



Portfolio Holder Decisions

Resources

1. **Microsoft Digital Transformation Arrangements (DTA)** (Pages 1 - 4)

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Portfolio Holder Report

The portfolio holder will make a decision on this item on 4 July 2018 under the General Exception rule at paragraph 16 of [Part 4.02 of the Council's Constitution](#).

Report of:	Portfolio Holder	Date of publication
Marianne Hesketh, Service Director Performance and Innovation	Cllr Alan Vincent, Resources Portfolio Holder and Deputy Leader	28 June 2018

Microsoft Digital Transformation Arrangements (DTA)

1. Purpose of report

- 1.1 To seek approval to invest in the Digital Transformation Arrangements (DTA) with Microsoft for a three year period.

2. Outcomes

- 2.1 Ensure the council is adequately licenced for supported Microsoft products.
- 2.2 Enable the transition from traditional 'on premise' software to cloud based products and services as part of the delivery of the #DigitalWyre Strategy.

3. Recommendations

- 3.1 That the council enters into a three year agreement for the DTA.
- 3.2 That approval is given by the Resources Portfolio Holder to deal with the agreement under the exemption to Contract Procedures contained within the Financial Regulations and Financial Procedure Rules; on the grounds that exemptions may apply where "a framework agreement is available that necessitates the Council not having to go out to tender and the goods, works and services will still provide the Council with best value for money".

4. Background

- 4.1 Microsoft Operating Systems (Microsoft Windows and Microsoft Windows Server) provide over 95% of the operating systems for the terminal services clients, laptops, PC's and servers in use by Wyre Council. In addition to this, staff within Wyre Council regularly use the Microsoft Office suite of applications (Microsoft Word, Microsoft Excel, Microsoft Outlook

etc.) in their day to day roles both internally and externally to access files created by other organisations. Indeed Microsoft provide 97% of operating systems globally and over 83% of all enterprises consider Microsoft Office to be the default productivity suite within their organisation. It is therefore critical to any organisation to ensure that they have sufficient Microsoft licenses to meet the needs of the business whilst ensuring value for money.

4.2 From May 2018 a new Memorandum of Understanding called the Digital Transformation Arrangements (DTA) has been arranged between the Crown Commercial Service (CCS) and Microsoft to ensure best value Microsoft licensing for government, public and third sector organisations.

4.3 Microsoft use trusted third party vendors to supply and manage licensing with organisations through the CCS framework. Following a tender process, Phoenix Software Ltd offered the best value based on Wyre Council's Microsoft licensing requirements.

5. Key issues and proposals

5.1 The council use Microsoft products including Office throughout the Authority. These products integrate with our third party applications more effectively and efficiently than alternative office products would.

5.2 Microsoft licence costs for the 'on premise' versions of this software are increasing significantly and the aim of the CCS is for UK Public Sector organisations to move over to more cost effective cloud versions of the software.

5.3 In addition to Microsoft Office, the DTA also provides the licences for the email server (Microsoft Exchange) and this will allow the council over time to move the email services to the cloud.

5.4 Once the cloud platform starts to become active this will reduce our reliance on 'on premise' storage facilities and their associated backup requirements. It is anticipated over time that this will enable the council to reduce associated storage and backup costs.

5.5 Operating unsupported software increases the risks of security breaches including intrusion or a denial of service attack which can result in loss of data and system downtime. As a result there is a need for appropriately managed software to negate any security and licence risks and failing to take action now would result in a greater risk to the authority. Microsoft offer a solution that will meet our needs and require minimal training with widely available support ongoing.

6. Delegated functions

- 6.1** The matters referred to in this report are considered under the following executive function delegated to the Resources Portfolio Holder (as set out in Part 3 of the council's constitution): "To consider departures from the Rules relating to financial and contractual matters if appropriate."

Financial and legal implications	
Finance	The cost of the licences has been estimated at £192,505 over a three year period with individual yearly payments of £79,397 in year 1 and £56,554 in years 2 and 3. The cost will be met from the IT Reserve.
Legal	A formal contract for these services will be entered into and kept in the council strong room for reference and use.

Other risks/implications: checklist

If there are significant implications arising from this report on any issues marked with a ✓ below, the report author will have consulted with the appropriate specialist officers on those implications and addressed them in the body of the report. There are no significant implications arising directly from this report, for those issues marked with a x.

risks/implications	✓ / x
community safety	x
equality and diversity	x
sustainability	x
health and safety	x

risks/implications	✓ / x
asset management	x
climate change	x
data protection	x

report author	telephone no.	email	date
Stuart Brookes	01253 887417	Stuart.brookes@wyre.gov.uk	18/06/2018

List of background papers:		
name of document	date	where available for inspection
None		

List of appendices

None

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