

DERBYSHIRE COUNTY COUNCIL

CABINET

15 March 2016

Report of the Strategic Director for Children's Services

**I.C.T SERVICES CONTRACT, BUILDING SCHOOLS FOR THE FUTURE
PROGRAMME - (CHILDREN'S SERVICES)**

1. Purpose of Report

To seek approval to terminate the ICT Services Contract provided by the Dell Corporation Limited (Dell) at Shirebrook Academy, Bolsover Academy (including the Bolsover Support Centre) Netherthorpe Academy, Heritage High School, Springwell Community School and Stubbin Wood Special School

2. Information and Analysis

Shirebrook Academy, Bolsover Academy (including the Bolsover Support Centre) Netherthorpe Academy, Heritage High School, Springwell Community School and Stubbin Wood Special School were part of the Building Schools for the Future programme and were required to have ICT Services supplied by a third party as part of the BSF Programme. The provider of the ICT Services Contract is Dell and the contract is between Dell and the County Council and is for a period of 10 years which commenced in November 2010. These arrangements were agreed by Cabinet on 30 June 2009.

Due to the reduction in pupil numbers and thereby funding, the schools are facing budget shortfalls. As a result of this, the secondary schools included in the contract requested a meeting in April 2015 with Council Officers to discuss the possibility of early termination of the ICT Services Contract. At the meeting, the schools confirmed that, whilst they were generally happy with the ICT services provided, budget pressures were forcing them to consider other options, including the possibility of requesting the Council

consider early termination of the contract and for individual schools to make their own arrangements for ICT provision.

Following the meeting, the schools carried out a financial analysis of the costs associated with the contract compared to costs associated with making their own ICT arrangements. For the majority of schools it became evident that there was the potential to make significant savings, which would assist with easing budget pressures.

These potential savings vary from school to school, depending on the ICT support schools have put in place alongside the Dell service. However, by terminating the contract it would give schools the autonomy to procure from the most cost effective suppliers enabling them to purchase ICT equipment, potentially at a lower price than the current contracted values. It would also allow them to manage the amount they want to set aside for refresh of equipment, giving them the total flexibility within their ICT budget.

The costs to the schools of the ICT Services Contract, during 2015/16, are as follows. These payments are indexed linked (RPIx).

| | ICT Services Contract | Refresh Fund | Total |
|-----------------------------|-----------------------|--------------|----------|
| Springwell Community School | £125,000 | £50,000 | £175,000 |
| Bolsover Academy | £125,000 | £50,000 | £175,000 |
| Heritage High School | £125,000 | £50,000 | £175,000 |
| Netherthorpe Academy | £169,000 | £70,000 | £239,000 |
| Shirebrook Academy | £134,800 | £50,000 | £184,800 |
| Stubbin Wood Special School | £18,000 | £8,000 | £26,000 |
| Total | | | £974,800 |

Each school pays into a refresh fund in addition to the ICT Services Contract. The refresh fund is used to replace ICT equipment in year 5 and year 10. The schools are bound contractually to pay the total amount, ICT Services Contract and Refresh Fund and purchase any ICT equipment through Dell if they want it to be managed under the contract.

The respective Governing Bodies have considered the situation further and all of the schools, other than Shirebrook and Stubbin Wood, have confirmed their wish for the ICT services contract to be terminated.

Shirebrook Academy and Stubbin Wood Special School have confirmed that it is their preference for the contract to continue. This is because they consider that they do not have the expertise within the school to provide an alternative ICT provision/solution and they are concerned that early termination will have an impact on teaching and learning. Letters from both governing bodies are setting out their reasons for opposing the termination of the ICT contract are attached at appendix 1.

Under the contract, the fees payable to Dell would remain the same, regardless of how many of the schools remained in the contract. Therefore, from an economic point of view, it is not financially viable for the contract to continue unless all of the schools remain within it. Otherwise, the costs to any schools that remain in the contract would increase. Discussions have taken place between Council officers and Dell about the possibility of early termination of the contract and Dell have stated that they would agree to an early termination.

