
Report of: Director of Corporate Services

To: Executive Board

Date: 9 February 2007

Subject: Design & Cost Report - Leeds Learning Network, Scheme no. 13376

<p>Electoral Wards Affected:</p> <p>City Wide</p>	<p>Specific Implications For:</p> <p>Equality and Diversity <input type="checkbox"/></p> <p>Community Cohesion <input type="checkbox"/></p> <p>Narrowing the Gap <input type="checkbox"/></p>
<p>Eligible for Call In <input type="checkbox"/></p>	<p>Not Eligible for Call In (Details contained in the report) <input type="checkbox"/></p>

Executive Summary

The purpose of this report is to approve a partially funded injection of £4.654k into the capital programme and give the authority to spend.

1.0 Purpose of this Report

To request approval to inject £4.6M into the capital programme in respect of the new contract for the provision of the Leeds Learning Network.

2.0 Background Information

Leeds Learning Network is a traded service provided to some 400+ connected sites and with over 100,000 users. The service has been operating since 2000 as a result of a European Procurement process with BT plc winning the contract to provide the managed service. The BT service reached the point where a replacement was required, for both contractual & technological reasons. The BT plc service contract was not suited to deliver the next generation service requirements capable of meeting the Government Education agenda and targets. The client base was also of the opinion that the supplier was not delivering a level of service capable of sustaining present or near future educational business requirements. The initial contract period with BT plc terminated in August 2005 but there was the option to extend the contract term within the original procurement. The contract extension option with BT was invoked to cover the final stages of procurement and the introduction of the new service.

3.0 Main Issues

Design Proposals / Scheme Description

The replacement service will provide as a base all the existing functionality with improved reliability and robustness, together with additional learning and teaching tools which will ensure that LCC has the capacity to meet Government ICT targets for education and the aspirations of the users of the system and continue to place Leeds at the forefront of educational excellence. Currently the service provides filtered email and Internet access for over 100,000 users, hosting of web sites both Intranet and Internet, access to commercial content and the National Education Network, along with design and consultancy services. The new service adds a Learning Platform, personal workspace and a greater range of communications tools allowing much greater mobility with a new infrastructure to host and support the applications.

Schools and Libraries have stressed the importance of resilience and reliability in order to provide a trusted service to their respective clients. The architecture of the new service is designed to meet these expectations with two server farms and resilient connectivity to the Internet and to the Council's wide area network

Consultations

Schools and Libraries have been consulted to ensure that the new service meets their requirements.

Programme

Work on the replacement network began in April 2006 and should be completed by June 2007.

4.0 Implications for Council Policy and Governance

Compliance with Council Policies

The new learning network will enable LLN to provide the infrastructure to deliver the requirements set out in the DfES E-Learning Strategy.

Community Safety

Not applicable.

5.0 Legal and Resource Implications

Scheme Design Estimate

The cost of the project to provide the new network and services is £7.4M This can be broken down as £4.6M for hardware/software and consultancy to create the new environment and a further £551k per annum to provide ongoing support.

Capital Funding and Cash Flow

DfES capital grant totaling £1.8M is available to fund the project, schools have contributed £241k and LLN has a traded surplus of £260k of which £196k will be available to offset the capital spend. This leaves a balance of £2.3M which it is proposed to fund through prudential borrowing. In 2007/08 further grant funding of £1.2M will become available and it is proposed to use this to repay some of the initial capital monies borrowed.

The income received from schools, Education Leeds, City Learning Centres, Pupil Referral Unit and Libraries is sufficient to cover the cost of borrowing and maintaining the network.

Prudential Borrowing allows LLN to charge a stable fee to its users over the 5 year period.

Expenditure required on this scheme	TOTAL £000's	TO MARCH 2006 £000's	FORECAST					
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 ON £000's	
LAND (1)	0.0							
CONSTRUCTION (3)	0.0							
FURN & EQPT (5)	1945.3		1861.1	84.2				
DESIGN FEES (6)	0.0							
OTHER COSTS (7)	2709.4		2709.4					
TOTALS	4654.7	0.0	4570.5	84.2	0.0	0.0	0.0	0.0

Total overall Funding Available	TOTAL £000's	TO MARCH 2006 £000's	FORECAST					
			2006/07 £000's	2007/08 £000's	2008/09 £000's	2009/10 £000's	2010 ON £000's	
Revenue Contribution	436.7		436.7					
Government Grant	2994.6		1836.8	1157.8				
Total Funding	3431.3	0.0	2273.5	1157.8	0.0	0.0	0.0	0.0
Unsupported Borrowing	1223.4	0.0	2297.0	-1073.6	0.0	0.0	0.0	0.0

Revenue Effects

The annual charge for the management of the new service is £551k and the estimated borrowing costs are £310k. This additional cost will be funded through income received from members of the Leeds Learning Network.

REVENUE EFFECTS	2006/07 £000's	2007/08 AND SUBSEQUENT YEARS £000'S
EMPLOYEES		
PREMISES COSTS		
SUPPLIES & SERVICES	551.0	551.0
BORROWING COSTS	310.0	310.0
EXTERNAL INCOME GENERATED	861.0	861.0

Risk Assessments

The new service is required to enable the client base to be able to benefit from a network capable of delivering current and future educational and business requirements. Continued commitment from Schools, Education Leeds and other 'clients' of the service is essential for sustainability and financial security.

6.0 Conclusions

The costs of borrowing and annual running costs can be met from the membership income received.

7.0 Recommendations

The Board is requested to approve the partially funded injection of £4.6M and give authority to spend.