

From: Lisa Gannon, Director of Technology

To: Peter Oakford, Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services

Subject: Decision 23/00037 – Microsoft Licencing Agreement Contract Award

Key decision: *Expenditure or savings of > £1m – including if over several phases.*

Classification: UNRESTRICTED

Future Pathway of report: For Cabinet Member Decision

Electoral Division: N/A

Summary: Kent County Council (KCC) have heavily invested in Microsoft technology, to support current working arrangements and to ensure that the Council is able to access the full security protections now available by Microsoft. KCC has been able to leverage its relationship with both Microsoft and its reseller and secure beneficial pricing arrangements. It is proposed to enter into a new 3-year contract from 1 July 2023. The new contract will licence KCC for the full use of the Microsoft 365 tool set over the next 3 years to include enhanced security.

Recommendations:

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to consider and endorse or make recommendations on the proposed decision to:

1. agree to enter into a new Microsoft licencing agreement for 3 years to meet KCC's business and Infrastructure licencing requirements; and
2. delegate authority to the Director of Technology in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, for the necessary contractual negotiations to enter into any legal agreements required to implement the above.

1. Introduction

- 1.1. This report outlines the proposal to enter into a new 3-year licencing agreement between July 2023 and June 2026.

2. E5 Licencing Requirement

- 2.1 Since the Covid-19 pandemic, the Council's operating model and reliance on technology systems have shifted significantly. As a result, there is a continuing need to access the full capabilities of the Microsoft 365 toolset, including the Business Intelligence (BI) capabilities and external sharing with multiple agencies.
- 2.2 To support current and future ways of working, continuation of the E5 licencing model is required to ensure full access to business analytics (Power BI), additional

external sharing functionality and enhanced security arrangements. Amongst other features, the E5 licencing arrangements enable KCC to benefit from the following features:

- Microsoft Teams Full Package including instant messaging, call functionality, voicemail, audio and video conferencing;
- Enhanced analytics capability;
- Identity and Access Management – enhanced control of user identities including the ability to detect vulnerabilities;
- Advanced Threat Protection – providing addition protection for files, emails and outlook applications, real time checks of links and use of machine learning to identify trends;
- Advanced Data Governance with auto classification and labelling – includes scanning content to apply the appropriate governance protocols to data;
- Enhanced Cloud Security; and
- Additional support for secure external sharing.

2.3 In 2020, KCC entered into a 3-year contract with Bytes Software Services Ltd to provide corporate E5 licences. The current contract and pricing ends in June 2023.

2.4 The new contract will be procured under the KCS Framework.

3. Financial Implications

3.1 Initial indication based on current use is that the 3-year costs (July 2023 – June 2026) will equate to approx. £10.3m. The contract costs will be accounted for within the ICT budgets through the Asset Maintenance Reserve.

4. Legal implications

4.1 There are no legal implications and no requirement to consult external legal advisors.

5. Equalities implications

5.1 An Equality Impact Assessment (EqIA) has been completed and no further action is required.

6. Other corporate implications

6.1 None.

7. Governance

7.1 A Key Decision is required due to expenditure of more than £1m.

7.2 The proposed decision delegates authority to the Director of Technology in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, for the necessary contractual negotiations to enter into any legal agreements required to implement the decision.

8. Conclusions

- 8.1 KCC have heavily invested in Microsoft technology to support the current and future working arrangements and to ensure that the Council is able to access the full security protections now available by Microsoft. In order to secure the beneficial pricing, it is necessary to enter into a new 3-year contract from 1 July 2023.

9. Recommendation(s)

Recommendation(s):

The Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services is asked to consider and endorse or make recommendations on the proposed decision to:

1. agree to enter into a new Microsoft licencing agreement for 3 years to meet Kent County Council business and Infrastructure licensing requirements; and
2. delegate authority to the Director of Technology in consultation with the Deputy Leader and Cabinet Member for Finance, Corporate and Traded Services, for the necessary contractual negotiations to enter into any legal agreements required to implement the above.

10. Background Documents

10.1 Appendix A – Proposed Record of Decision

10.2 Appendix B – Published EQIA

11. Contact details

Report Author:

Tina Lloyd
Commercial Lead
Telephone: 03000 41 47 45
Email: tina.lloyd@kent.gov.uk

Relevant Director:

Lisa Gannon
Director of Technology
Telephone: 03000 41 43 41
Email: lisa.gannon@kent.gov.uk