Whilst the ICT contract is between Dell and the County Council, the Governing Body Agreements between the County Council and each school provide for the costs of the ICT Contract to be paid by the schools. As the ICT Services contract is between the County Council and Dell, it is the Council's decision on whether to terminate the contract provided that consultation with the Governing Bodies has taken place.

A risk and impact analysis has been prepared by officers to assess whether the ICT Services Contract should continue or whether it should be terminated. The risks associated with changing the ICT support provisions will be very similar if early termination is invoked or if the contract runs full term.

The main risk to schools is the inability to provide an ICT service in-house and the reliance on one or two key members of staff. It should be noted that the majority of schools across Derbyshire provide their own ICT support quite successfully or purchase elements of ICT support from third party suppliers. On termination of the contract, existing Dell staff who have knowledge to support the systems in the schools will transfer to the schools or a new I.T. contract provider under TUPE. In addition, Dell will work with schools during handover to ease the transition.

During 2016, the schools will have new server/storage equipment installed by Dell under the existing contract. As a consequence, they will be in a good position for the ICT support to be provided from within the schools or by another third party. If the schools were to wait until 2020 when the contract would come to an end, they would need at that time to purchase new hardware at the same time as transitioning to a new service. In addition, any new equipment provided at that time might not be considered compatible by Dell, such that limited transfer support could be available at that time. Therefore, it is considered that terminating the contract now with Dell's support is a lower risk for the schools.

If the ICT Services contract is terminated, the schools involved would need to either procure an alternative provider or provide an in-house managed service. The Council would support this process via its traded services package.

Following consultation with the schools, Council officers have carefully considered all the relevant issues and concluded that it is appropriate to recommend that the ICT Services Contract be terminated.

3. Financial Considerations

The cost of termination of the ICT Services contract will include:

- Any outstanding invoices for ICT equipment purchased
- Legal Costs as outlined below

The estimated legal fees associated with this change are £122,000. The schools have agreed to fund £130,000 in legal fees so there is a contingency available of £8,000. It is not anticipated that there will be any costs to the Council associated with TUPE transfer of staff.

An estimate has been carried out to confirm the potential cost saving to the schools from leaving the contract. Based on the services Dell provide the figures show that there is a potential saving to schools of between £10,000 and £60,000 per year. It is difficult to put an exact figure in as it depends on how many staff they require to provide the service. They could potentially make further savings on the purchase of

equipment from other suppliers The table below shows the estimated savings to the schools.

| | Springwell | Heritage | Netherthorpe | Bolsover | Shirebrook | Stubbin |
|--|------------|----------|--------------|----------|------------|---------|
| Total estimated Staff Cost | £86,678 | £86,678 | £86,678 | £65,156 | £65,156 | £10,761 |
| Total Software Cost | £79,000 | £80,000 | £107,000 | £78,000 | £77,000 | £15,600 |
| Total Service cost | £165,678 | £166,678 | £193,678 | £143,156 | £142,156 | £26,361 |
| Annual ICT Contract Fees (including Refresh) | £175,000 | £175,000 | £239,000 | £175,000 | £184,800 | £26,000 |
| Estimated Saving (Including Refresh) | £9,322 | £8,322 | £45,322 | £31,844 | £42,644 | -£361 |

The outstanding invoices will be met by the remaining ICT capital budget or the refresh funds to which school have contributed as part of the annual ICT contributions.

The legal costs will be met by the four schools wishing to terminate the contract and each school has agreed to pay 25% of a maximum of £130,000. This agreement is supported with letters from the Governing Bodies of Springwell, Heritage, Bolsover and Netherthorpe.

4. Legal Considerations

The ICT Services contract contains provisions for the termination of the contract by the Council. The Director of Legal Services will be involved in the termination of the contract and amendment of the Governing Body Agreements, where necessary, with additional external legal advice being provided by Browne Jacobson Solicitors who have knowledge of the original BSF contractual documentation.

The ICT Services contract contains a provision in respect of termination which is twenty business days after the date of the receipt of the termination notice. As previously indicated, Dell has stated that they are happy for the Agreement to be terminated and will work with the schools to ensure the transition to a new service is as smooth as possible.

