

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

05 September 2005

Leicester City Council – Building Schools for the Future
The ICT Managed Service

Report of the Corporate Director of Education and Lifelong Learning

1. Purpose of the Report

- 1.1 Demonstrate that ICT is an integral component for achieving education transformation through the Building Schools for the Future programme.
- 1.2 To demonstrate that the most effective way of making a step change rather than incremental improvement is to invest in ICT through a Managed Service contract for Secondary Schools.

2. Summary

- 2.1 The cabinet of March 2005 agreed to progress the BSF programme with an investment of £24.5million dedicated to ICT in 15 secondary schools, the Pupil Referral Unit and Special Schools subject to a Special School Review. It agreed in principle to the procurement of private sector managed ICT service for the secondary schools.
- 2.2 ICT touches all aspects of school life and it should be seen as an integral part of all phases of education, including life long and community learning. The introduction of £24.5M of BSF funding dedicated to ICT enables a step change in the level of ICT provision in secondary schools in Leicester.
- 2.3 *For example the investment may make the following possible ... “Imagine a student in Leicester arriving at school at 08.00, the doors automatically open (Retina Scanning) and the students attendance is registered. The student meets his friends at the cyber café of the Learning Resource Area and using the cashless canteen purchases a hot drink and a slice of toast. The students are having an on-line meeting with some French colleagues as they are submitting a joint piece of coursework on the benefits of the second channel crossing for their travel and tourism vocational course. Switching on his handheld palm top computer he is automatically connected to the ‘Managed Learning Environment’ (through wireless technology) and the group begin discussing the assignment, concurrently editing the same document that is*

displayed on the large plasma screen. At 08.45 a network message appears from the head teacher with a link to this morning's key messages, one of which includes the absence of the student's teacher. This is not a problem, the student remains in the Learning Resource Area, completes the international work and automatically posts it to the teacher's area ready for marking. He logs on to his English lesson and in his teacher's absence continues learning..."

- 2.4 In order to deliver this in the fast changing world of ICT Leicester is seeking not to purchase an 'Off the Shelf' solution at day one, but to procure a partner who will work closely with the Local Authority, Schools and the wider community to develop jointly the services needed to afford the young people of Leicester, today and tomorrow, access to an Educational environment that is second to none. The proposal now being submitted represents a 10-year forward plan to deliver the key step-changes in ICT, which will affect the teaching of children across the secondary school estate within the City.
- 2.5 The proposed solution of a managed service will have potential implications for staff within Leicester City Council e.g. EDISS and school based ICT technicians. This is subject to a separate Cabinet Report.
- 2.6 A managed service is a long-term contract with a private sector partner who contracts not only to procure and install ICT equipment but also to maintain and refresh that equipment for an agreed period of time. Additionally, the service will include:
- 'On call' services through a helpdesk;
 - Provision of software and management information systems;
 - Student and Teacher training;
 - Integrating the management systems with the teaching and learning systems to enable students learning and achievement to be readily tracked.
 - Providing 'anytime, anywhere' learning and access.
 - Creating links with other education establishments locally, nationally and internationally.

This solution is focused on improving student performance and easing workforce workload, it will complement the full range of teaching approaches and meet all the technological requirements within each BSF school.

- 2.7 The private sector's performance and payment will be linked to 15 Key Performance Indicators (KPIs). These have to be realistic and acceptable to the marketplace as well as providing a robust solution for schools and a step change in performance. The KPIs are based on the following;
- Traditional ICT measures (availability, problem solving etc.) 6 KPIs representing 80% of operational payment and aimed at ensuring a utility level of ICT service that works and can be taken for granted, in essence the foundation stone of the offering.

- Customer satisfaction, usage, training and overall confidence in ICT, 3 KPIs representing 10% of operational payment. Measures overall performance from a customer perspective.
- Educational outcomes (A*- C GCSE passes, attendance, staff retention etc.) 6 KPIs representing 10% of operational payment. This represents the “end game” without which the other two performance measures are in essence irrelevant.

2.8 The ICT managed service tender will be for a level of service at base cost £1,450 per pupil (BRONZE Level of Service) introduced on a phase by phase completion basis eg commencing for the four schools in phase one in September 2008. The schools will be expected to roll over an element of their existing revenue budgets to make a contribution towards the annual operating costs of the service, the level of contribution has been estimated at approx £67,500 per school p.a. (at 2005 prices). Schools currently spend more than this for their ICT services, although current spending includes dedicated school ICT staff within this process. The costs quoted are within the original funding envelope approved in the Strategic Business Case and have no known additional cost implications for the city council.

