

EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Digital and Customer Services

LEAD OFFICERS: Strategic Director of Resources (SIRO)

DATE: Thursday, 8 July 2021

PORTFOLIO(S) AFFECTED: Digital and Customer Services

WARD/S AFFECTED: (All Wards);

KEY DECISION: Y

SUBJECT:

Digitally Connected - Microsoft 365 and Unified Comms

1. EXECUTIVE SUMMARY

This report seeks approval to upgrade the Council's Microsoft licences from E3 licences to M365 E5 licences and to introduce a new Unified Communications telephony solution from June 2022.

2. RECOMMENDATIONS

That the Executive Board:

Further to the Capital Programme at Finance Council in March 2021, the Executive Board is asked to approve the reallocation of £625,000 from the earmarked ICT Capital Reserves to fund the programme.

Approves the potential revenue increase to the portfolio as detailed below;

2022/23 Financial year - £178,000

2023/24 Financial year - £274,000

2024/25 Financial year - £330,000

2025/26 Financial year onwards - £345,000

3. BACKGROUND

The Council previously entered into a 3 year agreement for Office 365 licences in 2019 with a capital investment of £43k this was to move emails to the cloud hosted solution which was completed, this agreement is due to expire in June 2022. The Council is currently signed up to Microsoft E3 licences which gives the Council access to core Microsoft products but does not include the full suite of products that are available.

Over the last twelve months the Council was well placed due to technology previously deployed to adapt and change ways of working with the following being achieved;

- Microsoft Teams has allowed us to collaborate like never before with over 50k Teams meetings with video, 500k chats, documents in shared safe & secure working, dedicated project spaces
- We use Microsoft Teams Live for public meetings and consultation providing online access to citizens and businesses
- We use M365 tools such as the bookings app, to book Covid tests, briefings and internal appointments
- We use M365 apps to enable lone workers check in at locations and to book desks in Covid secure environments

- M365 forms allow us to collect internal information quickly and without burdensome administration such as tracking equipment, contact information, and daily checklists. We've also been able to run survey polls and receive instant feedback
- Microsoft SharePoint allows us to collaborate with our external network, such as local election information, and FOI requests

Whilst it was envisaged that a move to more enhanced licencing (M365 E5) would be required, as a result of the pandemic the Council's operating model and reliance on technology has changed significantly and as a result there will be a requirement to access the full capability of the Microsoft toolset including Business Intelligence capabilities and external sharing/collaboration with multiple agencies.

The transition of telephony from Skype to Teams is being accelerated due to the age and instability of the legacy platform. The current telephony solution runs across 6 separate systems which is complex and problematic when issues arise. The proposal is to have a Unified Communications solution which will offer a consistent set of products to manage all of the Council's requirements. The current licence model restricts the ability to fully deploy the required benefits available across the Council in a post pandemic environment.

To support current and future ways of working and to enhance the current security arrangements it is now necessary to upgrade to an improved licence model from the next renewal date of June 2022. Amongst other features the new licence package will enable the Council to benefit from the following features;

- Microsoft Teams Full Package including instant messaging, call functionality, voicemail, audio and video conferencing
- Enhanced analytics capability
- Identity and Access Management - enhanced control, including the ability to detect security vulnerabilities
- Advanced Threat Protection - providing addition protection for files, emails and outlook applications, real time checks of web links and use of machine learning to identify trends.
- Advanced Information/Data Governance with auto classification and labelling – includes scanning content to apply the appropriate governance protocols to data.
- Enhanced Cloud Security
- Additional support for secure external sharing
- Access to Microsoft Office online
- Microsoft translator service

The department will execute the new agreement for licences with Phoenix Software Limited through the KCS framework with the supplier providing the licences at cost.

The Executive Board approved the Council's Digital Strategy for 2021 to 2024 in April 2021 which sets out the vision of enabling digitisation across the borough for our people, creating the conditions for a high performing Council organisation and providing the best experience to our customers. Digital transformation is a cornerstone of national and local government modernisation, particularly in the context of economic development and recovery. During the course of the last few years, the Council has progressively upgraded a number of core systems, which have been moved to the cloud. Our remaining digital foundations now require modernisation to enable the Council to collaborate and communicate more effectively internally and with partners. This will provide a platform for ongoing modernisation, enabling increased ability to collaborate and integrate across partnership boundaries into the medium to long term. Furthermore it will strengthen organisational resilience and minimise business continuity risks. This proposal meets 11 of the 17 strategic aims from the previously approved Digital Strategy.