At Springwell and Bolsover schools, the ICT contract is part of a wider PFI arrangement. Under that arrangement, the ICT contractor is responsible to the main PFI contractor for any losses incurred as a result of failure or poor performance of the ICT systems. Therefore, if the school were not available because the ICT systems were not operating, the Authority could apply a penalty to the PFI provider who

would then charge the ICT contractor. If the schools take on responsibility for providing the ICT, this arrangement would no longer be appropriate. The PFI contract will need to be amended such that the Authority can no longer apply penalties for failure of the ICT service.

5. Human Resources Considerations

Dell will conduct a due diligence exercise once the termination notice is served. They have identified 19 staff working, in some part, for the Derbyshire BSF ICT programme. Six staff work 100% of their time in the BSF schools and TUPE is likely to apply. The other 13 work both on the Derbyshire project and on other projects not associated with the Derbyshire contract. Until a full due diligence is carried out, Dell will not commit to exact numbers.

An appropriate consultation process will take place with the staff concerned and their trade unions. All identified staff, following due diligence, will transfer under their existing terms and conditions to the new ICT Services Contract provider. The schools could provide the service themselves with the Dell staff transferring to individual schools employment, or they may choose to procure a new service provider who would need to employ the Dell staff who are subject to TUPE. The schools are aware of the situation.

6. Other Considerations

In preparing this report the relevance to the full impact has been considered - prevention of crime and disorder, equality or opportunity, environmental, health and human rights, property and transport considerations.

7. Call in

Is it necessary for call-in to be waived in respect of any of the decisions contained in this report? No

8. Background Papers

These are held on file in the Transformation team.

9. Key Decision Yes

10. Strategic Director's Recommendations

That Cabinet agrees that:

- 10.1. The Council terminates the ICT Services Contract with Dell Corporation Ltd;
- 10.2. Notes the staff affected by the termination of the ICT Services Contract will be transferred to the employment of individual schools currently within the BSF programme or the new ICT provider;
- 10.3. Contributions to the ICT refresh fund end and each school receives any unused funds it has contributed to refresh;
- 10.4. The respective Governing Body Agreements with the schools be amended as required to reflect the agreement to terminate the ICT Services Contract

Jane Parfremment, Strategic Director for Children's Services



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Judy Matkin
Network Team Leader
Transformation Service
Derbyshire County Council
County Hall, Matlock
Derbyshire DE4 3AG

6 October 2015

Dear Judy

On behalf of the governors of Shirebrook Academy I am writing to you in respect of the proposal by some schools in North East Derbyshire to withdraw from the current ICT Services Contract.

As determined at our meeting on 21 September 2015, the Governors are of the opinion that they would like to continue with the current contract. They are aware that the final decision on the future of this contract will be taken by DCC Cabinet and would like to inform members of the Cabinet of their concerns. The Governing Body therefore asks you to include this letter in your report as an Appendix, and for you to refer to it in the main body of your report so that members understand our position as part of their considerations.

Background

Shirebrook Academy considers that the current Dell contract delivers a high quality reliable solution vital to the operation of the Academy. Governors have a high regard for the reliability of the service and do not wish to compromise this situation by changing the nature of our ICT support.

Six schools were involved in the Building Schools for the Future (BSF) project under which they had brand new buildings built. Dell were chosen to deliver an ICT solution covering all six schools.

The contract involves schools making two payments: one for the ongoing cost of ICT support and a second to build up a sum of money so that when the existing ICT equipment reaches the end of its useful economic life it can be replaced without the schools having to take a large financial hit in that one year (effectively this is a savings pot for the future replacement of old equipment).

Some schools have now reviewed their financial situation and have expressed a desire to cut back on the costs of their ICT support by terminating the current arrangement and bringing services in-house.

Financial savings

Having reviewed the financial situation of all schools (as presented at recent meetings between the schools) it is clear that there is no

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proven case that ceasing the contract and providing the service in a different way can deliver savings for all of the schools concerned.

