

Report of: Head of IT Strategy, Architecture & Commissioning

Report to: Deputy Director – Children’s Services (Learning)

Date: 5th March 2015

Subject: Proposal for LCC to withdraw from the YHGfL Consortium

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of Main Issues

1. The YHGfL (Yorkshire & Humber Grid for Learning) Consortium was formally established in 2001 principally as an aggregated purchasing arm to deliver broadband services (but also other services) into schools across the region.
2. Leeds City Council (LCC) and the other Local Authority members currently pay a £35K subscription annually towards the costs of the Consortium under a Joint Committee Agreement.
3. The original outcomes have been achieved and therefore there is a potential financial overhead due to LCC and the other Local Authorities going forward with no benefits accruing that cannot be achieved through other means.
4. This report provides a brief update on the current position regarding the Consortium and seeks approval to withdraw from the Consortium in alignment with the other twelve Local Authority members.

Recommendations

The Deputy Director – Children’s Services (Learning) accepts the YHGfL Consortium Advisory Board’s recommendation with regard to the future of the Consortium and agrees that notice of withdrawal be served by Leeds City Council to the Secretary of the Joint Committee with an effective date of 1st April 2015. It should be noted that this decision to effectively bring the Consortium and the associated Joint Committee Agreement and Joint Committee to an end is conditional on the other Consortium members serving notice.

1 Purpose of this Report

- 1.1 To provide an update on the current state of the Yorkshire & Humber Grid for Learning (YHGfL) Consortium and seek approval to withdraw from the Consortium in alignment with the other twelve Local Authority members. This will also result in the termination of the associated Yorkshire & Humber Joint Committee agreement.

2 Background Information

- 2.1 Yorkshire & Humber Grid for Learning is Yorkshire & Humber's Regional Broadband Consortium (RBC). It consists of a Consortium of twelve Local Authorities, formed under a Joint Committee Agreement, which was established in 2001 by central government and the then Department for Education and Skills. Leeds City Council (LCC) is a member of the YHGfL Consortium.
- 2.2 The Consortium commissions work from YHGfL Foundation Ltd, a not-for-profit company limited by guarantee which is owned equally by the same twelve Local Authorities.
- 2.3 The 'Grid' was established to principally provide broadband connectivity into schools throughout the region but also other services too e.g. wider education network connectivity, regional IT strategy, e-safety provision, content development, content hosting etc. In practice the broadband connectivity aspect was completed some years ago leaving the Consortium effectively managing the regional strategy, e-safety and the connection to the National Education Network (NEN).
- 2.4 It should be noted however, that LCC independently provided connectivity into Leeds' schools through its own Leeds Learning Network (LLN) using separate arrangements.
- 2.5 At its meeting on the 15th February 2013, the Yorkshire & 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 aggregated service provision regionally. However this ultimately proved to be unproductive. In light of this, the review was tasked by the Consortium Advisory Board (CAB) with the further consideration of the future of the Consortium accepting the principle of the need for change.
- 2.6 At its meeting on 18th September 2013 the CAB 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. The Board also adopted a resolution recommending to member local authorities that the Joint Committee Agreement of 28th March 2007 also be terminated.
- 2.7 The matter was then referred to the Yorkshire & Humber 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 also the Consortium was made a matter for the member Authorities. At

its meeting on the 31st January 2014 the Joint Committee endorsed the recommendation of the CAB, and the future of the Consortium now stands referred to individual member authorities for their own decision.

3 Main Issues

- 3.1 At the outset there were ten regional broadband Consortia operating nationally under a number of different legal structures. In Yorkshire & Humber, twelve of the original fifteen Local Education Authorities signed the Joint Committee Agreement, which led to the delivery of regional broadband to their respective schools.
- 3.2 With the abolition of direct funding for the project and the NEN, the responsibility and funding for regional broadband was effectively passed to schools, giving schools significantly more choice and control over where they acquired solutions. In recent years, pressure has also 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 YHGfL Foundation. This called into question the original purpose of the Joint Committee Agreement.
- 3.3 In addition the membership costs of running the Consortium have been challenged. This covers the cost of running the Consortium, together with an element of commonly commissioned services from the YHGfL Foundation Ltd. This currently consists of a fixed membership fee of £35K per year. 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.
- 3.4 The CAB was of the view that although the Consortium retained value in itself, its form needed to be adjusted to meet the current circumstances in which it now operates.
- 3.5 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.
- 3.6 It was noted that whatever decision is eventually made, its implementation could in practice not be implemented before 1st April 2015 because the period following the 31st January 2014 Joint Committee endorsement of the CAB recommendation gave too little time for all the Councils to withdraw ahead of the 2014/15 financial year. Furthermore, the Consortium development programme for 2014/15 had already been defined and agreed.
- 3.7 If the Consortium is to be wound up, member local authorities will each need to decide to serve notice to withdraw. If only one member authority remains in the Consortium the Joint Committee Agreement will automatically terminate.
- 3.8 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.

