



CABINET – 12TH JUNE 2019

SUBJECT: PRINCIPLES ON IMPLEMENTATION OF MICROSOFT OFFICE 365

REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES

- 1.1 The attached report, which outlined the principles on implementation of the Office 365 solution for Caerphilly County Borough Council, was considered by the Policy and Resources Scrutiny Committee on 28th May 2019, ahead of its presentation to Cabinet.
- 1.2 Members were advised that in line with the Council's Customer and Digital Strategy, the Authority has been investigating the implementation of the latest version of the Microsoft Office 365 (O365) suite of tools. These tools offer an extended suite of productivity and collaboration tools over the current Microsoft Office suite, and will assist with everyday challenges and barriers that officials have in working effectively, efficiently and collaboratively in the current systems environment. The new product range will support the proposed Customer and Digital Strategy and the wider transformation strategy, and will be Cloud-based to maximise storage opportunities.
- 1.3 The Scrutiny Committee were directed to the financial implications as set out in the report, and it was explained that whilst these costs appear significant, there is no option to continue with the current Microsoft offering and pricing model. The licenses are currently funded from the PC replacement fund and based on equal migration of the workforce to O365 over the next 18 months, the costs will increase by £13.58k in 2019/20 with a further increase of £172.5k in 2020/21. Other licenses and providers are available but the license cost and cost of change would be both significant and limiting. At the end of this Microsoft agreement (2020), the Council will enter into a new agreement which will fix the unit costs for the following three years and is estimated to be £720k per annum, which is approximately 20% increase on 2020 costs. Members were asked to note that the public sector across Wales has experienced price increase of between 50%-60% on their Microsoft licensing when moving to O365 in recent years. The financial implications of this migration to O365 will be kept under close revision during the implementation process and the additional funding required will be factored into the budget setting process for the 2020/21 and 2021/22 financial years.
- 1.4 The Scrutiny Committee discussed the report and level of costs involved, and sought assurances that all alternative options had been explored. Officers explained that whilst the price increase is substantial, a like for like service is not being procured and the existing product can no longer be purchased. Although there are alternatives to Office 365, Caerphilly would be a standalone local authority in terms of Information Technology if they did not proceed with this product, and should the Council not adopt Office 365, this would remove their ability to collaborate across the public sector. It was explained that the cost of changing to another supplier would be excessive and all staff would have to be retrained in the use of an alternative system. Members were referred to the benefits of the new product and the huge suite of tools available, which will allow for new functions such as collaboration on shared documents and remove the need for a number of existing software packages. Additionally, the product will reduce the need to purchase new servers, as data will be stored in the Cloud system, and accessibility across devices will be enhanced. Assurances were

given that all avenues have been thoroughly examined and that the proposals offer access to a whole host of new services to complement the Council's Transformation Strategy and the Customer and Digital Strategy.

- 1.5 In response to Members' queries, it was confirmed that the new Office 365 product will allow the Council to utilise its staff in alternative ways moving forward, and also that the security offered by Microsoft's Cloud service is extremely reliable.
- 1.6 Following consideration of the report and in noting its contents, the Policy and Resources Scrutiny Committee unanimously recommended to Cabinet that the Office 365 solution for Caerphilly County Borough Council as set out in the report be implemented.
- 1.7 Cabinet are asked to consider the report and the above recommendation.

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Appendices:

Appendix A Report to Policy and Resources Scrutiny Committee on 28th May 2019 –
Agenda Item 10