Our governors have noted that other schools have chosen to employ their own Network Managers in the past whilst paying for the ICT Managed Services at the same time. At Shirebrook Academy our Governors have viewed this as a duplication of resource which is partly the reason that other schools have a higher ICT support budget than they otherwise could have. In comparing the cost of their future provision some other schools have stripped out this duplication of resource by continuing to employ the Network Manager and removing the Dell element, thereby showing a saving in comparison to their previous position. This saving actually only brings them back to the point where they should be under the model envisaged at the outset of the contract. An alternative model which has not been considered is to remove Network Managers and use the Dell contract to fulfil this role as was originally intended when the contract was set up.

The legal costs involved in the termination of the Dell contract are significant (at approximately £120k plus the cost to each school of reviewing their own Governing Body Agreements). As the Academy does not wish to withdraw from the contract, in principle Governors do not agree that the Academy should contribute towards the legal costs of terminating the contract. In any case the Academy would incur its own legal costs to review the situation, and this alone would mean that financially the Academy would not benefit from ceasing the contract.

Governors are not convinced that should the schools exit the contract at this point, the alternative ways of providing the service have been properly analysed. The schools wanting to exit the contract have concentrated on a preferred model of in-house provision. As a group of schools, we have not had chance to evaluate an alternative model of provision in order to show that an in-house solution is in fact best value for money. As the main motive for the other schools wanting to exit the contract is expressly to save money, we have to question whether they have carried out a full value for money exercise and investigated whether more money could not be saved by using an alternative external provider?

For Shirebrook Academy, the financial difference between exiting the current contract and continuing it is negligible. As the service is critical to the ongoing success of the Academy, our Governors believe it to be vital to consider the non-financial implications of this decision also.

Finally there is a risk that some schools have factored a saving into their budgets by reducing the contribution they make on an annual basis towards the future replacement cost of their ICT equipment. This is not a valid saving for the sake of this exercise as this cost is not related to the ongoing maintenance of their ICT. Effectively these schools are choosing to downgrade their future ICT estate by not saving for new equipment: a decision they could take whether or not they moved away from the current maintenance contract.

TUPE

Under the contract certain Dell employees will have the right to transfer to work at the six BSF schools should the contract terminate. There are 6 technicians and 19 other staff who have some role involving our schools.

We do not have information on the exact number of employees who are affected by this action nor do we know their ongoing salaries. As the schools have not yet decided upon their ideal organisational structure should the contract end and the service is moved in house, there is no plan in place to redistribute these employees. This therefore represents a major unknown factor in the decision making process as:

- We do not know the exact cost of employees we may have to take on;
- We do not know the true cost of any redundancies that may be required or indeed exactly how many redundancies there may be;
- We do not know how the cost of redundancies are to be allocated between schools or whether the schools agree to accept these costs; or if these costs would remain with DCC as the party cancelling the contract.
- Each school will be allocated particular individual employees to take on: there is a risk that some schools may be asked to take on employees with fewer skills and abilities than others which may leave them in a disadvantaged position in the future.
- We do not know who will do a skills audit or how it should be paid for in order to ensure that individuals transferring from Dell do have the attributes required for their new role.

These unknown costs and risks could significantly affect the financial benefit a school perceives it may gain from coming out of the current arrangement.

The TUPE process is likely to be complex as technicians have varied hours of work (some 4 days per week for 10 hours per day, others 5 days per week with shorter daily hours). Full day coverage will continue to be vital and it is unclear how this will be achieved at present.

Robust service

Our Governors value the current contract which delivers a very reliable service. There are contractual service level agreements in place to ensure that the network is operational as required. We have

- an experienced and world leading company managing our ICT resources;
- network staff who have access to the most up to date CPD, training, and specialist support;
- backup in case of staff illness or absence;
- no reliance on a single individual for network management;
- significant back-room resources to assist in the case of emergency;
- quality controlled procedures for maintenance and support which are fully documented and regularly reviewed.