2.9 In addition bidders will be asked to provide a number of variant bids to the above. These will be provided on a non-committal basis and before being accepted would be the subject of a cabinet report. These variant bids will include:

- The Silver Level of Service - individual schools would have the option of paying an additional £40,000 per annum from within their own budgets for a increased level of service. This extra contribution would be in addition to the annual school funding of £67,500 and would be used to pay for improved quality of service, such as enhanced equipment and quicker response times.
- The Gold Level of Service - individual schools would have the option of paying an additional £80,000 per annum from within their own budgets for a much increased level of service. This would be spending additional to the entry-level £67,500 expected from each school per annum. In addition to the silver service this might include extension of broadband to the community, quicker access broadband, international video conferencing.
- The introduction of the managed service to all BSF schools at the same time.
- The early commencement of the managed service eg September 2006.
- The inclusion of all schools in the city.

2.10 This approach will ensure that the investment in ICT elements of the BSF programme remain adequately focussed on the primary aims of Leicester’s vision, transforming teaching and learning to improve Leicester children’s life chances.

3. Recommendations

3.1 Cabinet is recommended to:

- a. Note the contents of this report and the importance of ICT within the BSF programme, particularly the importance associated with the use of ICT in aiding the transformation of teaching and learning in Leicester's schools.
- b. Note the inclusion of variant bids from the market to cover different levels of schools' budget spending on the ICT managed service.
- c. Approve the procurement of a managed service provision for ICT for the Leicester BSF programme.

4. **Headline Financial and Legal Implications**

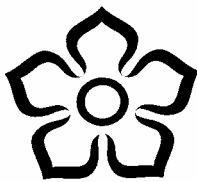
- 4.1 All direct costs associated with the proposed new ICT service have been included above except possible pension/redundancy costs that may arise from changing the way ICT is provided have not yet been included, and are subject to clarification at this stage. These embrace capital funding for a new ICT network, an element of refresh, and annual operating costs which will be paid for from school revenues.
- 4.2 Affordability issues are accommodated within these proposals to the extent that only those services, which can be afforded within the available funding, will be bought. It is anticipated that the Council would not face any affordability shortfall within the BSF programme under these proposals.
- 4.3 Whilst these proposals are anticipated to cover a 10-year forward programme, it is likely that beyond 10 years further funding pressures may arise. However, the scale of change within ICT is such that new technology solutions are likely to significantly influence the need for a further review of ICT in any event, and probably within the 10-year timeframe envisaged. (David Wilkin, Head of Education Finance).

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)



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All Wards**

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Report

Background

1. Following the cabinet report of March we entered a procurement cycle which will hopefully end by August 2006 with the recommendation to cabinet to appoint a private sector partner (PSP) to form the Local Education Partnership (LEP) with the City Council and Partnership for Schools. The PSP will have within its consortium an ICT partner who is capable of delivering the managed service.

ICT Role in BSF

2. ICT is an integral component for achieving education transformation through BSF. The introduction of BSF funding (£24.5Million) across all 15 BSF secondary schools enables a step change in the level of ICT provision in secondary schools in Leicester. ICT touches all aspects of school life teaching, learning, communication, monitoring, assessment, management, security, payment etc. It should be seen as an integral part of all phases of education including lifelong and community learning. The provision of ICT in BSF schools through a managed service provider will complement the full range of teaching approaches, enable learning to be more personalised and meet all technological requirements within each BSF school.

ICT approach to Teaching

3. Within BSF schools, the use of ICT is an essential vehicle for transforming the learning experience. It is a powerful teaching tool, allowing access to a wide range of resources whilst facilitating alternative approaches to the curriculum and engaging pupils. All teachers, teaching assistants and administration staff should be capable of using ICT with confidence, whenever and wherever it is appropriate, continuing to develop their capability through professional and personal use.
4. ICT is also a major enabling factor in the ongoing programme of workforce reform in schools. This programme is running in parallel with BSF and is concerned with giving teachers more time, extra support and renewed leadership, which is essential to continue improving standards in schools. By restructuring the teaching profession and reforming the school workforce, the teacher workload can be reduced, standards raised, job satisfaction increased and the status of the profession improved.

