Subject:	**NEW CORPORATE SOFTWARE AND HARDWARE**
Date:	**30 May 2019**
Report of:	**Mike Davis, Strategic Director (Corporate Resources)**
Portfolio Holder:	**Councillor Stephen Manion, Portfolio Holder for Finance and Governance**
Decision Type:	**Key Decision**
Classification:	**Unrestricted**
Purpose of the report:	To renew desktop software and computers across the Council, and to appoint consultants for the migration of data.
Recommendation:	1. To approve the move to MS365 as the Council's productivity suite.
	2. To delegate authority to the Strategic Director (Corporate Resources), in consultation with the Portfolio Holder, to authorise procurement and appointment of consultants, licences, hardware and any other associated project costs.

Summary

1. The desktop software used by the Council (Microsoft's Office) will reach the end of its operational life in January 2020. This report considers options for replacement software and compatible desktop computers, with a requirement that the solution must be compatible with the Council's digital vision, other systems already in place, the Council's current and future culture and ways of working, long-term resilience and value for money. The recommended option is to move to Microsoft (MS) 365.

Introduction and Background

2. The Council currently uses MS's Office as its "productivity suite" providing email, calendar, document production, spreadsheets, presentations and other functionality.

3. The MS licences were paid for in full in February 2014 and are owned outright by the Council. Currently, there are no annual cost implications for these licences.

4. However, our version of Microsoft Office (2010) will be at the end of its operational life in January 2020. It will continue to work after this date, but because it will no longer be supported by MS, any subsequent problems will not be addressed, there will be no patches or upgrades, it will not be compliant with the security standards on the Kent Public Service Network (KPSN) and it will pose a significant security and operational risk; therefore the software will need to be replaced before this time.

5. The Council therefore needs to select and implement a new productivity suite.
Like many other public and private sector companies, the Council is also looking to exploit the potential benefits of moving to "Cloud-based" software. These benefits include:

- reduced reliance on in-house staff and skills;

- software that is automatically upgraded by the supplier with improvements and patches applied;
- removal of the need to maintain computer servers on site (or at partners' sites in Thanet and Canterbury);
- release of DDC premises currently used for servers and other equipment;
- removal of the need for expensive environmental controls such as air conditioning and security access;
- Business continuity and disaster recovery;
- the opportunity for staff and Members with internet access and the required password controls to access the systems remotely without connecting to the DDC network; and
- greater opportunities for staff and Members to use their own devices if all security and data protection requirements can be met.

6. The remainder of this report considers:

- Technical assessment of the options
- Appraisal of options
- Project Scope and Implementation
- Competitive process
- Risks and uncertainties
- Resource Implications
- Corporate Implications

Technical assessment of options undertaken

7. There are only two credible productivity suite options with the functionality, support, scale and market penetration to be considered. They are Google (G-Suite) and MS.

MS365

8. This is a Cloud-based solution which provides a host of additional applications, as a fully integrated collaboration platform to enable a digital workforce to work more efficiently from any location on any device. The product would include a subscription based pricing model that would allow the Council to review the licences it required and pay the appropriate cost each year.

9. Microsoft is also the industry standard, particularly for local and central government, and as such the majority of our systems integrate with Microsoft.

Google G-Suite

10. This is an alternative to Microsoft Office and is currently operated by Canterbury City Council, Thanet District Council and EKS[1]. It is a cheaper product but is less functionally rich. There are security issues with much of Google's shareware, which this Council does not wish to integrate into our future systems. Although this product offers much of the functionality that is required by the Council, it is not considered an appropriate product at this point, as there will be a reduction in capability for our more sophisticated users, many of the Council's third party systems do not support

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[1] The decision by CCC, TDC and EKS to move to Google was taken without prior consultation with DDC and we have not had access to any formal assessment of the costs and benefits undertaken prior to the move.

integration with Google G-Suite, and MS products are generally the industry standard for desktop applications within both local and central government. Market penetration by Google within these sectors remains very low.

11. Where Google G-Suite has been implemented at other local authorities, there has still been a requirement to purchase MS licences for specific business requirements, therefore creating a mixed economy and losing the economies of scale and standardisation that would be derived from a single platform.

<u>Visits/discussions with other organisations</u>

12. It is not possible to comprehensively/precisely compare the two products because the level of use and familiarity varies from user to user and the context within which they are used varies from organisation to organisation. Therefore the Digital Team have liaised with Councillor Mark Rose to get a Member's perspective, undertaken site visits and meetings/discussions with a number of other Councils and also undertaken in-house trials and assessments.