Moving to an in-house provision increases these risks as:

- we would be more reliant on a single individual to support a mission critical service;
- we would be responsible for our own CPD which we have no experience of;
- we would be responsible for managing a technical expert without having the necessary industry background to challenge his/her advice or opinions;
- each school will have a small number of ICT employees who may not necessarily have the full range of training and experience that is currently available from the wider team at Dell.

The ICT world is constantly changing and it is critical that the Academy stays abreast of this if its ICT solution is to remain relevant over time. Governors consider that the best way to achieve this is to appoint companies at the vanguard of developments and good practice to support our ICT systems.

Students and staff using the service at different schools

At present Shirebrook, Springwell, Bolsover and Heritage offer a joint Post 16 provision called "Aspire". Staff and students work at several locations and therefore need to log on to the IT systems at several of these schools. Currently under the BSF contract they are able to log on to their files irrespective of where they are. There is also a common telephone system used by all of the schools.

Although purchasing from Dell is one of the weaker parts of the current arrangement (hardware is relatively expensive, although it does come with a 5 year guarantee unavailable from many other sources, and the procurement process is not efficient) it does have the advantage of maintaining a standard set of equipment across the schools which can be used anywhere within the BSF group.

There is a danger that if we move away from a common ICT contract these facilities will be lost and that delivering Aspire will become less cohesive in future as each school develops and diverges from the working practices of the others.

Teaching and Learning

Governors view the impact of this decision on teaching and learning as being the principle driver for the decision. At present teaching and learning is supported extremely well by the current arrangements.

Moving from a tried and tested solution to a new environment where the schools all have lower levels of technical support is a key risk. Such a change will require a great deal of resource to be directed to change management and ICT, away from our core responsibilities of teaching and learning, and will inevitably affect the degree of focus that we are able to place on education.

No detailed work has been carried out on the potential operational impact this decision could have on all of the individual schools, both during the changeover

period and when comparing the quality of service to be provided after the contract is terminated to the status quo.

All teachers rely on technology to deliver their lessons. In addition to this the building is now extremely technologically advanced, with automated door locking/security features, electronic payment systems for catering, a building management system that relies on a plethora of ICT equipment to function, and even electronic library book control. Catastrophic failure of the system would mean that the school becomes instantly unusable and represents a significant risk to the education of our students.

Audit

As the Governing Body is not convinced that a full value for money exercise has been completed, and a detailed Impact Study has not been carried out, we request Cabinet to commission a report from Internal Audit to review the accuracy of the figures used to determine whether the proposed way forward represents value for money, and to carry out an Impact Study on the potential implications this decision may have on the operations of all of the schools concerned.

Conclusion

We understand the financial pressures many schools are in at present and are sympathetic to their position. However we do not believe that this decision has been taken with all the facts to hand (as many costs are still unknown), nor do we believe that at present a proper value for money exercise or impact study has been completed.

As the financial benefit to the schools of coming out of the current contract is unproven, the operational risks are well documented, and we have another 5 years available to continue to use a well-proven highly performing service the Governors of Shirebrook Academy would urge Cabinet to continue the Dell contract for the final 5 years and to use the remaining time to plan in more detail the best way to move forward for the future.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. West'.

S West
Chair of Governors

STUBBIN WOOD SCHOOL

Judy Matkin
Network Team Leader
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6 October 2015

Dear Judy,

On behalf of the governors of Stubbin Wood School & Nursery I am writing to you in respect of the proposal by some of the BSF programme schools to cease early the current 10 year ICT Services Contract with Dell, which is due to finish in 2020.

The Governors have ratified their decision to request that DCC continue with the current contract. We are aware that the final decision on the future of this contract will be taken by DCC Cabinet so felt that it would be appropriate for us to inform Cabinet of our concerns. The Governors are therefore requesting that this letter is included in your report as an Appendix, and ensure that members are fully aware of our position on this matter as part of their considerations.

Six schools were involved in the Building Schools for the Future (BSF) project under which they had brand new buildings built. Dell were chosen to deliver an ICT solution covering all these six schools. Stubbin Wood School & Nursery are based on the same site as Shirebrook Academy and share all aspects of the current Dell ICT contract. Our Governors consider that the contract delivers a high quality reliable solution vital to the operation of the both schools.

