury Academy, ACE Academy, Wodensborough Ormiston Academy (WOA) and two sites of Sandwell Community Schools (SCS) at Tipton and Wednesbury.

The Authority and the Local Education Partnership (LEP) have, in consultation with Oldbury Academy and SCS, subject to formal agreement, agreed to extend the ICT contract for a further five years for these schools. This is allowed under the contract.

The ACE academy and WOA have decided to leave the ICT contract and make their own provision for the provision of ICT services.

## 2 IMPLICATIONS FOR SANDWELL'S VISION

- 2.1 The ICT arrangements at schools underpin the both the provision of educational facilities (e.g. access & control, cashless catering, security etc.) as well as education itself (e.g. through access to research and educational material, licensing software that enables learning, the provision of devices for pupil etc.). Without comprehensive and fully functioning ICT, this would be impacted.

## 3 BACKGROUND AND MAIN CONSIDERATIONS

- a. Building Schools for the Future (BSF) was launched in 2004. The aims of BSF were to rebuild or refurbish every secondary school in England over a 15-20-year period. Local authorities entered into public-private partnerships, known as Local Education Partnerships

(LEPs) with private sector companies. Funding for BSF came from Private Finance Initiatives (PFI) and capital receipts, and was initially targeted at local authorities with the most deprived schools, through a standard formula of GCSE results and free school meal uptake.

- b. Each local authority, as a stakeholder in their LEP, would plan a co-ordinated renewal of their entire secondary school estate through BSF, in phases of funding known as waves. Funding for ICT (managed services, hardware and software) was ring-fenced in the funding envelope for BSF.
- c. The BSF programme was cancelled in July 2010, however, the established LEPs will continue to deliver their BSF projects that have been funded.
- d. The key component that links buildings with teaching and learning is ICT. The aims of the ICT element of the BSF programme were to provide:
  - a step-change in the level of ICT provision in secondary schools
  - buildings designed to maximise use of ICT
  - managed ICT services which guarantee availability and reliability
  - incentives to develop the use of ICT in teaching and learning
- e. To facilitate this, the BSF programme provided a high level of capital funding. This paid for passive network infrastructure, active network equipment, hardware (computers and peripherals), software and setting up an areawide managed service for ICT.
- f. Schools joined a managed service funded by an annual revenue charge.
- g. The authority has a Governing Body Agreement with each school or academy which sets out the arrangements for providing facilities management (FM) services and ICT services. The authority has a contract with the LEP to provide FM and ICT services at each of the BSF sites. The LEP uses third party contractors to deliver FM and ICT services. Agilisys is the third party contractor for ICT services.
- h. The authority has a role in managing and monitoring these contracts and for maintaining FM and ICT services at these schools.

3.1 The current ICT contract for this phase of the BSF programme has been in operation for five years, however, there is provision in the existing contract for extending the contract for up to five years.

- 3.2 The council, the LEP and Agilisys have been in discussions with schools since summer 2016 to explore the options available to them.
- 3.3 The advantage of extending for five years is that schools can continue to receive an ICT service without re-procuring with a provider that is familiar with the BSF programme, the infrastructure and the school. However, schools need to be satisfied with the service that they are currently receiving to consider this option.
- 3.4 A further option available was to terminate the contract on expiry. This required schools to procure their own supplier by the expiry date.
- 3.5 The decision to extend the contract for a further five years for Oldbury Academy and SCS (Tipton and Wednesbury) means that there is no upheaval of equipment, staff or services. This is more sustainable than the potential replacement of parts of the infrastructure should the contract be terminated or exited in another year. This is in addition to the time and expense required by all parties to effect an early exit.
- 3.6 WOA and ACE decided to leave the contract on 20 December 2017. WOA procured its own replacement provider. ACE planned to transfer the service in-house. However, without notification of a replacement ICT provider or professional help to transfer the service in-house, the Authority was not reassured that ACE and WOA would be able to effectively transition its ICT provision. This notification came very late (09.11.17 for ACE and 20.11.17 for WOA) and has placed the Authority, the LEP and the current ICT provider in some difficulty with regards to closing down the current arrangements, facilitating arrangements for the two SCS sites that co-locate at these two sites as well as formalising arrangements with Oldbury Academy, SCS, and the LEP via Governing Body Agreements and relevant deeds of variation to the ICT contract and indeed to seek approval for the recommendations detailed in this report.
- 3.7 The core infrastructure at the BSF schools was paid for by capital receipts and belongs to the council and the council has a responsibility to ensure that this is functioning properly and refreshed as required. However, the council received a capital sum from the Education Funding Agency at the beginning of the BSF programme to mitigate this responsibility and this is held by the ICT provider (Agilisys).
- 3.8 This capital sum has been used to maintain continuous service for SCS (Tipton and Wednesbury). This investment was required as the ICT provision was designed and implemented across the Tipton Campus and Wednesbury Campus which meant that the core infrastructure was integrated across the schools on the site, and required separation.

However, the use of funds from the refresh fund does present a risk to the Authority in that it will remain responsible for the ICT infrastructure for the remaining schools that remain in the BSF contract. However, the removal of ACE and WOA does offset this risk to some degree as the Authority will now not be responsible for the ICT infrastructure at these two schools.

