

Paper 2 - Reviewing Becta's performance: the Strategic Technologies Programme

Purpose

1. Becta has set itself a challenging ambition to deliver a step change in the quality of ICT services across education and to improve the value for money achieved from the significant annual spend across the sector on ICT. The purpose of this paper is to review the progress that has been made over the first two years of the programme, to discuss the challenges that have emerged and set out our plans for overcoming these challenges.

Summary

2. The system-wide delivery model for the *Harnessing Technology* strategy focuses on three components; demand-side changes leading to an increased ability of the education workforce and learners to use technology effectively, supply-side changes to provide the integrated delivery of fit for purpose and cost effective technologies and thirdly the processes that makes sure that effective practice spreads rapidly through the system. The Strategic Technologies programme focuses primarily on the supply side and has responsibility for delivering improved service levels and value for money.
3. This paper demonstrates the considerable progress that has been made in the defining the national digital infrastructure for education and achieving adoption by major programmes. In addition it demonstrates the progress that has been made in setting up the procurement frameworks to support cost effective purchasing.
4. With regard to the adoption of procurement and cost efficiency, Becta has been given some challenging numeric targets which were set at a time when the DfES ICT programme was delivered through significant initiative focused ring-fenced funding. Although considerable savings have been secured it seems unlikely that the targets for March 2007 will be achieved. The policy landscape has moved away from ring-fenced funding, a feature that has had a major impact on the continuing delivery of the cash efficiency savings that were being achieved. To illustrate the impact of this change, in the first two years of the whiteboards initiative some 90% of purchases were made through aggregated, best value arrangements. This dropped to 30% in year 3 when ring-fencing was removed.

5. There is strong evidence from our early adopter projects, such as the pan-London Learning Platforms procurement, that significant improvements in value for money are still achievable in this new policy landscape if appropriate aggregating bodies can be identified and established. The new challenge is to ensure that mechanisms can be put in place to deliver these improvements across the system as a whole. Whereas progress to date has been largely under Becta control, future progress on adoption will be achieved through the action of others.
6. In September 2006 responsibility for realising the benefits of the Strategic Technologies programme transferred from DfES to Becta. This was in response to an external Gateway review which identified that the plans at this time were insufficient. Becta has focused on the development of detailed plans since the transfer contracting consultancy firm Hedra to work with us on developing a detailed benefits realisation plan. This work is in progress and is due to report in April. It will enable a more informed debate on appropriate targets and the resources required to meet them.
7. The first marketing and communications activity has been commissioned and began in March 2007.
8. It is clear from the early adopter projects that an organisation, acting in the role of aggregator, is required to deliver the benefits for everyone concerned. There is particular concern that there is insufficient capacity and capability in Local Authorities to work with Becta to implement these services locally and drive aggregation. To develop a detailed understanding of the readiness of each Local Authority or region Becta has established a team of consultants who will develop an account management relationship with these potential purchasers. This will enable us to effectively segment our target groups and provide an understanding of where there is capacity already in place to deliver this aggregation function and where in the country these arrangements need to be established or provided. Once identified, Becta will work to develop their understanding, confidence and expertise. It is likely that we will seek to commission existing, experienced aggregators to support emerging activity in other regions.
9. It is clear from the presented data that changes in policy have had a major impact on the procurement approach of schools and local authorities over the last year. Recognising that this policy approach to devolved funding will continue in England the paper argues that there needs to be greater DfES policy challenge and audit accountability to ensure that funding

provided is used effectively. We believe that Becta should take on a much more proactive role in reviewing, reporting on and challenging progress.