13. A summary of the visits/discussions is set out below:

- <u>Thanet District Council and Canterbury City Council</u> - although the two Councils have moved to the Google G Suite, work is ongoing with third party suppliers to integrate with the platform. The two councils will also have to keep a mixed economy of Google and Microsoft because of integration issues and an ongoing dependency on Microsoft Office.

- <u>Brentwood Borough Council and Lichfield District Council</u> - Both Councils have moved to MS365 and are at different stages of this project, but with positive views on Microsoft.

- <u>Brentwood Borough Council</u> - moved to MS365 a couple of years ago, with disaster recovery and business continuity requirements as the main driver for the project. They are now on their digital journey in moving their data centres and servers into the Azure Cloud Platform[2].

- <u>Lichfield District Council</u> - Just starting on their MS365 project, but have used the Microsoft Partner for a couple of years to manage their data centres. They will be looking to move to Azure Cloud over the next year.

<u>Outcome of MS365/Google Comparison</u>

14. Following the trials, discussions and visits, a comparison of the main features of each product is provided below.

Table One			
Characteristic/ Feature	**Google G-Suite**	**Microsoft 365**	**Preferred option**
1.Indicative Cost	The main quantifiable difference is for		Google

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[2] Azure Cloud is Microsoft's service used to manage and store products and data centres in their cloud infrastructure

Table One			
Characteristic/ Feature	**Google G-Suite**	**Microsoft 365**	**Preferred option**
	licensing. £79 per licence – increasing next year to £110. In addition the hardware options may have cost implications. For example, Google is suited to run on Chromebooks, which are cheaper – but they do not work with soft phones on the Council's phone system. At this stage it is not possible to quantify the hardware costs.	£337.20 per year – *See Appendix 1 for MS365 licensing explanation*	
2.Functionality - word processing	"Docs" - Adequate, but lacks the sophistication and functional depth of MS Word.	"Word" – not perfect but the market leader and almost universally used in local government.	MS
- spread sheets	"Sheets" - Some inconsistency with the import of MS Excel spreadsheets. Cannot be relied upon when importing Excel spread sheets from partners and Government, using MS macros and formulae.	"Excel" – the market leader and the software used by the majority of local government. Also used by government for statutory returns.	MS
3 Interfacing to Other Systems	Some potential issues with interfacing with the Council's committee admin software (mod.gov). Not clear that all suppliers will make their software compatible with Google in the future.	Able to interface with majority of systems as standard.	MS
4. Familiarity	Training and learning will be required.	There will be some learning requirements with the new software	MS

Table One			
Characteristic/ Feature	Google G-Suite	Microsoft 365	Preferred option
		but the MS house style will provide greater familiarity and retrospective compatibility with old documents.	
5. Collaborative Working	A key selling point of Google is the ability to share documents and work on them collaboratively, with a history of the various edits.	Collaborative working available.	Google and MS
6. Universal implementation within DDC	Google cannot meet all the Council's needs. Some users will have to stay on MS, requiring the Council to run a mixed economy.	Can be universally implemented.	MS
7. Market penetration and future	For new businesses with limited needs and budget, Google represents a good value choice. For complex businesses with legacy systems, interfacing and working across the sector the case is less compelling.	MS remains the market leader, with much higher penetration and a higher probability of continued market presence and on-going support. MS is the overwhelmingly dominant choice in local government and central government.	MS
8. Platform	Google is accessed via a web browser only with no desktop application equivalent. Can be accessed from any device.	MS365 online can be used on any device, or the desktop applications can be installed on up to 5 devices for each user which offers great flexibility.	MS
Overall View	A good product and cheaper, but without the functional richness and universal adoption of MS.	More expensive but comprehensive functionality, interfaces with Council systems, strong market presence.	MS

15.   The evaluation of options is provided later in this report. However from the table above it is clear that the preferred option is MS365 *(See Appendix 2 for Benefits of MS365)*, and so the following sections consider how the project to implement MS365 at DDC will proceed.

Appraisal of Options

Identification of Options

16.   The options fall into two stages. Stage 1:

- Option 1 – Do nothing, or
- Option 2 – Replace the existing productivity suite

17.   If a decision is taken to replace the existing productivity suite, then Stage 2:

- Option 3 - Implement Google, or
- Option 4 – Implement MS365.

18.   Evaluation of Options

- Option 1 – Do nothing

    From January 2020 the Council's productivity suite will be unsupported. This poses an unacceptable risk in terms of resilience and compliance with PSN requirements. For these reasons this option is not recommended.

- Option 2 – Replace the existing productivity suite

    It is essential that the Council's officers continue to have access to productivity software that is supported and does not pose unacceptable risks. For this reason this is the recommended option.

- Option 3 – Implement Google

    For the reasons summarised in Table One, this is not the recommended option.

- Option 4 – Implement MS365

    For the reasons summarised in Table One, this is the recommended option.