- 3.9 There is no specific contractual requirement to benchmark the services. This is because the contract was initially for a five-year term with an option to extend for one or five years which presents a timely opportunity to consider various aspects of the service including:
- 3.10 a. Charges  
The revised charge for a five-year extension commencing 2017/18 represents a reduction in charges in the region of 4.8%.
- b. Value for money  
In order to provide a reduced charge, the service provider (Agilisys) has made some amendments to service provision. This has been presented to schools and has not resulted in any concerns from schools.
- c. Performance of the incumbent provider  
The performance of the supplier has been monitored via monthly monitoring reports. Governance arrangements provide opportunities for schools and the council to raise concerns. Overall the performance of the ICT provider has been satisfactory.
- 3.11 Whilst the contract extension is in place, the council will work with both the LEP and Agilisys to work towards a smooth expiry in a further five years which will allow the BSF schools to become independent of each other for their ICT requirements.
- 3.12 The Authority is involved in this ICT contract as it is an integral part of the BSF programme in which the council has a fundamental contractual and monitoring role.

## 4 THE CURRENT POSITION

- 4.1 The Authority is working in partnership with the LEP and Agilisys to:
- 4.1.1 ensure that ICT services for the two SCS sites is not interrupted.
- 4.1.2 ensure that the current ICT service is closed down in an orderly and responsible way for the two schools who have exited the contract
- 4.1.3 work with the ICT professionals appointed by both schools to ensure a smooth transition
- 4.1.4 draft the legal documents to effect this change

## **5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

- 5.1 The Authority has been in engagement with the schools impacted by this change as well as the LEP and the current ICT provider.

## **6 ALTERNATIVE OPTIONS**

- 6.1 The alternative option that was available was to terminate the contract on expiry. This required schools to procure their own supplier by the expiry date.

## **7 STRATEGIC RESOURCE IMPLICATIONS**

- 7.1 The Authority is not directly impacted by this extension as the charges from Sandwell Futures are recovered from schools. The Governing Body Agreements will be amended to reflect the necessary contractual changes as will the contract between the Authority and the LEP.

There are no financial impacts on the council. The charges paid to the ICT provider via the LEP, are recovered from the schools.

- 7.2 The overall value of the ICT extension will be in the region of £1.3M over the five year term.
- 7.3 The core infrastructure at Oldbury Academy and SCS (Tipton & Wednesbury) will be maintained and refreshed, as required, by using the capital sum mentioned in 3.7.
- 7.4 As ACE and WOA have decided to leave the contract, the responsibility for the core infrastructure will transfer to ACE and WOA.

To date, a proportion of capital sum has been used to separate the infrastructure at Tipton Campus and Wednesbury Campus so that the ICT service can continue uninterrupted for SCS (Tipton and Wednesbury).

As the core infrastructure gets older, the remaining capital sum will be required and used to maintain and refresh it as required.

On termination or expiry of the contract, the ownership of the core infrastructure transfers to schools.

- 7.5 Agilisys' proposal (effective from December 2017) has reduced the charge to schools. This has been in response to increasing pressure on school budgets.

Impacts on the service arising from a reduced charge have been made clear to the affected schools.

## **8 LEGAL AND GOVERNANCE CONSIDERATIONS**

8.1 The current contract allows the council to exercise an option to extend the contract for one year or for up to five years.

8.2 The council will be seeking a variation to the relevant parts of the contract(s) with Sandwell Futures and it is anticipated that a Deed of Variation(s) or another form of appropriate contractual documentation will be entered into to agree the changes between the council and the LEP.

8.3 A similar exercise will be carried out with the relevant parts of the Governing Body Agreements and will require other appropriate agreements be entered into with the relevant school governing bodies.

## **9 EQUALITY IMPACT ASSESSMENT**

9.1 There are no direct equality impacts arising from this report.

## **10 DATA PROTECTION IMPACT ASSESSMENT**

10.1 There will be a migration of relevant data and information from the current ICT provider to the replacement ICT provider.

## **11 CRIME AND DISORDER AND RISK ASSESSMENT**

11.1 There are no direct crime and disorder implications arising from this report.

## **12 SUSTAINABILITY OF PROPOSALS**

12.1 There are no direct sustainability implications arising from this report. The current ICT infrastructure will transfer from the Authority to the respective academy thereby making it unnecessary to procure new equipment. The end user devices (e.g. computers, laptops, screens, projectors) already belong to the school and the change in the ICT contract will not lead to a wholesale replacement of such devices.

## **13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)**

13.1 There are no direct impacts on health & well-being.

## 14 **IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND**

14.1 There are no direct impacts on the Authority's land or property arising from this report.

## 15 **CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

15.1 Both ACE and WOA decided to leave the ICT contract and Authority has responded to this decision by making sure that the other two schools in the contract (Oldbury Academy and two SCS sites) are not adversely impacted by this decision. In addition, the Authority has some responsibility to ensure that the teaching and learning at ACE and WOA is not adversely affected by their decision to leave the contract.

## 16 **BACKGROUND PAPERS**

16.1 None.

## 17 **APPENDICES:**

None



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**Executive Director – Resources**