As part of the project the team will ensure user adoption and enable the transformation within the Council by engaging with departments as follows;

- A digital declaration with each directorate with a traffic light action plan
- Working with our users to understand the way they work and how these tools will digitise and improve the way they work
- In conjunction with Business Operations teams, support the changes needed in directorates
- Help user adoption through coaching support and bite size online skills development
- KPI dashboards of directorate use of the tools, signposting where greater intervention is needed

4. KEY ISSUES & RISKS

The current on premise telephone system is end of support which would require capital investment to maintain it or a new system to replace it.

The Council uses an older version of Microsoft office (2016), should the Council want to move to a later version on-premise then a Capital of investment of £600k+ would be required. Even if this did occur. the Council would have to move to the Cloud offering before 2026.

Microsoft currently have a ramp up offer available for organisations moving to the M365 licence model which is discounted for the first two years of the agreement which is unlikely to be available in the future.

BwD BC's current license model for Teams allows internal use only for telephony, we are still utilising Skype for all external calling so need to move to one platform which could create efficiencies and reduce confusion amongst the workforce around functionality options.

There are currently too many ways of contacting staff internally and due to the lack of a seamless cohesion of communication solutions it means you can have multiple calls ringing in across the various platforms, this is something our staff want simplifying.

Purchasing licences separately for Microsoft products is prohibitively expensive. The new agreement bundles all required licences together giving the Council the full benefit of the Microsoft suite with the minimum of costs.

5. POLICY IMPLICATIONS

The project will enable the Council to harness the opportunities that digital offers to drive improvement across services and staff experience. It will unlock further potential efficiencies within our workforce by giving them the right tools, systems and skills to drive change. Decisions will be increasingly driven by high quality data.

6. FINANCIAL IMPLICATIONS

Capital Costs for the solution will be funded through ICT Capital reserves as outlined below;

Area	
Third Party Capital Costs	£219,700
Internal ICT staff time	£402,500
Total	£624,950

By entering into the agreement it will save the Council having to make a capital investment of £600k+ for new Office licences in the future as well as investment to replace the current phone system.

Revenue Costs

The below table demonstrates the budget increase needed after accounting for the new licences required for the project and the confirmed savings against current costs. The costs are for years of the licence agreement starting on the 1st July 2022.

Area	Yr1	Yr2	Yr3	Yr4
New licences	£522,950	£572,380	£630,109	£630,109
Unified Comms costs	£155,000	£155,000	£155,000	£155,000
Existing Systems Cost	-£390,319	-£390,319	-£390,319	-£390,319
Business Ops reduction	-£50,262	-£50,262	-£50,262	-£50,262
	£237,369	£286,799	£344,528	£344,528

There is the potential for further savings to be made however these cannot be guaranteed, as the project progresses the department will work to see if these savings can be realised and if this is the case then the budget increase requested will be reduced accordingly.

By implementing the new solution there will be an element of cost avoidance that will occur totalling £163k per annum. This would be to purchase individual elements of licences from Microsoft for business analytics & reporting, basic phone system and limited security enhancements which would be required as a minimum if we did not enter into the agreement.

7. LEGAL IMPLICATIONS

The procurement process shall be in accordance with the Public Contracts Regulations 2015 and the Council's Contract Procurement Procedure Rules.

All contracts will be in a form approved by legal officers in the Commissioning and Procurement team.

8. RESOURCE IMPLICATIONS

There will be considerable IT resource required to deliver the project which has been factored into future staffing plans.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below.

Option 1 ☒ Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 ☐ In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

Option 3 ☐ In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision.

10. CONSULTATIONS

Consultations have already commenced with areas of the Council.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

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DATE:	17/06/2021
BACKGROUND PAPER:	Digital Strategy – Exec Board April 2021