

Meeting of the Cabinet – 5th December 2013

Report of the Director of Children’s Services

Dudley Grid for Learning 3, project mid-point review

Purpose of Report

1. To consider the current position regarding Dudley Grid for Learning 3.

Background

2. The Dudley Grid for Learning 3 (DGFL3) project provides a managed ICT infrastructure to 106 schools in the borough. DGfL3 builds on the success of DGfL2 and DGfL1 which commenced in 1998. Up to this point DGfL has been a co-funded initiative drawing on PFI credits. Central government withdrew these credits in 2010. This decision was successfully challenged through a Judicial Review which required the Government to undertake consultation. The Government has now completed this consultation and confirmed its previous decision.
3. DGfL3 is delivered by RM PLC which was awarded the contract after a formal procurement process. At the point of agreeing the new DGfL3 10 year contract the risk to the PFI credits was known. Hence, this contract was amended to include an opportunity to ‘in good faith’ renegotiate elements of delivery and the value of the contract at the 5 year point – January 31st 2016.

4. **Changes at the mid point review**

The need to review the DGfL3 offer arises from two key factors:

- The cessation of the PFI credit funding requires that core provisions of DGfL3 be revisited in order to ensure the project is able to deploy appropriately the available funding over the lifetime of the contract.
- Clear feedback from schools indicates that they desire the flexibility to receive from the service, provisions which meet their individual needs in a more bespoke manner.

5. **Arising from these changes:**

- Schools need to be made aware of the PFI Judicial Review outcome and consultation needs to commence to inform the new flexible provisions to be made available for the second five years of the existing contract
- The local authority client team will work closely with RM PLC to define the new offer and ensure appropriate contract Key Performance Indicators properly support its delivery
- Maintaining oversight during this period of change the DGfL3 Executive Steering Board will be re-convened in April 2014 to ensure senior leaders within the local authority have knowledge of and opportunity to feed into these developments. The existing DGfL3 Steering Board will continue to be the vehicle through which school consultation and dialogue will be garnered.
- In response to the schools budgetary timetable the new offer will be presented to schools in Autumn 2014 in preparation for delivery from 1st Feb 2016.

Legal

6. The contract for a private sector partner to provide a managed ICT service for schools is being let in full compliance with the Council's Standing Orders and the relevant National and European Union regulations.
7. Section 111 of the Local Government Act 1972 empowers the Council to do anything which is calculated to facilitate, or is conducive or incidental to the discharge of its functions.

Finance

8. PFI credits were paid to the Council as an unringfenced specific grant and the outstanding balance is held as a reserve (£9.284m at 31st March 2013 and forecast £4.256m at 31st January 2016). This reserve is earmarked within the Council's Medium Term Financial Strategy to support the DGfL project.

Equality Impact

9. This report takes into account the Council's Equality and Diversity Policy.

Recommendation

10. The Cabinet is recommended to note the current position and approve the actions summarised in paragraph 5 above.



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Director of Children's Services

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