Each school's contract with Dell comprises making two payments for the service; one payment is made towards the on-going cost of ICT support and a second goes into a 'refresh pot' that builds up a sum of money to replace ICT equipment when it reaches the end of its useful life. This pot ensures that schools do not have to take a large financial hit in that one year (usually the 5th year of the 10 year contract).

Stubbin Wood was made aware in January 2015 that some schools in the BSF cluster had reviewed their budget situation and had been meeting, without us, to consider an early exit from the Dell Contract. This exit was suggested as a way to cut back on the costs of their ICT support by terminating the current arrangement and bringing services in-house. The needs of our school and the financial implications for us had not been included in these discussions.



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Estimated Financial savings

Stubbin Wood's Headteacher, Chair of Governors and School Business Manager were finally invited in March 2015 to a meeting with all the BSF schools where the estimated financial savings were reviewed. It was clear at that meeting that the figures presented were not complete for our school, and both Shirebrook Academy and ourselves had, and still have, serious reservations on the quality of the calculations. Indeed there is still no proven case that ceasing the contract and providing the service in a different way can deliver savings for any of the schools concerned, and for our school, even based on the calculations presented, this option will cost us more.

The Headteacher has reported to us that other schools have chosen to employ their own Network Managers whilst paying for the ICT Managed Services at the same time. At Stubbin Wood School & Nursery our Governors have agreed with Shirebrook Academy's Governing Body that this is as a duplication of resource and could be partly the reason that other schools have a higher ICT support budget. It was also reported by our School Business Manager that the comparisons made in the savings calculations did not show this duplication of cost and therefore skewed the figures to show savings that actually may not be made. Although the argument for ceasing the contract has been mooted as one for financial savings that can be used to alleviate staffing reductions, there does not seem to be an appetite to look at the option of removing the post of Network Managers within the school and use the Dell contract to fulfil this role as was originally intended when the contract was set up. There is also a risk that some schools have included in their calculations savings made by reducing the contribution they make on an annual basis towards the refresh pot. This is not a valid saving in this exercise as this cost is not related to the ICT contract with Dell. These schools are in effect choosing to downgrade their future ICT estate by not saving for new equipment: a decision they could take whether or not they moved away from the current maintenance contract.

The legal costs involved in the termination of the Dell contract are significant and at present are still estimated at approximately £120,000 plus the cost to each school of reviewing their own Governing Body Agreements. At a Headteacher meeting in July, held at Stubbin Wood School, it was agreed that the five secondary schools would pay these costs between them, and we would not be liable due to our wishes not to cease the contract.

For Stubbin Wood School & Nursery, the estimated financial cost between exiting the Dell contract early and continuing it will be up to £15,000 a year, with no guarantee of a continued service at the same technical, support and best value level as received with the current contract.

TUPE

Under the contract Dell employees will have the right to TUPE to the six BSF schools should the contract terminate. We have been informed by Judy Matkin that this will total the current 6 technicians and possibly up to 19 other off site contract staff who have some role involving our schools. Until notice is served by DCC to Dell, information on the exact number of employees who are affected by this action, their salary and skills is not known. We would hope that this should therefore represent a major unknown factor in the decision making process as we do not know:

- The salary costs of employees we may have to take on – and a lack of money to do so
- If any redundancies will be required or the cost of these to how the cost of redundancies are to be allocated between schools, whether the schools agree to accept these costs, or if these costs would remain with DCC as the party cancelling the contract.

- When and how each school will be allocated particular individual employees to take on: there is a risk that some schools may be asked to take on employees with fewer skills and abilities than others
- Who will do a skills audit or how it should be paid for in order to ensure that individuals transferring from Dell do have the attributes required for their new role.

These unknown costs and risks could seriously affect any potential financial savings that some schools are expecting to gain from an early exit out of the current arrangement.

