

ROTHERHAM BOROUGH COUNCIL – REPORT TO MEMBERS

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| 1. | Meeting: | Cabinet |
| 2. | Date: | 9 April 2014 |
| 3. | Title: | Future of the Yorkshire and Humber Grid for Learning (YHGfL) Consortium |
| 4. | Directorate: | EDS |

5. Summary

The Council is a member of the Yorkshire and Humber Regional Grid for Learning Consortium. The Grid was established, as the local part of a national initiative, by the regional Local Education Authorities in 2001 to provide broadband connectivity to schools throughout the region. This task was completed by the mid- 2000s. The issue for consideration is whether the current structure of the Consortium is the best one for the changed circumstances in which it is operating.

6. Recommendations

That Cabinet approve:

- the principle of the Consortium Advisory Board's recommendation of the 18th September 2013 with regard to the future of the Consortium and authorise Director of Internal Audit and Assest Management to serve notice on the Secretary to the Joint Committee of the Councils decision to withdraw from the Consortium such notice to take effect not before 1st April 2015 and to be conditional on all the other Consortium members serving a notice in the same terms.
 - that the Joint Committee Agreement be terminated, and the Consortium should continue to meet under its own auspices but on an informal basis.
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7. Proposals and Details

The Council is a member of the Yorkshire and Humber Regional Grid for Learning Consortium. The Grid was established, as the local part of a national initiative, by the regional Local Education Authorities in 2001 to provide Broadband connectivity to schools throughout the region. This task was completed by the mid- 2000s.

At its meeting on the 15th February 2013 the Yorkshire and Humber Regional Joint Committee commissioned a review of the Consortium. At that time the review was directed at examining the option of trying to engage with Academies to develop service provision regionally. However this ultimately proved to be unproductive. In light of this the review was tasked by the Consortium Advisory Board with the further consideration of the future of the Consortium accepting the principle of the need for change.

At its meeting on 18th September 2013 the Consortium Advisory Board accepted the recommendation that the Consortium be brought to an end in favour of an informal collaborative arrangement between the current members of the Consortium. For the reasons set out in this report the Board adopted a resolution recommending to member Authorities that the Joint Committee Agreement of 28th March 2007 be terminated.

The matter was then referred to the Joint Committee for endorsement prior to submission to individual member Authorities for their decisions. The decision whether to bring the Joint Committee Agreement to an end and hence also the Consortium being a matter for constituent member Authorities. At its meeting on the 31st January the Joint Committee endorsed the recommendation of the Consortium Advisory Board, and the future of the Consortium now stands referred to individual member authorities for their own decision.

The issue for consideration is whether the current structure of the Consortium is the best one for the changed circumstances in which it is operating.

At the time nationally there were ten regional broadband Consortia operating under a number of different legal structures. In Yorkshire and Humber 12 of the original 15 local education authorities signed the Joint Committee Agreement, which led to the delivery of regional broadband to their schools.

In practice this process was completed some years ago leaving the Consortium managing the regional strategy and connection to the National Education Network. In Yorkshire and Humber this was effectively operated through the YHGfL Foundation Ltd (company limited by guarantee owned and operated for the 12 LEAs).

With the abolition of direct funding for the project and the National Education Network the responsibility and funding for regional broadband was effectively passed to schools. In recent years pressure has increased to make savings and the Consortium has increasingly moved away from a joint purchasing model to one of individual authorities making direct arrangements with the Foundation. This calls into question the original purpose of the Joint Committee Agreement.

In addition the Membership costs of running the Consortium have been called into question. This covers the cost of running the Consortium, together with an element of commonly commissioned services from the Foundation. This currently consists of fixed membership fee of c£61,000 per Authority per year. This will be reduced to c£35,000 next year (2014/5). However the cost is no longer seen as proportionate to the underlying purpose of the Consortium, and it has been concluded that further reductions are required. The consequence of this is that maintaining the Consortium in the current form is no longer a viable option.

It was noted that whatever decision was eventually made its implementation could in practice not be before 1st April 2015.

Issues for Consideration

If the Consortium is to be wound up member Authorities will each need to decide to serve notice to withdraw from the Consortium. If sufficient member Authorities withdraw the Joint Committee Agreement will automatically terminate.

The termination of the Joint Committee Agreement will formally bring to an end the Consortium. For the Joint Committee Agreement to be terminated each Authority will have to agree to the proposed termination from a given specific date. In this case it is suggested that the termination should be effective from 1st April 2015.

Other Relevant factors

The Consortium does not employ any staff, nor are there staff within the Lead Authority employed principally in providing services to the Consortium, so there are no employment considerations in winding up the Consortium.

The Consortium does not own any property and any legal rights that it had in contracts were either transferred to the Foundation or expired when the contracts did some years ago- there being no current contracts.

With regard to the informal arrangements consideration will need to be given to exactly what form these should take and it is proposed that these should be further

discussed by the Consortium Advisory Board. It would then be open to each member Authority to decide whether to participate in the new structure.

Each member Authority would retain their relationship with the YHGfL Foundation as a service provider irrespective of any decision it may make with regard to the informal arrangements put in place to replace the Consortium.

8. Finance

Consortium membership currently consists of a fixed membership fee of c£61,000 per Authority per year. This will be reduced to c£35,000 next year (2014/5). Currently this cost is fully recharged to schools which take Rotherham Grid for Learning Services(RGfL).

If the Council determines to do nothing the present arrangements will continue if there remain sufficient members (two or more) by 1st April 2015. The Council would then be liable to pay the membership fee for that year. This in turn would be passed onto RGfL member schools.

9. Risks and Uncertainties

The risks and uncertainties linked to leaving the consortium are limited to the fact that there would be the loss of the regional approach to service development.

10. Policy and Performance Agenda Implications

There are no policy and performance implications associated to the recommended course of action.

11. Background Papers and Consultation

Reports of the Secretary to the Joint Committee to the YHGfL Regional Broadband Joint Committee for the meeting of the Consortium Advisory Board of 12th June 2013, and 18th September 2013.

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