**REPORT TO
EXECUTIVE SCRUTINY
COMMITTEE**

**30 NOVEMBER 2010**

**REPORT OF HEAD OF
ICT AND DESIGN &
PRINT**

## DEVOLVED ICT EIT REVIEW – FINDINGS

### SUMMARY

This second report on the devolved ICT EIT review outlines the finding of the amended task and finish review process which has been used to speed up the overall review process.

### RECOMMENDATIONS

1. That the findings of the review are noted.
2. That the Head of Support Services (CESC) consult with School Heads regarding the findings of the EIT review and the proposal to transfer the SICTU function into Xentrall Shared Services.

### DETAIL

1. This review concerns those elements of ICT support which currently sit outside of the Council's main ICT service i.e. Xentrall ICT Services. The baseline position was reported to Executive Scrutiny Committee on 19 October 2010. Since reporting the baseline, the overall EIT review timetable has been reviewed and a number of short timescale task and finish reviews have been commissioned. The ICT review is one of these task and finish reviews.

### REFINED SCOPE

2. The original approach was to include Darlington school's ICT provision within the Stockton review. However, further work within Darlington has shown that the provision of technical support to schools is managed wholly by the Education Village (a campus of three schools in Darlington) and is not within the direct management of the Council itself. Subsequently, the Education Village have decided not to participate in the review for commercial reasons. Darlington schools have also served notice on this central service as they consider alternative means of delivery, so this may ultimately result in fewer schools buying into the service. However, despite their withdrawal, the Education Village are willing to participate in any reviews of corporate architecture e.g. networking, as there may be benefits of scale to both parties.

3. At Stockton the review also considered the three ICT support teams within CESC (Children's Social Care, Adult Social Care, Children & Young People) and the E-Learning Co-ordination function. The three support teams and their line management are now included within the scope of the EIT Administration Review. Similarly, the E-Learning Co-ordination function is to be reviewed by the

new Head of School Effectiveness when in post. Both these areas have therefore been taken out if the scope of this review.

4. This refinement leaves the Schools Information & Communications Technology Unit (SICTU) within the scope of the devolved ICT review.
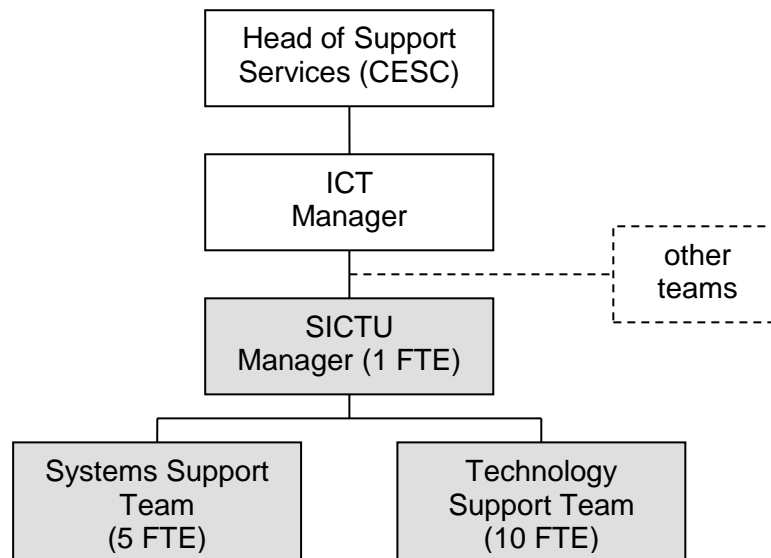
**SICTU OVERVIEW**

5. SICTU is located in the Education Centre at Norton and provides technical support to primary and secondary schools who have bought into the service. Currently, SICTU provide ICT support to the following learning establishments across the Borough:

  - 60 Primary Schools
  - 3 Special Schools
  - 10 Secondary Schools
  - 2 Academies
  - 2 Pupil Referral Units
  - Children with Medical Needs (Redhill House)

6. SICTU also provide support to five secondary schools in Redcar & Cleveland and four primary schools in Hartlepool.

7. All schools are offered a range of levels of service and sign up to a service level agreement (SLA). This income stream then funds the unit on a trading account basis. Overall, the service is generally well regarded.

8. SICTU is made up of 16 FTE and comes under the responsibility of the Head of Support Services (CESC). An outline of the existing structure is shown below.

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        ┌─────────────────────┐
        │   Head of Support   │
        │  Services (CESC)    │
        └─────────────────────┘
                   │
        ┌─────────────────────┐
        │        ICT          │
        │      Manager        │- - - - - - ┌ - - - - - ┐
        └─────────────────────┘           ╎   other   ╎
                   │ - - - - - - - - - - - ╎   teams   ╎
        ┌─────────────────────┐           └ - - - - - ┘
        │       SICTU         │
        │  Manager (1 FTE)    │
        └─────────────────────┘
              │          │
   ┌──────────────────┐ ┌──────────────────┐
   │ Systems Support  │ │   Technology     │
   │      Team        │ │  Support Team    │
   │     (5 FTE)      │ │    (10 FTE)      │
   └──────────────────┘ └──────────────────┘
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9. SICTU is split into two teams and has a manager covering both. One team covers system support, mainly SIMS, while the other encompasses all aspects of technology support i.e. desktop, server and networks. A helpdesk service is also provided across the teams.

10. The majority of funding for the service comes from schools. In addition to income from Stockton schools which represents £673K of an overall income amount of £739K, a further £61K budget is allocated to SICTU by the Authority for support of the E-Learning Co-ordination function and support of ICT training rooms & associated equipment. Also, in addition, a small amount (£29K) exists as a general development fund for ICT infrastructure.

