

**ROTHERHAM BOROUGH COUNCIL
SCHOOLS FORUM MEETING - Friday 7 October 2011**

Yorkshire and Humber Grid for Learning- Contract Discussions

Background

Yorkshire and Humber Grid for Learning (YHGfL) is an award-winning, not-for-profit organisation owned and funded by 12 of the local authorities in the region. Established in 2000, YHGfL commissioned and maintains a regional grid which connects local authority networks with Janet – the national broadband network for public services around the country. A new grid was installed in April this year which provides high-bandwidth and high-reliability connectivity around the region. For many years Rotherham has been part of the Yorkshire and Humber Grid for Learning (YHGfL). The funding for this has historically come from the Broadband for Schools Capital Grant and more recently the Harnessing Technology Grant (25% centrally held).

In April 2011 a report was presented to the Schools Forum to identify potential areas of alternative funding in light of the withdrawal of the Harnessing Technology Grant in 2011. The Schools Forum of the 13 May 2011 agreed to contribute £100, 000 from the DSG to meet the 2011/12 annual charge of £151, 000. The remainder being meet from CYPS Capital ICT. This was underpinned by the recommendation that the forum would review the contractual arrangement and consider the implications of serving notice to YHGfL by December 2011.

Contract and Termination Issues

The current contract runs from 1st April 2011 to 31st March 2014 (3 years). The first year payment has been set at £151,000. As yet the payment for each of the 2 remaining financial years has not been set, but will be at a similar level to 2011/12.

YHGfL have provided an estimate on the potential termination of the (we are contractually obliged to pay termination costs) based on the assumption that if a decision is made in October 2011, the earliest the contract for connectivity with the Foundation could terminate is the end of June 2012. If termination was later, the figures would increase due to connectivity being in place for a longer period. The relation to the contractual obligations, Rotherham can only give notice at the end of the financial year. As connectivity spans 2 financial years we are committed to being member of the consortium until 31 March 2013.

One off set up costs - £92,500 (payment made and non-refundable)

1 April 2011 -31 March 2012

- £66,100 to the Consortium
- £84,900 to the Foundation
- Total for Financial Year 11/12 £151,000 (funding identified and partial payment made)

1 April 2012-30 June 2012

- £22, 500 to the Foundation

1 April 2012-31 March 2013

- £66,100 to the Consortium (estimated)

1 May 2012 -31 March 2014

- £81,900 to the Foundation, with no connectivity provided

The figures are subject to indexation. In addition there would be chargers for 'breakages' which are things that happen as a result of termination that wouldn't have occurred otherwise. This could be redundancies, restructuring the grid for example, and unrecovered costs which are more nebulous but include other losses we make as a result of the termination.

Financial Implications

In conclusion, to continue with the YHGfL contract as is, approximately £300,000 will need to be identified. If notice is given to terminate the contract early, Rotherham is legally obliged to pay £170,500 (plus other cost associated with 'breakages') to YHGfL and in addition procure additional bandwidth capacity and any associated RBT cost.

Technical Implications

Currently, internet traffic/RGfL connectivity from schools is shared across the YHGfL connection and a Virgin media link, termination of the YHGfL link will require changes to the technical infrastructure and a scoping exercise will need to be undertaken to ensure that sufficient or alternative bandwidth is in place. This will be a chargeable piece of work.

Schools may individually link (via a LA network) to the YHGfL, in such cases schools will have to negotiate a connectivity price on an individual basis directly with YHGfL.

YHGfL benefits

The report presented to the Forum on the 8 April 2011 documented the services available to school through YGHfL connectivity and consortium membership. In addition, YHGfL have produced a Value for Money Statement 2010-2011 on behalf of Rotherham (document attached). A summary of the benefits can be found below:

Item	Per Annum Savings	One off Value added
Connectivity	£57,960	
Video Conferencing	£15,490	
Audio Networks	£194,820	
Loc8	£64,740	
MTN2	£38,580	
Innovation Fund		£3,000
Seminars		£3,000
Total	£371,590	£6,000

In addition the table below shows the amount of network traffic across the YHGfL connection:

Month	Peak Traffic (Mb)	Average Traffic (Mb)
August 2011	16.03	3
July 2011	77	28
June 2011	Information not available due to upgrade	
May 2011		
April 2011		
March 2011	66	25
February 2011	62	20
January 2011	60	21
December 2010	61	10
November 2010	53	16
October 2010	45	5
September 2010	0.05	0.04
August 2010	0.02	0.02

Bandwidth usage is anticipated to increase to between 150 - 220Mbit overall from the current level over the next couple of years.

Items for consideration:

- A decision is required by December 2011 on whether or not to give notice to YHGfL and the funding of the termination costs needs to be identified and agreed. In addition, a decision will need to be made and funding will need to be sought in relation to:
 - Changes to the technical infrastructure
 - Increasing the remaining bandwidth to ensure business continuity
- If a decision is taken to continue with the current contractual arrangements, funding needs to be identified and agreed for the remainder of the contractual period

- Impact on the usage of the YHGfL link for corporate internet traffic

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