Recommendations

10. The Board are asked to note the focus of our activity over the next year and the policy changes we would like to see introduced in order to address these challenges:

- The focus on identifying and/or establishing the primary aggregators. It may be necessary to enter into contractual relationships in order to drive active engagement.
- Experience suggests that the policy framework of non ring-fenced, devolved funding to schools is having a negative effect on Becta’s ability to secure financial efficiency savings. Current experience suggests that only c.30% of procurement will utilise aggregated best value procurement in the current environment. A more directive policy on using such arrangements could see volumes return to the 60%+ experienced in recent years. The re-introduction of ring - fenced funding could drive the volumes and savings still higher.
- A more sophisticated suite of measures will be developed to actively inform strategy development. Large service contracts out to tender now will not appear on supplier returns for some years. The new account management will provide an improved and earlier understanding of pending business.

Background

11. The objective of the Becta’s Strategic Technologies programme is:

To create and establish a national digital infrastructure and resources strategy leading to greater national coherence, improved reliability and affordability that is sustainable in the longer term by setting standards, undertaking best value procurement and achieving adoption.

12. The programme has a broad scope encompassing all wide area network connectivity services, institutional network services, learning services and management information systems.

13. To monitor progress against this objective the Executive reports on two main areas:

- The development and release of national standards and specifications for educational technology and the adoption of these standards across the sector.

- Ensuring that appropriate procurement arrangements are available that can enable institutions, local authorities and government to achieve best value in their procurement. The effectiveness of these arrangements is assessed by the scale of business transacted through these arrangements along with the recyclable savings achieved.

Progress achieved to date

Standards and specifications - development

14. Becta develops its national standards and specifications in full consultation with educational stakeholder and the supply side. It publishes documents in three main categories; functional specifications, technical specifications and best practice guidelines for service management. Becta also promotes and contributes extensively to the development of UK and international standards where we feel this will directly support service delivery and quality assurance across the education and children’s services sector.
15. The process of developing and releasing standards within the Strategic Technologies programme is proceeding extremely well. The following documents have been released or are in the process of development.

Institutional Infrastructure Services

Functional specification (published)

Technical specification (published)

BSI Publicly Available Specification 74 (Internet safety – Access control systems for the protection of children on line – in preparation)

BSI Publicly Available Specification 122 (Specification for the installation of Audio Visual Equipment – in preparation)

Learning Services

Functional specification (published)

Technical specification (published)

Connectivity Services

Design criteria (published)

Functional specification (published)

Technical specification (published)

Standards for internet safety accreditation (published)

Data Services

High level functional specification (published)

Memorandum of understanding between MIS suppliers and DfES on electronic data return specification and change control (published and signed)

Technical and interoperability standards (in preparation, proof of concept underway)

Service management and technical support

Framework for IT Support – primary toolkit (published)

Framework for IT Support – secondary toolkit (published)

Framework for IT Support – operational management (published)

Standards and specifications - adoption

16. Target 2b) seeks to track the number of schools making progress towards conformance to the national architecture. The proxy measure of the proportion of schools registered to the Self Review Framework who are utilising it to assess their resources has proved to be a very poor measure of progress in this area. The measure focuses purely on action at school level and does not account for system level action improving services across the system for all schools.

17. Becta has achieved some very significant success in achieving adoption of these national standards and specifications.

Building schools for the future - Partnerships for Schools has fully adopted Becta’s functional specifications for institutional infrastructure and learning service in its ICT output specifications. Every new school and academy built under this programme will have a service that meets or exceeds Becta’s specifications for the national digital infrastructure.

Funding guidance – All schools have now been informed that in planning and implementing technological solutions the solutions should meet the requirements detailed in the specifications

Pan-London Learning Services procurement – All schools across London will have access to a Learning Platform that meets the Becta specification. Other Regional Broadband Consortia and Local Authorities are also running or preparing to run procurements that will use Becta specifications.

Single sign-on across the national education network - Standards for access management have been agreed across UK education sectors, a

major proof of concept has been successfully completed across London and the live service, the UK access management federation, is now operational. In schools, implementation is being taken forward by the Regional Broadband Consortia or individual Local Authorities.

