

NORTH LINCOLNSHIRE COUNCIL

PEOPLE CABINET MEMBER

**THE FUTURE OF YORKSHIRE & HUMBER GRID FOR LEARNING REGIONAL
BROADBAND CONSORTIUM**

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To summarise the recommendations from the Yorkshire & Humber Grid for Learning Joint Committee on the termination of the Joint Committee Agreement of 28th March 2007
- 1.2 To seek approval from the Cabinet Member for North Lincolnshire Council to agree to the proposed termination of the Joint Committee Agreement and the Council's formal membership.

2. BACKGROUND INFORMATION

- 2.1 The Yorkshire and Humber Grid for Learning Regional Broadband Consortium was formally established in 2001 by the first joint Committee Agreement (now superseded) to deliver the then Governments regional broadband strategy for providing high speed connections to schools across the region.
- 2.2 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 authorities signed the Joint Committee Agreement, which led to the delivery of regional broadband to their schools.
- 2.3 High speed connections to our schools 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 LAs).
- 2.4 As part of education funding changes in recent years, there is no longer a specific grant for provision of schools broadband, with schools being responsible for ensuring appropriate broadband and access to the National Education Network in their schools. The consortium has therefore gradually moved from a joint

purchasing model to one of individual authorities making direct arrangements with the Foundation.

2.5 The ongoing running the Consortium together with an element of commonly commissioned services from the Foundation has been covered by a fixed membership fee of approximately £61,000 per Authority in 2013/14 and reduced to around £35,000 in for 2014/15. The changing nature of the services required from schools and local authorities mean that maintaining the Consortium in the current form is no longer a viable option.

2.6 The Council has maintained its membership and therefore access to YHGfL services in 2014/15 to support its schools in e-Safeguarding, technology developments in the classroom and information governance. The effectiveness of these services will be reviewed before re-contracting for 2015/16

2.7 North Lincolnshire Council made a strategic decision to terminate its connection to the YHGfL Grid from the 1st April 2014 in order to offers its schools a more commercially competitive broadband connection through its service to schools agreement.

2.8 The options considered by the Joint Committee for a Consortium structure are outlined in section 12 of the report in Appendix 1 and it was resolved that:

- i) the Joint Committee Agreement be terminated;
- and
- ii) the Consortium should continue to meet under its own auspices but on an informal basis.

2.9 At its meeting on 11th December of 2013 the YHGfL Joint Committee approved a resolution recommending to member Authorities that the Joint Committee Agreement of 28th March 2007 be terminated in line with the advice form the Consortium's Advisory Board of the 18th September 2013. The Joint Committee agreed at its meeting 31 January 2014 (Appendix 1) that each member authority would confirm their agreement to terminate the agreement.

3 OPTIONS FOR CONSIDERATION

Option 1

3.1 Approve the termination of the YHGfL Consortium and to give notice on North Lincolnshire Council's membership with effect from 1st April 2015.

4 ANALYSIS OF OPTIONS

Option 1 Terminate the YHGfL Consortium and North Lincolnshire Council's membership

- 4.1 The Consortium will cease to exist in any formal capacity from the 1st April, however informal collaborative working across the region will continue with potential benefits of cost savings from joint working and regional procurement.
- 4.2 Any money left in the Consortium budget will be distributed to the ex-members or passed to the YHGfL Foundation Ltd to support the delivery of its services.
- 4.3 No connectivity services to North Lincolnshire Schools will be affected and the existing and any future contracts to supply advice, training and support to schools on technology will not be affected by this decision.
- 4.4 The Consortium will likely terminate on the 1st April 2015 as all member authorities are being advised to approval termination of the agreement resulting in too few remaining members to sustain the agreement.
- 4.5 If the Consortium is not terminated by the withdrawal of a number of members the Council's remaining will be responsible for maintaining the agreement and any associated financial costs.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

- 5.1 Financial implications – The services currently provided by the consortium under the membership costs will be offered to schools or the local authority through individual service contracts.
- 5.2 Staffing implications – None
- 5.2 Property implications – None
- 5.3 IT implications – None

6. IMPLICATIONS FROM INTEGRATED IMPACT ASSESSMENT

Not Applicable

7. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

- 7.1 Consultation has been undertaken through the Foundation advisory board and Joint Committee.
- 7.2 No conflicts of interest declared.

