

EASTNET UPDATE REPORT

To: Cambridgeshire Schools Forum

Date: 14th December 2018

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Purpose: To provide an update on the implementation of the EastNet Broadband contract from April 2019.

Recommendation:

Schools Forum are asked to:

- a) Agree that the previously approved 19/20 retained £1.458m be used to pay for Year 1 of the EastNet contract in 2019/20.**
- b) Approve the proposal to request a continuation of current funding arrangements from the Education and Skills Funding Agency (ESFA) from 2020 onwards.**
- c) Note the potential risks for future years.**

1. BACKGROUND

- 1.1 As previously highlighted to Schools Forum, you will be aware MLL Telecom, a leading provider of secure managed network services for the UK public sector, has been awarded the EastNet contract to deliver a new Wide Area Network (WAN) solution and centralised services to Cambridgeshire County Council and the wider community served by EastNet. The new network framework, which will be effective for six years, will replace the legacy Cambridge Public Services Network (CPSN) Partnership. MLL Telecom aims to migrate all school sites in a phased approach to ensure the transition is completed effectively with minimal service disruption by December 2019.
- 1.2 Schools Forum have previously approved the £1.458m annual revenue contribution for CPSN as part of the Central Schools Services Block (CSSB) until the end of 2019. As previously reported these arrangements are only permitted for existing contracts entered into prior to April 2013 and as such we are currently exploring mechanisms as to how this will operate in future to minimise both risk and unnecessary administration costs.
- 1.3 The current pooled arrangement provides equity across Cambridgeshire schools and we believe a continuation of such an arrangement within the new contract will

not only result in a significantly improved service, but will continue to deliver value for money compared to other providers.

2.0 EastNet Update

- 2.1 Previous work on EastNet has been based around two options, both options present different technical solutions and would therefore impact the price schools pay. These technical options are based around the security, filtering and internet access (Core) of the education network either being in the national datacentres or within the Cambridgeshire County Council (CCC) datacentre. Having reviewed these options, we feel the national datacentre option pushes school finances to a point where EastNet would not be financially viable as it would result in considerable additional costs over the initial 3 years.
- 2.2 The proposals below are therefore focused on a solution based around the Core being housed within the CCC datacentre. It should be noted we have not considered any future project where there may be a requirement to move out of the current datacentre, at this time it is not clear to us if the CCC datacentre, attached to the back of Shire Hall will move, or when.
- 2.3 As part of the overarching project there has been agreement for CCC to cover the following as part of the transition and exit costs:
- CPSN Circuit rental post March 2019 until each school's migration date - £729k. (current estimate) - MLL are currently working on an updated model based on what they expect the actual migration dates to be.
 - CPSN Exit - £200k. (current estimate)
 - EastNet Circuit Install - £740k - this covers all school circuit installs.
- 2.4 Further to this there is significant investment of circa £2m by CityFibre to support the continued rollout of full fibre connectivity and maximise the benefits for the wider community. In order for this infrastructure investment to be undertaken within the next 12 months it is imperative that schools in the CityFibre area sign up to the EastNet contract as soon as possible.

3.0 Impact for Schools

- 3.1 The proposed solution, will provide a fully working, serviceable and affordable solution for all schools up to 20Gbps of internet traffic. This includes firewalling, web filtering, Anti-Virus, Janet internet connections, management both of the project and the 3-year service management, E2BN and Legal fees. The local school access circuits will be a mix of 100Mbps and 200Mbps for primary, Nursery and special schools. For secondary schools, a 1000Mbps connection will be provided. The flexibility available in the design for both the core network and access circuits means schools could increase their bandwidth without the need for an expensive dig or additional fibre installations.
- 3.2 All schools will benefit from a wide range of safety, security, support, performance, and service level guarantees by opting for the Eastnet broadband solution. For example:
- Central Firewalling and Security infrastructure
 - Janet Internet connectivity. Adding further security to your network and Internet connection.
 - 1:1 connection via fibre.

- Built in ability to control access between school sites making sharing of data and services easy.
- No additional costs for fibre installation, it's all taken care of, guaranteed.
- Fully project managed process of migration.
- Standard web filtering for staff and students both in school and when off the network.
- Full antivirus protection licenses.
- Easy upgrade options for Primary, Nursery and Special Schools will receive a minimum of a 100Mbps connection.
- Secondary Schools will receive a 1000Mbps connection.

3.3 If schools as a whole need to expand beyond 20Gbps internet traffic during the initial 3-year period then a technical redesign of the core and finance model will be required. This could have significant capital costs which would need to be financed by schools.

3.4 The aim has been to keep the costs for EastNet as close as possible to the existing retained funding for CPSN of £1,458,540. Based on the latest design the equalised cost to schools per year for a 3-year contract is £1,459,819, including investment required to significantly improve the current infrastructure. Throughout this project there are timing and finance phasing issues due to when a school moves from one network to another and, when a supplier would need capital costs paid. With this in mind, the figures provided are equalised over the 3 years.

3.5 The main financial risk with this approach is that under ESFA legislation the LA will no longer be able to centrally retain the £1.458m beyond 2019/20, and as such funding will need to be delegated to individual schools budgets from 2020/21 and then recovered as a charge. Therefore if not all schools sign up to EastNet the model will not be financially viable.

3.6 A further risk is that it is still not clear how funding recycled into other funding blocks, i.e. If funding is moved between blocks is there a danger it will be "lost" at the point hard funding rates are introduced in future years? Or as a result of the expectation that other historic commitments will reduce?

3.7 In response to this it is proposed that with Schools Forum approval a case is put to the ESFA to continue with the existing retained funding arrangements for 2020/21 and 2021/22.

3.8 Summary of risks to be aware of:

- This model only works if all schools sign up to EastNet
- If all schools don't sign up, how is the shortfall covered, and by whom?
- If around 50% of the schools decided not to sign up for EastNet then a redesign would be required with a view to reducing costs.
- Future arrangements may require funding to be delegated to and charged at individual school level. The intention would be to make this cost neutral to individual schools.
- If current central funding is removed this will result in an additional cost for all schools. Please note: This would be no different as to if there was no central funding held. i.e. it would be a cost to individual schools now if the existing arrangements were not already in place.

4.0 Next Steps

- 4.1 Subject to approval from Schools Forum the LA will contact the ESFA to request a continuation of current funding arrangements until 2022. Should this request not be approved the mechanism for delegation of the retained funding from 2020/21 will need to be agreed and sign-up from individual schools sought.
- 4.2 Communication providing an update to all schools will be circulated early in the new year.

Source Documents	Location
<i>None</i>	