Online ICT assessment – nearly 100% of all secondary schools now have networks capable of running the KS3 ICT online test.

Internet safety – Approximately 50% of all schools now take their internet service from a service provider that has demonstrated that it meets Becta’s specification for internet services and have achieved accreditation. Further providers are seeking accreditation.

Procurement arrangements - development

18. Previous procurement arrangements have focused around the provision of framework contracts to support specific initiatives (eg. Interactive whiteboards, laptops for teachers). In its proposals to the Department in setting up the Strategic Technologies programme Becta sought to develop a more strategic approach to procurement across the sector.
19. The new procurement arrangements developed by Becta during this programme are much more flexible in nature. They allow individual schools, local authorities or regional and national bodies to procure a range of ICT services and equipment from quality assured providers. All suppliers will have demonstrated during their tender evaluation that they have proven experience in delivering true educational benefit through the use of technology.
20. The procurement arrangements are fully compliant with EU directives so reduce the burden of complying with increasingly complex procurement legislation in the public sector. The arrangements have been designed to allow new government initiatives to be satisfied (eg. Computers for Pupils) by mini-competition without the need for a full procurement process each time.
21. Becta operates a robust contract management process throughout the term of all its procurement arrangements. This ensures that all suppliers are regularly monitored to ensure that they consistently meet contractual obligations and that service and quality is maintained or improved. Customer feedback is an important element of the overall contract management process.
22. Prices continue to remain competitive throughout the term of the framework agreement through the mini-competition process. Although individual schools can make purchases through the agreements Becta are

seeking to encourage aggregated procurement at local authority or regional level.

23. The following procurement arrangements are now in place:

Infrastructure Services (contract let August 2006)

Provides services based on the requirements of Becta’s functional specification for institutional infrastructure. Although a full range can be purchased as a ‘managed service’, educational institutions can also purchase individual services that can be integrated into existing provision, for example provided by a Local Authority.

Learning Platform Services (contract let December 2006)

Provides suppliers of learning platform services giving pupils the opportunity to learn in the ways which best suit them, providing a personal and collaborative online work space and access to learning materials at anytime and anywhere.

Software Licensing Services (contract let March 2006)

Provides non-curricular software and additional licensing and deployment services from approved educational suppliers.

Consultancy Services (contract let March 2006)

Provides a range of educational ICT, technical and procurement consultancy services to enable institutions and local authorities to develop and achieve their vision for ICT.

Software and IT testing Services (contract let August 2006)

Provides public bodies, DfES, Local Authorities, schools and colleges with software and IT technical testing, quality evaluation, and monitoring services.

Microsoft licensing (renegotiated – January 2007)

The Memorandum of Understanding with Microsoft establishes preferred pricing for academic software licensing across the UK education sector.

24. There are instances where Becta seeks to drive improvements in the quality of supply of products and services outside of a procurement framework. In the area of connectivity Becta continues to operate and develop its accreditation for the provision of internet services to education and filtering products.

25. It has also been more appropriate in some instances for Becta to support other procurement arrangements rather than initiate its own. Becta was directly involved in the procurement of SuperJANET5 led by UKERNA.
26. In programme plans at the start of this year Becta expected to initiate a framework contract for Data Services (MIS). In preparing for this procurement the consultation with stakeholders indicated that this may not be the appropriate mechanism at the present time to achieve the required objectives. Becta’s Data Services programme board is considering alternative options (including an accreditation process) that may be more appropriate and flexible and detailed proposals are under development.

