

M365 Drawdown of Allocated Funds

Decision maker: Director of Resources and Assurance

Decision date: 15 August 2023

Report by: Senior Project Manager

Classification

Open

Decision type

Non-key

Wards affected

(All Wards);

Purpose

To agree the spend of allocated budget agreed within the 2023/24 capital programme set aside for the Microsoft 365 (M365) implementation project which has already been agreed in the Capital Programme.

Recommendation

That:

- a) To spend up to £450,000 in the Capital programme for the implementation of M365.**

Alternative options

1. To not spend the agreed funds and not proceed with this M365 implementation. The current software is used by council is out of date as and other legacy software remains, and must have renewed licences applied. As our current office package will be unsupported from 2025 onwards and M365 offers a greater level of security than our existing software, this option was ruled out.

Key considerations

2. The council runs a modern IT network to operate and support its service delivery. In order to maintain a secure and efficient environment initial work has reviewed current office software. This work identified a need to modernise the platform. A number of options were considered and the M365 package was chosen as it is the standard software package in use for local authorities.
3. Following that work an initial business case was developed and submitted to Council. Funding was agreed and allocated in 23/24 budget.
4. In order to proceed with the M365 project this decision is seeking the drawdown of funds to commence implementation.
5. Council will maintain overall responsibility for the project; however technical implementation will be led by Hoople Ltd, IT services, who will use the services of contracted 3rd parties as well as internal resource. All contracted 3rd party resources will be acquired in accordance with procurement rules and the Council's contract procedure rules for the Council.
6. The initial focus of the implementation plan is to reconfigure the infrastructure to host the new M365 implementation. This will then enable the M365 functionality, including but not limited to email, personal drives, team drives and removal of legacy software.
7. Implementation of M365 is a phased rollout which is likely to take 18 – 24 months to fully complete. A detailed implementation plan will be created between the Council and Hoople.

Community impact

8. The County Plan ensures our essential assets, including IT, are in the right condition for the long-term, cost-effective delivery of services. The council has committed to deliver against bold and ambitious plans and, by working with our local and national partners, we seek to continue to improve the quality of life for the county's residents. Connected to this plan is a stated aim to further embrace digital technology to save costs and improve flexible working practice

Environmental Impact

9. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
10. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the Council's Environmental Policy.

Equality duty

11. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:
- A public authority must, in the exercise of its functions, have due regard to the need to –
- eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
12. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

13. The request is to spend the allocated budget of £450,000 to enable commencing of implementation of M365 via Hoople.
14. The funding has already been agreed and included in the 23/24 Capital programme. The initial funding of £300,000 will be spent in 2023/24 financial year.
15. The detailed breakdown of the resource allocation is attached in the table below:

Capital cost of project	2023/24	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000	£000
<i>M365 Hoople & 3rd parties technical</i>	293	143	0	0	450
<i>HC inc. PMO</i>	7	7			
TOTAL	300	150			450

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2023/24	2024/25	2025/26	Future Years	Total
	£000	£000	£000	£000	£000
<i>Corporate funded borrowing</i>	300	150	0	0	450
TOTAL	300	150			450

Revenue Implications for this decision

Year	Year 1 - 23/24	Year 2 - 24/25	Year 3 - 25/26	Year 4 - 26/27	Year 5 - 27/28
M365 E5 RAMP Costs (Users)	£509,178	£631,465	£631,465	£631,465.80	£631,465
Library & Standalone Devices - See C33	£27,100	£27,100	£27,100	£27,100	£27,100
Contracts unable to consolidate or already committed to (parallel run)	£254,711	£57,222	£57,222	£57,222	£57,222
True down of existing EAs	£75,212	£121,270	£121,270	£121,270	£121,270
Consolidation of other products	£-	£151,431	£151,431	£151,431	£151,431
Wider Avoidance	£200,000	£247,690	£756,997	£0.00	£0.00
TOTAL	£515,776	£128,559	£-313,911	£443,085	£443,085

Legal implications

- All related third party contracts must be procured in accordance with the Council's own contract procedure rules and appropriate contractual documentation put in place to protect the Council's interests.

Risk management

- The key risks associated with the options outlined in the paper are as follows:

<p>Risk Project overruns or goes over budget</p>	<p>Mitigation Project planning has included detailed costings for technical implementation and includes a small amount of contingency for any overrun, complications or scope creep, which will be managed by the project board.</p>
<p>Failure to utilise the new functionality</p>	<p>The council, through the transformation programme, will put in place the necessary resources to inform and put in place new ways of working that will enable the transition from outdated to modern software and device management.</p>

18. Risks are managed according to the council’s risk management framework, aligned with corporate risk strategy and recorded on a service risk register, being escalated to the directorate or corporate risk register according to the significance of the risk.

Consultees

19. No consultation has been completed as this is a decision to draw down funds only.

Appendices

None.

Background papers

None identified.

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance Sarah Buffrey Date 10/07/2023

Finance Karen Morris Date 17/07/2023

Legal Emma-Jane Brewerton Date 10/07/2023

Communications Claire Hughes Date 19/07/2023

Equality Duty Harriet Yellin Date 10/07/2023

Procurement Lee Robertson Date 10/07/2023

Risk Kevin Lloyd Date 10/07/2023

Approved by Andrew Lovegrove Date 03/08/2023