8. RECOMMENDATIONS

- 8.1 That Cabinet Member approves the recommendation to terminate the YHGfL Consortium and the Council's membership with effect from the 1st April 2015

DIRECTOR OF PEOPLE

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Background Papers used in the preparation of this report:

Report of the Secretary to the Joint Committee on the Future of the Consortium 31st
January 2014 (Appendix 1)

APPENDIX 1

Report of the Secretary to the Joint Committee

Agenda item

YHGfL Regional Broadband Consortium Joint Committee

31st January 2014

Future of the Consortium

Introduction

1. At its meeting on the 15th February 2013 the Committee received a report the on-going review of the Consortium (Min No3/13). At that time the Consortium were examining the option of trying to engage with Academies to develop service provision.
2. In line with the decision of the Committee further engagement with academies across the region was sought. However at the March 2013 meeting of the Consortium Advisory Board I had to report that this had been unsuccessful, and that the prospects for engagement with the Independent State sector were at unlikely to be able to be developed in the immediate future (see CAB minute 03/13).
3. In light of this the Consortium Advisory Board at its meeting in June 2013 approved further consideration of the future of the Consortium accepting the principle of the need for change (see Minute No 05/13), and the issue was referred to the Commissioning and Monitoring Group for advice on the proposed nature of the Consortium arrangements going forward.
4. The Commissioning and Monitoring Group at its meeting on the 8th August 2013 recommended to the Consortium Advisory Board that the Consortium be brought to an end in favour of an informal collaborative arrangement between the current members of the Consortium.
5. For the reasons set out in this report a resolution recommending to member Authorities that the Joint Committee Agreement of 28th March 2007 be terminated was adopted at the Consortium's Advisory Board of the 18th September 2013 (see Minute No 08/13), and this Committee was asked to note the position.
6. In line with the request of the Consortium Advisory Board a common draft report to go to individual member Authorities decision makers was submitted and approved (see Minute no 14/13), and the details of proposals for future arrangements was referred back to the Commissioning and Monitoring Group for recommendations.
7. The issue for consideration was whether the current structure of the Consortium is the best one for the changed circumstances in which it is operating. Uniquely under the constitution of the Consortium the decision whether to continue the Joint Committee Agreement is not a matter for this Committee but for the individual member Authorities acting collectively. The matter therefore comes to this Committee for consultation and to note the position.

Background

8. The Consortium was formally established in 2001 by the first joint Committee Agreement (now superseded) to deliver the then Governments regional broadband strategy for providing high speed connections to schools across the region.
9. 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 lead to the delivery of regional broadband to their schools.
10. 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).
11. 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. There however remains the costs of running the Consortium together with an element of commonly commissioned services from the Foundation which takes the form 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). However the cost is no longer 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.
12. The options for consideration for a Consortium structure were (whilst maintaining the YHGfL Foundation Ltd as a service provider), to :-

- i) Terminate the Joint Committee Agreement and end the formal Consortium, but retain the some element of collaborative working, or
- ii) Maintain the status quo.

In the case of the first option the choices lay between

- i) reconstitute the Consortium as an informal arrangement or
- ii) reconstitute the Consortium within the Foundation under a shareholders agreement as a meeting of members of the Company, or
- iii) Have no meetings.

13. As will be seen from its minutes the recommendation of the Consortium Advisory Board is that-

the Joint Committee Agreement be terminated,
and
the Consortium should continue to meet under its own auspices but on an informal basis.

14. The Consortium Advisory Board, felt that although the Consortium retained value in itself, its form needed to be adjusted to meet the current circumstances in which it operates.

15. Of the available options the Consortium Advisory Board did not favour functioning within the Foundation structure under a shareholder agreement. This was partly because they acknowledged the difficulty in obtaining the consent of all the members of the Foundation (the original 12 members of the Consortium), but mainly because a good part of the value of the Consortium was its independence from the Foundation which might then be seen as lost
16. It was noted that whatever decision was eventually made its implementation could in practice not be before 1st April 2015.

Issues for Noting

17. If the Consortium is to be wound up member Authorities will need to take a number of actions.
18. The termination of the Joint Committee Agreement will formally bring to an end the Consortium.
 - a. For the Joint Committee Agreement to be terminated each Authority will have to agree to the proposed termination of from a given specific date.
 - b. In this case it is suggested that the termination should be effective from 1st April 2015.
 - c. Each Authority will therefore have to engage with its democratic processes under its constitution to make this decision.

Other Relevant factors

19. The Consortium does not employ any staff, nor are there any staff within the Lead Authority employed principally in providing services to the Consortium, so there are no employment considerations in winding up the Consortium.
20. 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.
21. Any surplus funds that remain within the Consortium accounts at the year end of 2014/15 can be either distributed upon termination to the member Authorities or passed to the Foundation as may be decided.
22. 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 decided whether to participate in the new structure.
23. 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.

Recommendation

24. That the Committee note the Consortium Advisory Board's recommendation of the 18th September with regard to the future of the Consortium and that therefore CAB min no 08/13 be endorsed to each member of the Consortium for action.

J.G. Hogg
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Documents referred to

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, 18th September 2013, and 11th December 2013.