Our Governors also have concerns over how the TUPE process will ensure that the current complex working practices of the technicians will be supported 'in house'. Under the Dell contract they currently have varied hours of work (some 4 days per week for 10 hours per day, others 5 days per week with shorter daily hours). We understand that to achieve full day coverage, remote support and the sharing of technicians across sites is used. We are unconvinced that the case advanced by the in house ICT technicians employed by the other schools have the necessary skill set to replace both on site DELL expertise and the off-site support functions. Not even DELL technicians currently working on site claim the capacity to operate completely autonomously. Our school will not entertain a reduced service and insist that full day service is vital and we are unclear how this will be achieved upon early exit.

Robust service

Our Governors share with the Governors of Shirebrook Academy in valuing the current contract which delivers a very reliable service. There are contractual service level agreements in place to ensure that the network is operational as required. We have

- an experienced and world leading company managing our ICT resources;
- network staff who have access to the most up to date CPD, training, and specialist support;
- backup in case of staff illness or absence;
- no reliance on a single individual for network management;
- significant back-room resources to assist in the case of emergency;
- quality controlled procedures for maintenance and support which are fully documented and regularly reviewed.

Moving to an in-house provision increases these risks as

- we would be more reliant on a single individual to support a mission critical service;
- we would be responsible for our own CPD which we have no experience of;
- we would be responsible for managing a technical expert without having the necessary industry background to challenge his/her advice or opinions;
- each school will have a small number of ICT employees who may not necessarily have the full range of training and experience that is currently available from the wider team at Dell.

The ICT world is constantly changing and it is critical that our schools stay abreast of this if our ICT solution is to remain relevant over time. Our Governors consider that the best way to achieve this is to appoint companies at the vanguard of developments and good practice to support our ICT systems.

Teaching and Learning

In considering all others factors surrounding a decision to exit early from the DELL contract, the biggest impact will be upon the quality of provision for teaching and learning – and not just for pupils.

Presently, teaching and learning is supported extremely well by the current partnership with DELL. Moving from a proven solution to a new environment where the schools may all have lower levels of technical

support is a key operational risk. In order to obviate this risk as far as we are able, a great deal of resource – time and personnel – will have to be directed to change management. As we noted above, we are not sure that the proposed solution meets either the need for operational security or sufficiently robust arrangements for oversight, nor do we see that this would change in the immediate future. We have no knowledge of the potential that TUPE may afford. We are aware of the risks, however, as detailed above. All of these considerations pull schools away from our core responsibilities for teaching and learning, and will inevitably affect the degree of focus that we are able to place on education.

Building

Our school building is extremely technologically advanced. ICT is the spine of the building with automated door locking/security features, an integrated phone system, a building management system that relies on ICT equipment to function, and ID cards to use for catering and printing. Any catastrophic failure of the system would mean that the school becomes instantly unusable and represents a significant operational and safety risk to our students. Once again, the rushed and superficial consideration given to these factors is of real concern.

Audit

The Governing Body has not been convinced by the other schools that a full value for money exercise has been completed, nor are we certain that the proposed timeline for exit (less than 9 months) gives schools sufficient time to make sure robust, reasoned and tested strategies are in place. Schools are therefore collectively open to criticism when considering both *Risk* and *Compliance*. We have therefore spoken to DCC Internal Audit to request their advice on a detailed Impact Study. We request Cabinet agree in the commission of a report from Internal Audit to review the accuracy of the figures given to school's governing bodies to use in determining whether the proposed way forward represents value for money, and to carry out an Impact Study on the potential implications this decision may have on the operations of all of the schools concerned.

In conclusion, our Governors do understand the financial pressures many schools are in at present and are sympathetic to their position. But as the financial benefits from an early exit out of the current contract are unproven and with valid concerns over documented operational risks, the Governors of Stubbin Wood School & Nursery would urge Cabinet to continue the Dell contract until 2020 and to use the remaining time to plan in more detail the best way to move forward for the future.

Yours sincerely,

A Brickles
Chair of Governors

cc. Carl Hardman Assistant Director of Finance Derbyshire County Council
Ian Stephenson Strategic Director Derbyshire County Council