19.   **Project Scope and Implementation**

20.   The project will be divided into the following phases, some of which will overlap and others will be on-going. Detailed timescales will be established once consultants have been appointed. The main steps are:

21.   Phase 1

- Procure MS365 E3 licences for 350 staff
- Establish a Microsoft Gold Partner to assist us in our move to email, calendar, word etc.
- Review end user devices - laptops, tablets etc.
- Project implementation (3-4 months)
    - To include creation of project plan;

- Mail migration
- Data migration
- Pilot migration
- Intune (Device) migration
- Handover and close of project
- Launch a change management and training programme that will:
    - Adopt Microsoft Change Management Models that are included in the subscription to manage this.
    - Staff and members will be trained in storage and collaboration in Word, Excel etc.
    - Understand the current position through staff surveys and discovery phase to monitor and manage this throughout the progress of the project
    - Promote and use appropriate communication tools such as Microsoft Teams within the MS365 package to set the standard and embed familiarity of the product, knowledge sessions, tips on intranet and when users log in.

22.   Phase 2

- Appointment of consultant to:
    - Assessment of estate to move to a cloud platform service - this will combine Microsoft services and expertise to implement the move of services and infrastructure into the Microsoft Cloud Platform.
    - Review of assessment
    - Move to Azure cloud by December 2020

23.   Phase 3 (Ongoing)

- Exploit the MS365 platform, i.e.:
    - Productivity Suite such as the latest versions of Word and Excel
    - 'SharePoint' for internal sites and Knowledge Share
    - 'Teams' for Instant Messaging and conferencing
    - Ongoing digital skills training.
- Look at alternatives to other existing systems - telephone system, citrix etc.

Wider Implications

24.   In order to understand the full scale of this project and to fully exploit the benefits of the new software we need to recognise and take into account the wider implications, the potential for changes in how we work (both members and officers) and how the organisational changes can be managed.

25.   It is not possible at this stage to detail all the areas of potential change, but the main areas are set out below:

- Flexible working - MS365 on the cloud is a 24/7 service. It can be accessed anytime, anywhere and from any device. This will open up the opportunities for greater flexible working and these will be reviewed further when the software has been rolled out.

- Collaboration - features will be used to improve productivity in all service areas

- Review of the Councils ICT estate - data centers, servers etc. to enable our move to cloud. As more services move to the cloud, this will reduce the dependency for "on- premise" infrastructure.

- Build resilience – use the cloud and improve business continuity plans.

- CIGG/Policies and data security policies - review data governance to ensure it is fit for purpose in the new ICT environment and implement multi-factor authentication.

- Replacement hardware / end user devices - Recommendations will be made to ensure that each user has the appropriate device for their business use to maximise the efficiency gain in the new platform, and to further enhance and exploit digital opportunities.

- Interface with other software - This will be established in the project to ensure that our back office systems work and interface seamlessly with the new platform e.g. ModGov & Idox.

- Review EKS ICT support - cloud implications etc - It is likely the use of cloud will further reduce our need for EKS ICT support. Currently we pay £450,000 for this service, however the method of provision for the 3 partner councils is currently under review by EKS.

- Maximise use of the cloud - Our direction of travel includes greater use of the cloud. We will commission a provider to undertake an assessment of our estate to identify what we can, and what we should do over the next few years to achieve this. This work is essential for the Council to underpin an emerging digital strategy and will be reported back by the end of the year. This work will inform how we invest and utilise technology over the next few years. Greater use of the cloud will further reduce our demand on EKS ICT, because we will require fewer servers and applications will be maintained by the supplier. The use of cloud enables us to pay for services on the basis of what we need, and when we use it, rather than having to provide capacity at all times. This means that we will move to a more revenue funding than capital funded model.

Competitive process for MS365 suppliers - procurement process

26. MS365 can only be procured through approved MS partners and selection of the right partner is an important element in delivery of a successful implementation. To get an initial steer the Digital Team worked directly with Microsoft's UK's national Cloud & Digital Transformation Lead (Steve Mordey) and Microsoft's Azure Partner (Ashley Jeggo), who provided contact details for three Microsoft Gold Partners.

27. Microsoft have indicated that once we have appointed a partner, we will be able to hold discussions about free training. This could include technical and administrative training for the Digital Team, or digital skills training for staff and members to use the platform.

28. The procurement process formally commenced in January 2019 and tender documents were sent to the three Gold Partners with our requirements for Phase 1 (migration). The estimated contract value will be above £60,000, but below the £181,302 threshold for OJEU (Official Journal of the European Union) goods and services.

29. All three partners replied with their submissions, and additional questions were sent to all three at the beginning of April 2019.