ICT approach to Learning

5. In BSF schools, the use of ICT will be an integral part of the learning experience for students of all abilities. ICT can contribute to the development of personalised learning and enable students to take greater control of their learning. ICT tools assist with the monitoring and evaluation of students' progress and leads to more affective planning and assessment for learning.
6. ICT can be used by all students to access a broad range of curriculum options, including courses delivered remotely for example, Latin through the Managed Learning Environment with monthly video conferencing tutorials by a University tutor. It will allow the introduction of new ways of student learning, anytime, anywhere.

7. The Managed Service Provider will ensure that BSF schools will enable home access to students' work and to teaching material held on a Managed Learning Environment (MLE). Fundamentally, the MLE will be available on line at Community centres, libraries, cyber cafes and Community Learning Centres. This will enable out-of-hours use for students who lack home access to ICT and those who require access to specialist applications.

ICT approach to Community Access

8. Leicester schools have strong links to parents and the wider community. Opening the ICT facilities of BSF schools to the wider community (e.g. neighbouring schools or adult learners) will not only improve local learning opportunities, but will also help to integrate the schools into the local community.

Delivery of ICT through the LEP

9. The LEP will be responsible for two major elements of BSF: new project development and delivery of approved projects. The scope of each of these roles is below:
10. Project development:
 - assisting with reviews of ICT elements of strategic plans;
 - assisting the Local authority with ICT project planning and development;
 - helping to link education with wider services ;
 - helping to integrate ICT funding streams;
 - helping to develop an area-wide ICT strategy; and
 - advising on business continuity while building work is going on in schools.
11. Project delivery:
 - managing the delivery of capital projects (whether through the Private Finance Initiative, conventional Design and Build or ICT); and
 - managing the delivery of services contracts and associated ICT services in line with the Local Authority's strategic plans.
12. The LEP would manage this delivery process from receipt of the project scope, through procurement of a supply chain to deliver the project and through the management of the supply chain over the life of the project.

The Proposed ICT Solution

13. The guiding principles which underpin the approach to ICT for the BSF programme are:
 - a. ICT provision will be area-based, integrating schools (e.g. across an entire Local Authority or LEP), and be scaleable across the life of the BSF programme. The area-based solution will also enable effective integration of ICT services into the wider community.
 - b. ICT provision will be seen in similar terms as are public utilities by teaching staff, staff and pupils. From their perspective it will be simple

to use, and integral to the school environment – from the building design stage onwards.

- c. Initial ICT provision will be viewed as a foundation for a long term integrated solution.
 - d. ICT provision is seen as an agent for change, enabling teaching staff and pupils to transform the way they work.
14. The provision of ICT through a Managed Service Provider will support the work of the school and all those who use its facilities. It will be designed to enable its users to focus on teaching and learning and not be diverted into inappropriate technology and system management issues.
15. The five Key Characteristics of ICT Provision in the BSF programme through a managed service are:
- i. **Holistic and extensible whole area-based service solutions** (connecting all ICT equipment) that are used for the delivery of software, the transmission of data (including text, graphics, video, voice), and for the provision of access from a single log-on to all services including administration systems and Local Authority corporate systems.
 - ii. **Appropriate ICT Equipment and software** to enable teaching staff to use digital lesson preparation and delivery, both staff and teaching staff to use online administration systems, and pupils to have access to ICT as and when the curriculum and their study plans and needs demand (anytime, anywhere)
 - iii. **Networked facilities to support education** including baseline software tools (word-processing, spreadsheet, database, graphics, image manipulation, email, internet access etc), access to video conferencing and broadcasting facilities, delivery of curriculum software and learning materials – all within a secure and appropriately screened environment.
 - iv. **A maintained and supported ICT environment** that delivers technology training, engineering support, ICT system management facilities (including backup, disaster recovery and helpdesk services), changes, remote access, and security of both access and data.
 - v. **Hosting and maintenance of learning environments (managed and virtual)** that will provide the electronic management of the learning process to support teaching and learning; the electronic management of administrative processes to support workforce reform initiatives and enhance service delivery while offering best value.
16. Services currently provided by school technicians will be provided by the Managed Service Provider as will some services currently provided by EDISS. The provision of a managed service will ensure that these current services will be improved upon.