Procurement arrangements - adoption

27. Progress on the take-up and effectiveness of procurement arrangements is monitored through two measures; the proportion of total annual expenditure on ICT (as estimated by BESA) that is made via best-value arrangements and the cumulative savings achieved through these purchases.
28. Progress on the cumulative total savings is currently in the ‘green zone’ but extrapolation of the current trajectory indicates that the target for March 2007 may not be achieved. That said, the target figure is aspirational and the savings that have been achieved to date remain substantial.
29. Becta’s data on the proportion of ICT expenditure made through best value agreements shows a sharp decline over recent months.
30. Part of this decline is to be expected during this transition phase. Existing framework contracts have come to a close in recent months; Becta Accredited ICT suppliers (closed - July 06), Laptops for Teachers (closed – June 2006) and Interactive Whiteboards (closed – Jan 07). Business can continue to be let until the last day of a framework agreement and there will be continuing invoiced expenditure extending beyond the end date. However, as returns are no longer being received from these suppliers this will not be reflected in the reported figures. Equally expenditure under the new framework contracts, such as infrastructure services and learning platform services, will not appear through our contract monitoring for some months. Typically purchasing initiated under these new framework may take some 8 to 12 months to move through specification, evaluation of tenders under the mini-competition, through to deployment and invoicing. Similarly invoicing for managed services will be spread over a longer period than would previously have been the case of single capital purchases. Returns from suppliers are collected quarterly and so it is

unlikely that we will see new expenditure being represented in these graphs for some 12-15 months from the start of the framework agreement.

31. In the short term the returns from contracted suppliers, currently the basis for the graphs under target 2c), are likely to be a very poor indicator of progress or a mechanism to inform Becta’s adoption strategy. To address this we are seeking to assess what is ‘in-the-pipeline’ through enhanced engagement but there is clearly no obligation on purchasers to contact Becta in anyway before running a mini-competition. Work is also underway to understand which alternative procurement channels are being utilised.
32. In relation to the volume of business being transacted through best value purchasing the following information is available.
- We estimate from current information that contracts in the order of £2,577m have now been announced by Partnerships for School (PfS). PfS have informed us that something in the order of £257m of business will therefore be related to ICT products and services procured to Becta standards and specifications. This is not represented in the current figures.
 - Becta is aware of tenders totalling £23m that are currently in preparation by schools, academies and local authorities and are likely to be let through Becta agreements. There are likely to be additional purchases through funds allocated for the Computers for Pupils scheme.
 - There is an annual spend of some £90m projected for learning platforms. Feedback from the framework suppliers indicates that a significant proportion of this is likely to be purchased under the terms of Becta’s framework agreement as aggregated procurement.
33. The potential savings that will be achieved through the arrangements that Becta has put in place will depend on the level of aggregation in the resulting tenders. Evidence from past frameworks and recent tenders demonstrates a compelling base of evidence on the savings that have been achieved, are being achieved currently and can be achieved in the new arrangements.
- *Already achieved* – Laptops for Teachers and Interactive Whiteboard frameworks have driven significant aggregation of demand. Overall savings of between 15% and 20% have typically been achieved.
 - *Currently being achieved* – Becta’s action on Microsoft licensing on behalf of the sector is realising savings of £15m per annum. Evidence

acquired from supplier bids for a significant learning platform deployment has identified the following volume related savings; single institution to Local Authority wide aggregation – 31%, single institution to regional aggregation – 47%. Analysis of actual tenders under the Software Licensing framework indicate average savings of 57% with a total invoiced spend of £28m to December 2006 under this agreement.

- *To be achieved* – Based on an average of the actual cost model data for maintenance, service and support submitted by the sixteen suppliers who were awarded the Becta Infrastructure Services framework, a 100-1,000 seat service yields a saving on costs of 19%. For a full Local Authority procurement of 100-10,000 seats the average saving was 34%. There are also process savings to be achieved from using existing EU frameworks rather than Local Authorities running their own separate procurements.

34. There is little doubt that Becta’s arrangements have, are and will continue to yield significant savings. The challenge for Becta is how to maximise the value for money from the significant devolved annual expenditure by schools and colleges.

Driving adoption and uptake

35. The progress reported above has demonstrated that the Strategic Technologies programme has put in place a strong portfolio of standards, specifications and procurement arrangements. These will need to continue to be refined and developed. However, the key challenge is now to ensure that every school and college, irrespective of size and location, will benefit from these arrangements.