## SCHOOLS ICT FUNDING

11. The funding position for the provision of ICT in schools is changing and is still not yet clear. Grants have been used previously to fund core architecture across schools and it is these which are being cut nationally and are under continued threat. Schools themselves will have emerging budget pressures as the outcomes of the recent Comprehensive Spending Review becomes clear.

12. Schools have been receiving grant funding for ICT since 2000, most recently this is in the form of the Harnessing Technology grant which was made available to Local Authorities to support schools in purchasing hardware, software, digital learning resources, broadband infrastructure, parental reporting systems and the provision of a learning platform.

13. The Government announced a 50% in year reduction to the Harnessing Technology Grant in June 2010 and it is likely that further reductions will follow in line with the recommendations of the Comprehensive Spending Review. The Authority retains a proportion of the Harnessing Technology Grant necessary to cover broadband networking costs (£171K) charged by Northern Grid for Learning (NGfL) and the remainder is allocated directly to schools using the DFE funding allocation formula.

14. NGfL was established in 2000 as a broadband consortium and is owned equally by seven member Authorities. The central recharge model is based on the allocations received by each Authority as opposed to service usage and if the Authority no longer receives the Harnessing Technology Grant then the ongoing investment in NGfL will need to be reviewed. Costs have increased following renewal of the NGfL Internet broadband contract with Easynet in 2009 and school budgets will be increasingly under pressure by the potential withdrawal of the Harnessing Technology Grant from 2011/12.

15. On top of this schools are still unaware of all of their budget allocation for 2011/12 and this will not be confirmed by the Department for Education until December. This will no doubt have additional impact on the services schools buy back from SICTU as they look to make savings.

16. In addition to the schools regional broadband network, NGfL provide the Authority and schools with a number of other services. These are predominantly based around support to curriculum based teaching and learning facilities. The NGfL contract with Easynet is due for renewal in July 2012, although a replacement network is expected to be in place for January 2012 to allow for overlap and continued provision. This decision on contract renewal is an opportunity to for the Authority to review the services and value gained from NGfL.

## CONCLUSION

17. SICTU is clearly a Council in-house technical ICT function which sits outside the main ICT service. It's functions are a sub-set of those provided by Xentrall ICT

Services i.e. application and technical support. Xentrall and SICTU already have a working relationship through the provision of some Council ICT services to schools e.g. Agresso. The separation of the two services and differences in technologies can cause problems in the implementation of these services.

18. The funding pressures facing the service both in terms of school's SLA and the ICT architecture which underpins all school's services, means that the current model for provision is destined to change. Incorporating SICTU within Xentrall ICT would increase the capacity to manage change of ICT provision within schools and provide a platform which could more readily cope with an expansion or contraction of the service. A review of architecture provision would also give rise to opportunities from an increase in overall scale, as has seen to be the case with the Stockton and Darlington partnership.

19. A transfer of SICTU into Xentrall ICT Services would seem a sensible direction of travel. The outline proposal therefore is to integrate SICTU as it currently exists into Xentrall ICT Services. However, due to the current funding uncertainties outlined above, it is felt that the best time to consider integration is during 2011/12. The process can then be undertaken in light of a clear funding arrangements for both SICTU and the underlying school's ICT architecture. To inform this process, consultation will start with School Heads to gain clarity over current and future ICT service & infrastructure funding and to seek views on the way forward.

20. As SICTU are self funding through SLA arrangements, there are no anticipated savings resulting from this particular EIT review at this time. Any pressure from schools to reduce SLA costs or significant efficiency savings gained at the centre would result in either reduced income from schools or lower operating costs. Based upon the current working arrangements with schools it is unlikely that significant savings can be made through a reduction in cost base. However, as has already been shown, there are opportunities to proactively market the service wider outside of Stockton and it would be appropriate for the Xentrall brand to be used for this purpose. Any increase in income or reduction in cost would ultimately contribute to the Authority's medium term financial plan.

21. A potential integration with Xentrall also gives an opportunity to consider an integrated architecture for ICT provision to both Council and schools. As well as efficiencies of scale, an integrated architecture could provide increased resilience and also assist in the provision of services to schools. An integration of the two services will also allow a review of architecture to be considered in time for the renewal of the NGfL contract later in 2011/12.

22. Xentrall ICT Services have also been the subject of an EIT review and are planning to implement a new service structure in April 2011. Subject o consultation, the proposal at this stage would be to initially transfer the SICTU structure into Xentrall ICT unchanged during 2011/12. The service could then be monitored and an informed view developed on how to best integrate aspects of the service more fully.

**FINANCIAL IMPLICATIONS**

23. There are no direct financial implications arising from this report.

**LEGAL IMPLICATIONS**

24. There are no direct legal implications arising from this report.

**RISK ASSESSMENT**

25. The proposal is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

**SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

26. There are no community strategy implications arising from this report.

**CONSULTATION INCLUDING WARD/COUNCILLORS**

27. Schools will be consulted on the EIT proposals and in conjunction discussions will be held on the future funding and provision of ICT services in schools in light of impact of the Comprehensive Spending Review.


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| Education Related? | Yes |
| Background Papers | Devolved ICT EIT Review – Baseline Report (Executive Scrutiny Committee 19 Oct 2010) |
| Ward(s) and Ward Councillors: | Not Ward Specific |
| Property | The proposal may involve internal office moves during 2011/12. |