



Walsall Council

Walsall Children's Services

Report to: Schools Forum

Date: 15 June 2010

Subject: Harnessing Technology Grant

Contact: Stephen Read (Stephen.read@walsallcs.serco.com)

Purpose of the report: To provide further detail on the proposed allocation of Harnessing Technology grant 2010-11

Recommendation: To support the allocation of funding for the replacement of internet circuits to schools

At the previous schools forum meeting on 2 March 2010, further information was requested on the projects proposed for school circuits and the Becta Self Review Framework plus the use of the element of the grant retained by the authority.

Internet circuits to schools

With the increased use of the internet, a number of schools have asked for increased connectivity and this is one of the key spending priorities for the grant in the guidance.

The current Walsall Grid for Learning agreements with schools are a traded service and the charges to schools contribute to the annual running costs but do not meet any of the capital costs such as the replacement of physical connections.

Following consultation with schools, the need identified was for 17 secondary schools to have the potential for 100mb plus a backup connection and 58 primary, special and nursery schools to have the potential for 10mb. In each case, the actual speed would be limited initially (to 20mb \ 2mb as appropriate) with the ability to increase to the maximum bandwidth with minimal financial and technical implications as required.

Following the meeting in March, a procurement exercise has been undertaken through the Office of Government Commerce (OGC) frameworks through Walsall Council ICT following Walsall Council financial rules and procedures. This resulted in 4 tenders with costs of between £750k and £1.2million for the expected 3 year life of the contract which will be split between a capital element that can be funded from Harnessing Technology and a revenue element which will need to be met from schools budgets.

Some funding has already been committed from previous years Harnessing Technology funding (08-09 - £127k / 09-10 - £140k). The request for an additional £240k is therefore linked to the need to minimise contributions from schools budgets.

As the procurement exercise is currently underway, it is not possible at the time of writing to provide final figures although all suppliers are requesting 3 year contracts.

Schools should also be aware that should the Harnessing Technology grant be removed for future funding years, costs to individual schools are likely to change. Work is already underway to reduce ongoing costs where possible, including contracting for longer periods to match the spending review.

Recommendation

Schools forum is therefore requested to agree the project funding with the principle to maximise capital spending where possible and that:

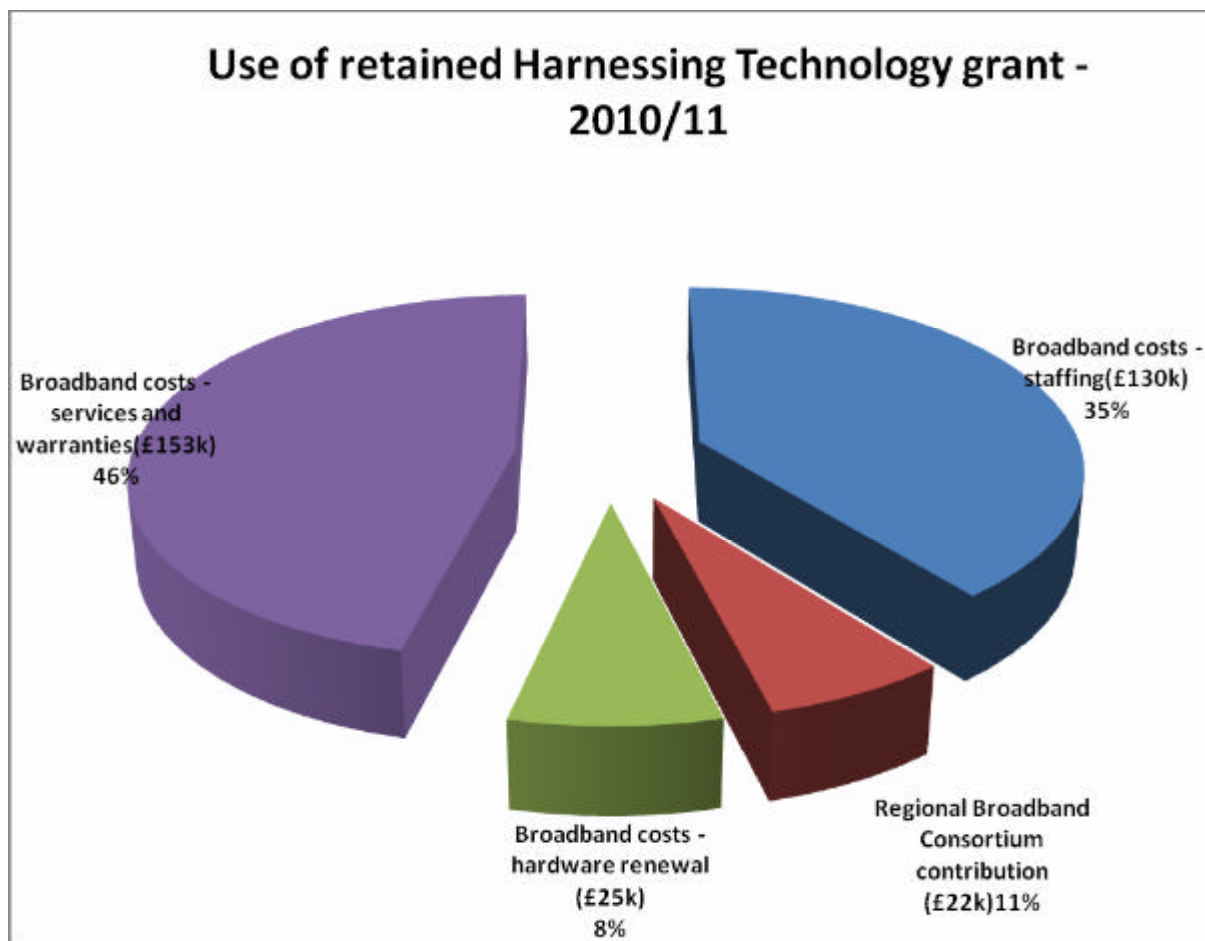
- Any unspent funding will be returned to schools and distributed as per the previously agreed formulas for 2010-11
- Should the allocated project funding be insufficient, then priorities be agreed as to whether elements are removed such as the backup link for secondaries or fund this through revenue budgets or to look to 'cluster' adjoining schools where possible, subject to all schools receiving the same level of service

Becta Self-Review Framework

Following the recent change of government and policy changes, this proposal for project funding is now withdrawn.

Use of retained grant

As part of the overall funding guidance, local authorities are able to retain up to 25 per cent of the overall grant centrally to undertake collaborative purchasing on behalf of all schools where improved value for money can be achieved, including the provision of broadband through regional broadband consortia or their approved suppliers.



The current Walsall Grid for Learning agreements with schools are a traded service and do not form part of the Serco contract. Charges to schools contribute to the annual running costs but do not meet any of the capital costs such as the replacement of physical connections.

Over the previous 12 months, we have looked to reduce costs wherever possible and ensure that value for money is sought on all contracts, including benchmarking with other local authorities and commercial organisations providing comparative services. We have also sought to fix costs as capital wherever possible rather than increasing annual costs to schools.

The following summaries are provided for each element of the above chart:

Broadband costs – services and warranties

- This is the contracts with providers such as Janet for the actual core internet traffic, plus warranties for the hardware that this equipment is dependent on such as network switches, routers etc. In addition, all schools are currently charged at the same rate dependent on phase. These costs do not reflect those charged by the telecoms suppliers which are related to physical location. In addition, a number of increases in costs have been passed on by suppliers early in 2010 due to the lack of ongoing contracts due to the projects described elsewhere in this paper and this has been funded from this element of retention rather than directly passed onto schools.

Broadband costs – staffing

- This cost is for the staff providing the direct support for schools around the Walsall Grid for Learning and supporting projects such as the upgrading of individual circuits to schools. In addition, there is a further requirement for staff to administer the service level agreement, manage suppliers and provide key performance indicator information where required.

Regional Broadband Consortium (RBC) contribution

- As part of the guidance, there is a requirement to be a member of WMNet as our RBC and this is the cost of this membership which does also provide a number of resources available to schools to use, primarily around curriculum and e-safety

Broadband costs – hardware renewal

- This budget is used to renew and upgrade equipment on industry-standard timescales and to take into account the upgrades in usage from schools and technology.