36. Responsibility for benefits realisation of this programme was transferred from DfES to Becta in September 2006. Becta have commissioned the consultancy firm Hedra to provide support for Becta in the development of its benefits realisation plans for this programme.

37. The focus of the next phase of the programme will be to drive adoption. Although detailed planning is still underway we see three important strands in achieving this going forward; developing the demand, support and policy challenge.

The ‘demand-side’

38. Actions for developing the maturity of the use of ICT in education through the application of the Self Review Framework were discussed in detail at the last Board meeting. It is not therefore the intention to revisit the debate

in this paper however it must be stressed that the maturity of use will drive maturity in the specification of requirements and procurement. The Self Review Framework and its associated tools provide schools with a process by which they can review their current technology provision and identify where future investment is required.

Support

39. The development of appropriate specifications and procurement arrangements is a deliverable that has been directly under Becta’s control. Becta will rely on others to take the work that Becta has done and work with schools and colleges to tailor specifications to local needs, coordinate networks of collaboration and aggregation, manage the mini-competition and potentially contract manage the implementation and resulting service. The local capacity and capability required is significant if the benefits of improved service levels and quality of supply are to be delivered locally.
40. Becta has developed a number proof of concept implementations over the year to enable us to understand and develop the materials that are needed and the training and development that is needed locally. These include working with LGfL on the pan-London procurement of its Learning Platform, directly training local authorities and suppliers in the Framework for IT Support so that they can support their local institutions under a formal MoU with Becta, operating as a ‘critical friend’ and quality assurance to the Academies programme and assisting in 118 software tenders. Personal independent assistance has been particularly important in ensuring that purchasers are comfortable in using, what is to them, a new and previously untried arrangement.
41. It is quite clear from our discussions with Local Authorities that in many authorities there is neither the capacity or capability, nor the appetite to undertake this role. This is a significant barrier to adoption within this programme. The indication is that as the role of Local Authorities changes this resource is being depleted still further.
42. Although awareness of these opportunities and generic guidance to their use is an important prerequisite we know this will not be sufficient to support widespread adoption. Equally Becta is unlikely to be in a position to provide direct personal support to the large number tenders that will be developed and let each year. We are therefore working on the principle that we need to develop a team of advocates and trained professionals who can work on our behalf and build the confidence and expertise of key intermediaries. Growth needs to be organic and self sustaining and not require direct intervention from Becta.

43. Becta has, through the development of its Consultancy Services Framework Contract, deliberately sought to provide access to additional support to experienced and quality assured consultancies. This is being actively used by Academies but is open to all. In addition, we have also recruited a team of regional consultants who will work across the country with regional bodies and local authorities on our behalf providing advice and guidance on the implementation of all aspects of Strategic Technologies as well as support for authorities in driving adoption within their schools. They will develop existing collaborative networks still further to build a local workforce that is knowledgeable and confident in the use of national procurement arrangements. It will be appropriate to commission one or more organisations to expand and develop this role.

Challenge

44. There is no doubt that it takes time and expertise to effectively specify and cost effectively procure appropriate ICT infrastructures. It is not therefore surprising that many organisations take what they see as the simple, safe and quickest route. It is most unlikely however that this fragmented approach will yield a national infrastructure that is fit for purpose.

45. It is therefore proposed that there needs to be a much stronger direction, governance and challenge relating to how investment is being made on ICT products and services across the country. Funding is allocated to achieve specific outcomes as outlined in the Funding Guidance but there is currently little or no follow-up to ensure that these outcomes have been achieved.

46. It is proposed therefore that Becta are much more proactive over the coming year in reviewing how these governance and accountability mechanisms might be put in place. Initially we will look at the governance of the national education network, the regional broadband consortia and the local authorities to ensure that the service expectation is being delivered in reality.