

Bath & North East Somerset Council

DECISION MAKER:	Cllr Chris Watt, Cabinet Member for Children's Services		
DECISION DATE:	On or after 19 March 2011	EXECUTIVE FORWARD PLAN REFERENCE:	
		E	2246
TITLE:	South West Grid for Learning – Amended Articles of Association		
WARD:	All		
AN OPEN PUBLIC ITEM			
List of attachments to this report:			
Appendix 1: Comparison of Revised Articles with existing Articles			
Appendix 2: Revised Articles with commentary regarding reasons for change.			

1 THE ISSUE

1.1 The Council is a member of the South West Grid for Learning which provides broadband connectivity and related services to all maintained Schools in the South West region (as a Regional Broadband Consortium). The SWGfL is proposing to change its Articles of Association which requires the endorsement of each member Local Authority.

2 RECOMMENDATION

The Cabinet Member is asked to agree the revised Articles of Association of the South West Grid for Learning and to delegate to the Strategic Director for Children's Services any actions required to implement the changes on behalf of Bath and North East Somerset Council in its role as a member of the South West Grid for Learning (SWGfL).

3 FINANCIAL IMPLICATIONS

- 3.1 The LA will be required to contribute a membership fee at a flat rate of £25,000 per annum. This will be reviewed in 2012-13 to determine if it is still required and if so, at what rate. Any change to the amount will have to be agreed by the Board of Trustees and members at the Annual General Meeting.
- 3.2 The cost of the Broadband connectivity and this membership fee is met from within the Dedicated Schools Grant and there is no call on the core budget of the Council.

4 CORPORATE PRIORITIES

- Building communities where people feel safe and secure
- Improving life chances of disadvantaged teenagers and young people
- Improving school buildings
- Sustainable growth

5 THE REPORT

- 5.1 In July 2004 the then Executive Member for Education agreed on behalf of the Council to become a partner in the SWGfL and to establish the SWGfL as a Trust and Charity to deliver broadband connectivity and related services to all state schools in the South West of England region.
- 5.2 A Regional Broadband Consortium had been established earlier with Somerset County Council acting as 'lead LEA'. However by 2004 Somerset County Council was unwilling to continue to carry the liability associated with employment and assets as the RBC expanded to meet requirements set by Government and demand for services from Schools. Thus, agreement was reached to establish a company limited by guarantee and not having a Share Capital. The company was also registered as a charity with charitable objects related to the advancement of education across the South West.
- 5.3 The previous Government had provided substantial investment in to ICT hardware and infrastructure both directly to Schools and Local Authorities, the latter via the Harnessing Technology Grant specifically to secure broadband connectivity and to meet the servicing/provision costs of this. All Local Authorities contributed the majority of the HT Grant to the SWGfL for the commissioning, procurement, delivery and development of broadband connectivity and related ICT developments.
- 5.4 In 2008 indications began to emerge that Government intended to phase out some elements of the HT Grant and the SWGfL Board (composed of all 16 DCSs across the South West) commissioned a strategic options review.
- 5.5 The review concluded that the SWGfL had to fundamentally restructure its service delivery, operations and governance so that it was no longer solely reliant on income via Government Grant, it improved its focus upon customers (Schools) and was positioned to respond to market changes and opportunities.

5.6 During 2009/2010 the SWGfL led a complete re-tendering process for the delivery of broadband services on behalf of the 16 South West LA's and Schools. This process was carried out under the OJEU procedures and was successfully completed in mid 2010. This has delivered substantial savings for schools and LA's and has provided a foundation to change the funding model for the SWGfL.

This work has proved timely as the incoming Government announced an 'in-year' cut in the HT Grant and its termination from 1st April 2011.

5.7 From April 2011 the central costs of the SWGfL will be met through a charge to Schools for connectivity with LA's paying a small 'flat rate' membership fee of £25,000 per annum. The SWGfL has re-structured to substantially reduce its overheads and costs of operation.

5.8 Also during 2010 a parallel Governance Review has been carried out with a view to improving the Governance Structure, enabling the SWGfL to become more agile and responsive and improving the skills set of Trustees to reflect the new external business and educational context within which the SWGfL now operates. The proposals would also allow the Board of Trustees to enable the Chief Executive to become a Trustee and therefore vary the Articles re payment of Trustees to facilitate this.

5.9 This has led to recommended changes to the Articles of Association which have been developed by a special Governance Review Group and endorsed by the Board of Trustees.

The SWGfL has now requested that all LA's as members of the SWGfL endorse these proposed changes so that the necessary submissions can be made to the Charities Commission and to Companies House.

All LA's have therefore been asked to initiate their local decision – making procedure to endorse the proposed changes.

5.10 The Strategic Director of Children's Services has overseen local input into this process and has sought support from relevant local officers including from Legal Services. The proposed amendments have been agreed by officers as appropriate.

6 RISK MANAGEMENT

6.1 The report author and Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance.

7 EQUALITIES

7.1 Not required as these are changes to Articles of Association for a company limited by guarantee.

8 RATIONALE

8.1 Following changes to the Government funding system and the re-tendering of broadband connectivity the SWGfL needs to be in a position to respond quickly to market changes to discharge its charitable objects. The proposed changes to the Articles of Association will enable this to be put in place.

9 OTHER OPTIONS CONSIDERED

9.1 None.

10 CONSULTATION

10.1 Other B&NES Services; Stakeholders/Partners; Other Public Sector Bodies; Section 151 Finance Officer; Chief Executive; Monitoring Officer

10.2 Consultation took place through circulation of reports and appendices/relevant documents.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Social Inclusion; Customer Focus; Sustainability; Young People; Human Rights

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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Background papers	
Please contact the report author if you need to access this report in an alternative format	