

OFFICER DECISION NOTICE



Reading
Borough Council

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This notice is to be used for the following types of officer decisions. (Select one option).

A. Decisions taken by officers under a specific express delegation from Council or a Committee.

B. Decisions taken by officers under a general delegation from Council or a Committee, which relates to (i) a permission or a licence, or (ii) the rights of an individual, or (iii) a contract or expenditure over which materially affects that relevant local government body's financial position.

1. Title of decision:	Microsoft Licence Agreement
2. Date of the decision:	18 December 2024
3. The decision maker:	Executive Director Resources

4. Decision details:

To procure Microsoft Licences via vendor for 3-year agreement.

5. Reasons for the decision:

The Council purchases Microsoft licences via a third-party vendor for all its M365 licensing suite including Microsoft office for outlook, excel and word and the more niche licences for the varied types of roles across the Council. The current contract expires on the 1st January 2025. Microsoft do not directly sell licences to local authorities in the UK but instead they utilise trusted partners and approved vendors, selling the licences for the same cost across all said selected vendors. The Council's current vendor is Trustmarque Ltd.

The Microsoft licences used by all staff within the Council, are purchased via an Enterprise Agreement; recently rebranded by Microsoft as a Specialised Partnership Agreement (SPA.24). The SPA/Enterprise Agreement is a Microsoft Software Volume Licensing agreement designed for large organisations, and it covers licences, and updates across the Microsoft catalogue. The agreement length is set at 3 years. It gives the Council the ability to manage all Microsoft licences under one account and to take advantage of the 35% cost reduction offered for local authorities of Reading's size. Additionally, the annual price-per-license budgeting feature of the agreement is predictable with confirmed pricing, allowing the Council to forecast licence costs over the life of the contract and flex with the changes in the organisation as they happen. Recommendation is to continue with Trustmarque Ltd as per policy paper, for the following reasons:

1. Savings in contract of through working together to reduce the licenses in use wherever possible
2. Continued guidance on the future Microsoft roadmap with free of charge Microsoft optimisation workshops
3. 50% discount on software for managing the in-use Microsoft Licences
4. Provision of 4 free hours of a specialist to help the Council configure Power BI with Housing and Brighter Futures for Children members

6. Alternative options considered (if any) and rejected:

- Do nothing – the Council requires the use of emails, spreadsheet, word processing software and functionality contained in the Microsoft suite and if a new agreement were not signed, would lose all that functionality on January 1st, 2025.
- Move to Google's suite of software. Google does not contain the same functionality as Microsoft office. Additionally, the Microsoft products are well embedded in the councils' infrastructure and ways of working and moving away from them would require significant change for a less effective and less secure suite. There would likely also be substantial costs associated with this move from current suppliers, for integration between different systems and for resources to do so
- Purchase E5 licences within this agreement: the option to change the licences to E5 from E3, for all staff, was removed due to cost being untenable. The E5 licences would have taken the annual figures to c£800k. Whilst it includes some additional functionality, it wouldn't be economically viable and would have created an unnecessary revenue pressure within this financial year. The difference between functionality points doesn't offer the Council enough to justify c140k per annum additional spend. We are able to review this ahead of each anniversary point annually for the contract lifecycle and the decision can be made at that juncture should the Council wish to make that change.

7. List of open Background Papers:

None

8. List of confidential or exempt Background Papers:

Paper for Policy Committee, exempt on commercial sensitivity.

9. Any other matters taken into consideration:

<input type="checkbox"/> Legitimate expectation of consultation	<input type="checkbox"/> Procedural requirements
<input type="checkbox"/> Public Health implications	<input type="checkbox"/> Environmental or Climate Change
<input type="checkbox"/> Health and Safety	<input type="checkbox"/> Risk Management implications
<input type="checkbox"/> Transparency of Information (FOI etc)	<input type="checkbox"/> Privacy Impact Assessments
<input type="checkbox"/> Human Rights Act Duties	<input type="checkbox"/> Equality Impact Assessment
<input type="checkbox"/> Corporate Parenting	<input type="checkbox"/> Community Safety

<input type="checkbox"/> Regulatory duties	<input type="checkbox"/> EU withdrawal
<input type="checkbox"/> Armed Forces Covenant	<input type="checkbox"/> Other

Details of the matters taken into account:

None

10. Legal considerations

Legal team were engaged to ensure contract terms were acceptable.

11. Financial considerations

Funding for this contract has been provided for in the 2300 DTaC Revenue budget.

Annual costs: **£660, 000**

Contract cost: **£1,980,000**

12. Internal consultations

Procurement team consulted.

Sections 13- 18: To be completed only for Decision A (express delegation from a Committee)

13. The name of the Committee:	Policy Committee
14. Date of the meeting:	18 December 2024
15. Minute number:	48
16. The delegation given by the Committee:	That the Executive Director of Resources, in consultation with the Lead Councillor for Corporate Services and Resources, and the Assistant Director of Digital & IT, be authorised to make a direct award of a 36-month enterprise purchasing agreement for the Council's Microsoft Licensing suite and any subsequent modifications or variations required during its lifetime to ensure its ongoing utility.
17. The name of any member of the committee who declared a conflict of interest in relation to the decision:	None
18. Any councillor or officer required to be consulted prior to the exercise of this delegation and details of their response.	Lead Councillor for Corporate Services and Resources Assistant Director of Digital and IT