

EXECUTIVE BOARD – 19 APRIL 2016

Subject:	Purchase of Corporate software licenses for Microsoft products		
Corporate Director(s)/ Director(s):	Glen O’Connell, Corporate Director for Resilience		
Portfolio Holder(s):	Councillor Graham Chapman, Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration		
Report author and contact details:	Paul J. Burrows, Change Projects and Strategy Manager paul.burrows@nottinghamcity.gov.uk 0115 8763153		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons:	<input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital	
Significant impact on communities living or working in two or more wards in the City			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Total value of the decision: £ 3.000m			
Wards affected: City wide		Date of consultation with Portfolio Holder(s): 29 March 2016	
Relevant Council Plan Key Theme:			
Strategic Regeneration and Development			<input type="checkbox"/>
Schools			<input type="checkbox"/>
Planning and Housing			<input type="checkbox"/>
Community Services			<input type="checkbox"/>
Energy, Sustainability and Customer			<input type="checkbox"/>
Jobs, Growth and Transport			<input type="checkbox"/>
Adults, Health and Community Sector			<input type="checkbox"/>
Children, Early Intervention and Early Years			<input type="checkbox"/>
Leisure and Culture			<input type="checkbox"/>
Resources and Neighbourhood Regeneration			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The current Microsoft Enterprise Agreement which licences and allows use by Nottingham City Council of up to date versions of Microsoft products expires in June 2016. In order to retain this facility the Council need to purchase new Corporate licences. This report seeks approval to undertake a procurement exercise to acquire these licences.			
Exempt information:			
None.			
Recommendation(s):			
1 To approve the allocation of £ 3.000m from the IT Efficiency Fund over 3 years to pay for corporate software licences for Microsoft products.			
2 To approve the procurement exercise for corporate software licences and delegate authority to the Head of IT, in consultation with the Deputy Leader/Portfolio Holder for Resources and Neighbourhood Regeneration, to award a contract for their supply.			

1 REASONS FOR RECOMMENDATIONS

- 1.1 The current arrangement for the licensing of Microsoft products expires in June 2016. In order for the Council to retain access to up to date Microsoft products a new licensing arrangement is required.
- 1.2 The Council currently operates Microsoft products which are used by colleagues and Councillors. Maintaining access to up to date versions of these products provides these users with a reliable software environment.

- 1.3 Councillors will recall that the Council was obliged to carry out a significant programme of work to update the Microsoft software estate. By purchasing an ongoing licensing arrangement for Microsoft products, and implementing the products this allows access to, the need to undertake such large scale improvement programmes will be mitigated.
- 1.4 The Council's ICT Strategy identifies the Microsoft product set as its preferred standard. Implementing corporate licensing for Microsoft products provides the best means of ensuring the delivery of this objective.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 In 2013, following Executive Board's approval, the Council entered into a Microsoft Enterprise Agreement for 3 years to provide corporate licensing for Microsoft products. This arrangement has enabled the Council to standardise versions of Microsoft products and to ease support for these within the Council.
- 2.2 Since 2013 the Microsoft Enterprise Agreement has provided the basis for software licensing to support projects within the IT Service Improvement Programme which have seen marked improvements in the quality of IT available to Councillors and colleagues.
- 2.3 Provision has been built into the IT Efficiency Fund to support the replacement of the agreement on its expiry.
- 2.4 In the period since the Microsoft Enterprise Agreement was signed there have been some significant changes in the type of product provided by Microsoft and how these products are offered to public sector bodies in the UK.
- 2.5 In terms of desk-top products Microsoft are now offering a richer set of software products on a hosted basis. These products, known as Office-365, are cloud based. The cloud service is hosted within the EU and so is subject to data protection legislation. The cloud service offer also includes business continuity facilities and so is more resilient than that currently available on through an 'on premises' arrangement.
- 2.6 The terms negotiated by UK Central Government under which some Microsoft products are now made available support its policy of moving to cloud based 'pay-as-you-go' services. In these arrangements perpetual licensing, where ownership and responsibility falls to the purchaser of the software, has now moved to a 'software as a service' model. With this arrangement ownership and responsibility for maintenance of the software falls to the supplier and customers use the software as a service paying for it as it is consumed.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Not replacing the current Enterprise Agreement was rejected as some residual costs would be incurred in maintaining the existing software asset base. The Council would also be required to buy on a less efficient 'one-off' basis new licences as acquired. Over time this will lead to a harder to manage software estate as different versions of software are acquired. As the software estate ages the Council would be likely to incur compatibility problems between older and newer software installations. At some future point a new service improvement programme would be required to bring all the Council's software up to a common standard.

- 3.2 Moving from Microsoft products to software from other suppliers was rejected as it would not be consistent with the Council's current ICT strategy, and there would be a cost, potentially significant, in such a move, as there would be training and learning implications and there would be a significant task in ensuring other installed products work with what replaced the Microsoft products.

4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)

- 4.1 The £3m cited in this report can be met from within the IT Efficiency Fund (ITEF). The value of the decision is based on the current costs of £1m per annum currently paid for the Corporate Software Licenses. As this is an ongoing requirement for the City Council, the commitment for the licenses is currently scheduled into the forward plan for the ITEF.

5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND INCLUDING LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 The Procurement Team will support the tendering exercise to ensure a fully compliant value for money contract is entered into.
- 5.2 The proposals set out in the report raise no significant legal issues and are supported. Legal Services will be available to provide assistance to the project as matters progress.

6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 Not applicable. This decision does not affect property assets.

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 There are no Social Value considerations.

8 REGARD TO THE NHS CONSTITUTION

- 8.1 The NHS Constitution commits the NHS to work across organisational boundaries. Operating versions of software that are up to date will assist in overcoming any technical barriers that may arise when exchanging electronic data between the Council and NHS organisations.

9 EQUALITY IMPACT ASSESSMENT (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No

An EIA is not required because:
(Please explain why an EIA is not necessary)

Yes

Attached as Appendix A, and due regard will be given to any implications identified in it.

10 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

10.1 None.

11 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

11.1 None.

12 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

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