- 3.9 All member authorities are in full agreement with this approach and are now seeking the relevant approvals to serve notice and a number have served notice already.
- 3.10 By serving notice to withdraw, the Council will have no further financial liability regardless of whether all other member authorities also service notice to withdraw.
- 3.11 YHGFL Foundation Ltd remains a company (limited by guarantee) wholly owned by and operated on behalf of 12 local authorities, including LCC and is able to continue to provide services both directly and through its trading arm ICT4Collaboration Ltd.

4 Corporate Considerations

4.1 Consultation and Engagement

The following members and officers have been consulted in terms of this report:

- Cllr Jane Dowson, Deputy Executive Board Member for Children's Services and YHGFL Joint Committee member.
- Cllr Lucinda Yeadon, Executive Member for Digital & Creative Technologies.
- Andrew McGlen, Learning Improvement Consultant, Children Services and YHGFL Consortium Member.
- Alan Gay, Deputy Chief Executive.
- Paul Brennan, Deputy Director (Learning) Children's Services.
- Dylan Roberts, CIO IT Services.
- Clare Walker, Head of IM&T, Children's Services.
- Mark Turnbull, Head of Service, Legal Services.
- Andrew Hodson, Head of Governance Services & Deputy Monitoring officer.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 There is no impact from an equality, diversity, cohesion or integration perspective because the services the Consortium has historically looked to aggregate can still be secured through YHGfL or by other means e.g. the council's ICT4Leeds service.
- 4.2.2 The Consortium does not employ any staff, neither are there staff within the lead authority (North Lincolnshire) employed in providing services to the Consortium. Therefore there are no employment considerations in winding up the Consortium.

4.3 Council Policies and City Priorities

4.3.1 The services provided by the Consortium have historically underpinned a range of policies, priorities and outcomes relating to education provision in the city e.g. connectivity and e-safety. Termination of the Consortium will not have a detrimental effect on this provision because these services can still be secured in a 'best value' way through the YHGfL Foundation or its trading arm ICT4Collaboration or ICT4Leeds or other options.

4.4 Resources and Value for Money

4.4.1 Financial savings of £35,000 per annum from 2015/16 subject to obtaining approval to serve notice of withdrawal from the Consortium effective from 1st April 2015. This saving will be used to offset significant pressures on the LCC 2015/16 budget.

4.4.2 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 by the Consortium prior to termination. It is likely that these funds will be minimal.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The Consortium does not own any property or have any legal rights or contracts and so there are no legal implications or liabilities due to LCC as a consequence of withdrawing from and consequently disbanding the Consortium.

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

4.5.3 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.

4.6 Risk Management

4.6.1 There is no consequence to service provision from this decision. The local authority and schools will still be able to purchase services as now and YHGfL remains a vehicle for joint working.

4.6.2 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.

5 Conclusions

5.1 In the present climate and in its current form, the YHGfL Consortium is deemed not 'fit for purpose' and the cost of sustaining it is not judged to be best value. Therefore, in line with the recommendation of the YHGfL CAB, it is proposed that

the Council withdraws from the Consortium and the associated Joint Committee and Joint Committee Agreement is consequently terminated.

6 Recommendations

- 6.1 The Deputy Director – Children’s Services (Learning) accepts the YHGfL Consortium Advisory Board’s recommendation with regard to the future of the Consortium and agrees that notice of withdrawal be served by Leeds City Council to the Secretary of the Joint Committee with an effective date of 1st April 2015. It should be noted that this decision to effectively bring the Consortium and the associated Joint Committee Agreement and Joint Committee to an end is conditional on the other Consortium members serving notice.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council’s website, unless they contain confidential or exempt information. The list of background documents does not include published works.