

## Report to the Cabinet

Meeting to be held on Thursday, 9 July 2020

### Report of the Chief Digital Officer

#### Part I

Electoral Division affected:  
None;

### Microsoft Office 365

Contact for further information:

Gabby Nelson, 01772 536087, Head of Core Business Systems,  
Gabby.Nelson@lancashire.gov.uk

#### Executive Summary

The Microsoft toolkit is a fundamental part of the productivity support available to staff as part of the ICT service provision. The Covid 19 pandemic has required staff to rely on the use of Skype for Business much more heavily and discover new ways of working using Skype conferencing. This has enabled the organisation to work agilely throughout the pandemic.

The Covid response has also involved working with third party and partner organisations, particularly the NHS and the Courts, partaking in conferencing on a variety of conferencing tools such as MS Teams, Zoom etc. Planning for an upgrade to Microsoft 365 was underway but the pandemic has accelerated the need to implement Microsoft 365 and MS Teams much sooner and faster than originally planned.

This is deemed to be a Key Decision and the provisions of Standing Order C20 have been complied with.

#### Recommendation

Cabinet is asked to release funding and agree to the Capital Investment in Microsoft Office 365 and the replacement of Skype for Business with Microsoft Teams. The implementation will require a one off capital investment of £1.661m and ongoing revenue expenditure of £1.438m which includes the annual revenue cost of capital financing of circa £200,000.

#### Background and Advice

This report sets out the reasons for and costs involved in deploying Microsoft 365 and replacing Skype for Business with Microsoft Teams. Microsoft 365 will become a

key service supporting delivery of the councils' statutory and strategic obligations. The new service will be integral to the county council's digital-first agenda, enabling online collaboration between council staff and partners. Microsoft Teams is the voice, video, and conferencing platform now widely used across business and local government, the NHS and law courts.

### **What is Microsoft 365?**

Microsoft 365 is the productivity cloud, it brings together best-in-class productivity apps with cloud services, device management, and advanced security in one, connected experience. The system enables users to securely store, access, and share files from anywhere with online storage. It also allows access to integrated email and calendars from different devices and enables better team connectivity through group chat, online meetings, and telephone/video calling.

Microsoft 365 provides advanced security and device management to protect our data.

Utilising Microsoft Teams depends on a number of the features of Microsoft 365 and together these present a significant opportunity for transformation of business processes across the county council.

### **What are the benefits of Microsoft 365?**

Adopting Microsoft 365 will enable county council staff to have more flexible and agile access to services and reduce the need for periodic on premise software upgrades.

The county council has been eligible for Microsoft 365 benefits since the Microsoft Enterprise Agreement was renewed in April 2019 when/ it became the most cost-effective subscription route.

Microsoft has heavily promoted Microsoft 365 and Microsoft Teams as a solution for organisations mobilising remote workers and online collaboration during Covid-19 and, as a consequence, a number of organisations including the NHS, and courts have recently deployed Microsoft 365 and Teams for their users who are now keen to collaborate with county council colleagues on this platform.

In addition to providing familiar productivity apps including Word, Excel, PowerPoint, and Outlook, Microsoft 365 provides bundled productivity apps including Stream, Delve, and Forms that will be launched.

Microsoft have released Teams as a replacement for all the existing functionality provided by Skype for Business with additional facilities as a persistent chat-based collaboration platform. This includes document sharing and collaboration, integrated meetings, video calling and screen sharing. Teams can facilitate a work environment between remote users, across different county council services and between the county council and partner organisations.

## **The Improvement Journey Recommendations**

Making Lancashire a modern efficient effective council will need some investment in digital technology. It is recognised that currently the county council has a substantial technology debt. There is an immediate need to accelerate the implementation of the investment in the Microsoft 365 suite of products, (Windows 10, Office 365 and Enterprise Mobility and Security) to enable our ambition outline in our Staff Experience section

### **Consultations**

N/A

### **Implications:**

This item has the following implications, as indicated:

### **Risk management**

A programme to replace Skype for Business and capitalise on the wider feature and benefits of Microsoft Team will support the council's digital agenda, maximise the existing investment in Microsoft Enterprise agreement, simplify collaboration with key partners, and support increased data security. Since Skype for Business is already widely deployed across the county council, the rollout of Teams is a significantly more complex proposition than for organisations that are less developed in this area.

Microsoft 365 delivers familiar applications but unlocks new ways of working so users will need to be given support and training to ensure benefits of adoption are realised. A cohort of champions in each of the council's business units will be responsible for developing and embedding new business processes and ways of working. The risk of not moving to the upgraded Microsoft 365 platform will leave the organisation behind its partners and in some cases unable to collaborate with its obligations and this is of particular note for the Courts.

### **Legal/Procurement**

Lancashire County Council has been eligible for Microsoft 365 benefits since the Microsoft Enterprise Agreement was renewed in April 2019 when it became the most cost-effective subscription route. This means that this not a new procurement but the County Council is instead benefitting from a software upgrade albeit a large complex upgrade. This contract will be novated back to the county council as part of the transition of services from BTLS back to the county council.

## Financial

The total costs for this major upgrade is:

### Total Year 1 Costs

Capital        £1,660,923

Revenue       £1,238,284

Total         £2,899,207

In addition to these costs is the revenue of impact of capital expenditure which for this project will be approximately £200,000.

Business change costs are being worked up by both Microsoft and the Director of Organisational Development and Change who is commissioning AMEO to work up a specification for the change work. In absence of these the current estimate we believe that this is the worst case scenario and we should be able to deliver the business change well within the cost envelope above.

## List of Background Papers

Paper	Date	Contact/Tel
-------	------	-------------

None

Reason for inclusion in Part II, if appropriate

N/A