

WILTSHIRE COUNCIL

**CABINET
26 JANUARY 2009**

THE SOUTH WEST GRID FOR LEARNING: DEED OF GUARANTEE

Cabinet Member: Councillor Lionel Grundy, Children's Services

Executive Summary

The purpose of this report is to seek Members approval to grant delegated powers of authority to the Director of Children and Education in consultation with the Cabinet member for Children's Services to be able sign the deed of guarantee between Wiltshire Council and the South West Grid for Learning (SWGfL). By doing so this will reduce financial risk upon the SWGfL prior to award of the new broadband managed service contract on 11 February 2010.

Proposal

That the Director of Children and Education is given delegated powers of authority in consultation with the Cabinet member for Children's Services to sign the Deed of Guarantee between Wiltshire Council and the South West Grid for Learning.

Reason for Proposal

To ensure that the Council is able to receive broadband connectivity and services for its Schools, Libraries, Youth and Development Centres through the South West Grid for Learning (SWGfL) and in turn take advantage of the reduced costs through an aggregated procurement.

**Carolyn Godfrey
Director of Children and Education**

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Purpose of Report

1. The purpose of this report is to seek Members approval to grant delegated powers of authority to the Director, Children and Education in consultation with the Cabinet member for Children's Services, to be able sign the deed of guarantee between Wiltshire Council and the SWGfL. By doing so this will reduce financial risk upon the SWGfL prior to award of the new broadband managed service contract on 11 February 2010.

Background

2. The SWGfL was set up in 2000, to provide a high quality broadband connection to all schools in the South West region. SWGfL is one of 15 Regional Broadband Consortia (RBC), and wholly owned by the 15 LAs in the South West. It is now a charitable trust.
3. Being part this group has given Wiltshire access to significant regional discounts when procuring ICT services for schools. If all schools purchased their own services, this would have been expensive and led to inconsistent levels of service.
4. The broadband services for schools were procured by SWGfL in 2000 for all 15 LAs and this contract was won by Research Machines (RM). All schools are now connected, as per the government's 2006 broadband targets.
5. In the South West, Somerset County Council became the lead authority, (ie the contracting LA and effective bank for the 15 LAs in the South West). Orders were placed from Wiltshire to Somerset and our schools were connected to the Internet.
6. Between 2002 and 2005 approximately 1000 orders had been placed and the liability on Somerset became too great. Therefore SWGfL became a Trust limited by Guarantee, and the 15 LA Directors of Children's Services were appointed as the Directors of the SWGfL. Carolyn Godfrey is a Director of SWGfL and is personally registered at Companies House. In addition to the Board of Directors, SWGfL operates a Trust Management Board (TMB), at which Ian Baker, ICT/E-Learning Adviser for Schools and Learning, represents Wiltshire. TMB reports to the Board of Directors.
7. As part of this change and the removal of liability from Somerset County Council, a Deed of Guarantee was signed by Wiltshire Council. All the other South West LAs also signed the guarantee. To help the SWGfL group function, the Deed of

Guarantee was set up between Somerset County Council, SWGfL, RM and each LA. This is a binding legal document and applies only to orders placed under that contract.

Main Considerations for the Council

8. SWGfL currently provides schools with a managed service which is due for renewal from September 2010. Since 2000 Research Machines (RM) have provided this service on behalf of SWGfL and the fifteen member Local Authorities in the region. The current contract ends in September 2010 and cannot be extended. A new contract is being tendered and will be awarded on 11 February 2010. Prior to the contract's award a Deed of Guarantee needs to be signed by each participating Council which offsets the financial liability from the SWGfL to each of the participating Councils. The liability for each Council is for the amount it has contracted for that year's worth of service.
9. The Directors of Children's Services across the region (who make up the SWGfL Trust Board of Directors) have commissioned SWGfL to re-engage with the marketplace to ensure that any future managed service solution provides choice, flexibility, value for money and quality of service, in partnership with market leaders.
10. To that effect a number of organisations are currently submitting competitive proposals through a European Tender in order that SWGfL can establish the partner best placed to work with SWGfL to provide future service delivery.
11. SWGfL has now reached a point where the re-specification and planning process for the next eight years can take place. SWGfL is confident that this will ensure the evolution and development of the service continues to meet changing needs, whilst challenging the marketplace to find the best partners with whom to work. The new contract will ensure the services to schools remains relevant and appropriate, service recipients will have the ability to select from a menu of services over and above a core offering incorporating connectivity, resilience and e-safety.
12. A deed of guarantee was signed by Wiltshire Council and the SWGfL in 2006 that allowed the SWGfL to function as a business and not carry the full liability of all the Councils for their connectivity and service costs. The guarantee ensures that each of the 15 Councils is responsible for costs associated with its schools and associated establishments (eg Libraries and Youth and Development centres). This is a binding legal document and applies only to orders placed under that contract.
13. Not all services must be provided to all Councils for the full contract period, rather that the Councils have access to these services should they wish to take them for that eight year period. SWGfL anticipates that most, if not all, LAs will want to continue to receive the benefits of the aggregated service and pricing.

Environmental Impact of the Proposal

14. None

Equalities Impact of the Proposal

15. None

Risk Assessment

16. The impact of the managed service on schools in the south west is considerable. Currently over 1700 schools and other establishments receive a full service from SWGfL. If no contract is awarded, each LA in the SWGfL, including Wiltshire, would need to consider how equivalent services could be provided before the existing contract expires on 31 August 2010, or risk loss of connectivity and services to all Schools, Libraries and Youth and Development Centers. As services of this nature with a value in excess of £140,000 need to be formally advertised and tendered through OJEU, this would be extremely difficult, in addition to being more costly and less cost effective than taking a regional aggregated approach.

Financial Implications

17. The annual charge to Wiltshire for all services (Schools, Libraries, Youth and Development Centres) is approximately £1,860,000. It is expected that an approximate saving of 10% of the annual running costs will be achieved through this re-procurement. The funding of the service will come from the schools using the contract.

Legal Implications

18. The Deed of Guarantee needs to be signed by all 15 members of the SWGfL before 11 February 2010. Failure to do so will negate the possibility of SWGfL awarding the contract and will adversely affect all Councils and their Local Authorities in the South West.

Options Considered

19. The Department for Children Schools and Families (DCSF), through the British Education Computing and Technology Agency (BECTA) states that all Local Authorities must use RBC to procure broadband connectivity. If an LA chooses not to take this route then a case must be made to the DCSF stating why, along with a mandate to do so from its schools. This option exists for Wiltshire, though the costs of re-procuring a similar service would be costly and unlikely to be bettered. There has been no indication from schools that this is an option to consider.

Conclusions

20. To give delegated powers of authority to the Director, Children and Education in consultation with the Cabinet member for Children's Services to be able to sign the Deed of Guarantee between Wiltshire LA and the SWGfL.

Carolyn Godfrey
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Background Papers

None

Appendices

None