Evaluation of Tenders

30. The evaluation criteria was split into a ratio of Price 70% and Quality 30% and was published in the tender documents at the outset of procurement.

31. An evaluation panel comprising Head of Community & Digital Services, Digital Services Manager, Procurement Manager and EKS ICT Solutions Architect evaluated the submission against the published criteria and agreed a score for each tender. The scoring from the pricing and quality evaluation has been combined, and the final ranking of tenderers has concluded. If this report is approved then the Strategic Director (Corporate Resources) will, in consultation with the Portfolio Holder for Finance and Governance) appoint the successful MS Gold partner.

32. The tenderers are not bidding for the MS365 Licences, Technical Training or the Desktop Refresh; these will form part of separate reports which will follow at the appropriate stages under the umbrella of this report as the overarching project summary and approval.

Risks and Uncertainties

33. A project of this complexity and scale carries inherent risks and uncertainties. The most significant risks have been identified below together with the mitigations.

	Table 2		
	Risk	**Narrative**	**Mitigation**
1	Cost Overrun	Costs are based on initial scope. If new requirements are identified in project, this could potentially incur additional costs to the project	Discovery phase at the start of the project to investigate full requirements and manage any potential changes in a project document agreed with the vendor.
2	Training Gap	Additional training requirements might be identified during project - this could be technical or user based.	Identify skills gap analysis at the early stages of project to ensure appropriate training and workshops are arranged.
3	Changes in Project	Requirements may change in project which could require additional resources to deliver.	Maintain a register of changes in the project that are agreed by the project team and the selected vendor. Priority and focus will remain on the delivery

	Table 2		
	Risk	**Narrative**	**Mitigation**
			of mail and calendar for day one.
4	Microsoft Development	New features are frequently released by Microsoft e.g. Skype will be superseded by Microsoft Teams	Project manager will need to keep abreast of Microsoft roadmap and project plan kept up-to-date for future proofing.
5	Back Office Compatibility	Not all legacy systems will necessarily be compatible with Office 365. There may be additional requirements to interface systems.	Investigation opened for all back office system compatibility, working with system admin and suppliers to confirm the current position and roadmap to ensure that this will be managed accordingly.
6	Staff Resources	Resource requirements are identified in the project plan for training and testing. However, if additional resources are required that were not planned for in the project this could have an impact on delivery.	1 - Quick Fix - look at project plan and tasks, and see whether anything can be moved 2 - Major Resource Issue - Notify project board immediately, and identify additional resource either from ICT or DDC.
7	EKS ICT Support	Lack of knowledge and skills in MS365 for the delivery of the project and ongoing support of the platform.	ICT to have visibility of roles and responsibilities in the project. Build insight into the skills required both in project delivery and post live support so that appropriate training commitments can be made by ICT.
8	Brexit	Has currently been delayed until 31 October 2019, which will be during Phase 1 of the project.	Project Manager to highlight risk in project plan and to liaise with project board during implementation.

Resource Implications

34. The overall estimated costs of the project (excluding officer time) is £480,000 and this has been included in the Medium Term Financial Plan. The initial expenditure of £84,000 on MS Partner consultancy (Project and Support) is now planned, with this and subsequent expenditure decisions to be delegated to the Strategic Director (Corporate Resources) in consultation with the Portfolio Holder for Finance and Governance.

35.   The full estimated project costs are set out below.

	Table 3	
	Heading	**Cost £k**
1	Microsoft Partner Consultancy - Project Costs - Partner Support Costs	 60 24
2	MS365 Annual Subscription for 350 accounts	120
3	Desktop refresh (laptops)	250
4	Azure Cloud Discovery Consultancy	25
	Total	479

36.   The total cost of the project will be funded from the ICT reserve, which has been built up over a period of time to finance this project.

In addition the project will require staff time and resources. The project will, to some extent, evolve over time, and so staff time resources are, at this stage, indicative, but are expected to be :-

- Lead - Technology Solutions Coordinator (currently under recruitment)
- Project Board - Head of Community and Digital Services, Digital Services Manager and CMT
- Digital Team
- Digital Change Champions - TBC
- User Acceptance Testing - Staff and some resource from EKS ICT
- EKS ICT - access to servers

37.   **Corporate Implications**

37.1   Strategic Director (Corporate Resources) (linked to the MTFP): The S151 Officer has been consulted in the preparation of this report and has no further comments (MD).

37.2   Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

37.3   Comment from the Equalities Officer: This report does not specifically highlight any equality implications however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 http://www.legislation.gov.uk/ukpga/2010/15.

37.3   Other Officers (as appropriate): None.

Appendices

Appendix 1 - MS365 licence requirements

Appendix 2 - Benefits of MS365

Contact Officer: Brinley Hill, Head of Community and Digital Services