Monitoring Performance

17. The private sector's performance and payment will be linked to 15 Key Performance Indicators (KPIs). These have to be realistic and acceptable to the marketplace as well as providing a robust solution for schools and a step change in performance. The KPIs are based on the following;
- Traditional ICT measures (availability, problem solving etc.) 6 KPIs representing 80% of operational payment and aimed at ensuring a utility level of ICT service that works and can be taken for granted, in essence the foundation stone of the offering.
 - Customer satisfaction, usage, training and overall confidence in ICT, 3 KPIs representing 10% of operational payment. Measures overall performance from a customer perspective.
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ICT in Building Design

18. ICT will be closely integrated into the design of all new BSF school buildings. This affords an opportunity, never envisaged before, where smart buildings, will by their design, support and enhance the learning experience and where ICT will be an integral part of the building environment for example;
- A single ICT infrastructure enabling the use of ICT in all areas of the school with various access devices
 - ICT supporting the effective management of the heating, ventilation and security of the building
 - ICT linked to access control (to provide much improved security)
 - ICT supporting pupil mobility both in the school and for increased collegiate working (integrated systems between schools)
 - ICT supporting school specialisms from sport to performing arts to business etc.
 - ICT supporting more flexible and personalised learning, remote access (sick students could access lessons online so they do not fall behind), online assessment/examinations, lesson planning, electronic registration etc.
 - ICT supporting the flexible use of the school building and school day, cyber cafes, large and small teaching areas (5 – 150)
 - Students will use PDAs or mobile phones to access the building, register electronically for lessons (improving attendance), book out library books and pay for meals (reducing bullying) etc.
 - All teaching areas will have electronic whiteboards to support teaching and learning using innovative technology and software
 - The use of the internet will enable collaborative working, for example, enabling students to link and work with foreign students

Tendering for the Managed Service

19. The tender process is as follows:
- Invitation to Negotiate stage – based on information supplied by LCC bidders prepare qualitative and quantitative bids.

- Tender evaluation – LCC officers and their advisors spend two months evaluating the responses in order to select a ‘Preferred Bidder’
 - Negotiation Period (Feb 2006 – July 2006), this will last approximately six months and will involve detailed negotiation of the scope of services and associated contracts.
 - Cabinet Report (July 2006) identifying possible options and recommended decision.
 - Financial Close (August 2006) – contract signed for LEP and managed service.
20. The ICT managed service tender will be for a level of service at base cost £1,450 per pupil (BRONZE Level of Service) introduced on a phase by phase completion basis eg commencing for the four schools in phase one in September 2008. The schools will be expected to roll over an element of their existing revenue budgets to make a contribution towards the annual operating costs of the service, the level of contribution has been estimated at approx £67,500 per school p.a. (at 2005 prices). Schools currently spend more than this for their ICT services, although current spending includes dedicated school ICT staff within this process. The costs quoted are within the original funding envelope approved in the Strategic Business Case and have no known additional cost implications for the city council.
22. In addition bidders will be asked to provide a number of variant bids to the above. These will be provided on a non-committal basis and before being accepted would be the subject of a cabinet report. These variant bids will include:
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 - The inclusion of all schools in the city.

Financial Implications

23. All direct costs associated with the proposed new ICT service have been included above except possible pension/redundancy costs that may arise from changing the way ICT is provided have not yet been included, and are subject to clarification at this stage. These embrace capital funding for a new ICT network, an element of refresh, and annual operating costs which will be paid for from school revenues.

24. Affordability issues are accommodated within these proposals to the extent that only those services, which can be afforded within the available funding, will be bought. It is anticipated that the Council would not face any affordability shortfall within the BSF programme under these proposals.
25. Whilst these proposals are anticipated to cover a 10-year forward programme, it is likely that beyond 10 years further funding pressures may arise. However, the scale of change within ICT is such that new technology solutions are likely to significantly influence the need for a further review of ICT in any event, and probably within the 10-year timeframe envisaged. (David Wilkin, Head of Education Finance).

Legal Implications

26. The contract will reflect the chosen specification, staff related issues are the subject of a separate paper on this agenda. (Joanna Bunting, Assistant Head of Legal Services – Commercial & General)

Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
Raising Standards	YES	S5, S9, 3, 5, 6, & 7
Equal Opportunities	YES	7 & 8
Policy	NO	
Sustainable and Environmental	YES	S8, 18 & 25
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	YES	8

RISK ASSESSMENT MATRIX			
Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
1. Poor Performance of Service Provider	L	M	KPIs included in contract to be linked to termination of supplier.

L - Low
M - Medium
H - High

L - Low
M - Medium
H - High

Background Papers – Local Government Act 1972

Not applicable

Consultation

Consultation has been undertaken as part of the Strategic Business Case process. This has been extended to schools via Leicester City Secondary Heads group. The ICT Advisory Group has also been consulted.

Report Author/Officer to Contact

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