

Appendix 1

Financial Summary of Projected Microsoft Costs over two 3 year periods

Microsoft Agreement Type	Expiry Date	Existing Supplier	Projected Costs 2021-2023 (based on 20% growth)	Projected Costs 2023-2026 (based on 50% growth)	Projected Costs 2023-2026 (based on 100% growth)
Cheshire East Dynamics SCE	Feb 2021	Bytes	£873,600	£1,310,400	£1,747,200
Cheshire East Enterprise Desktop Agreement	Apr 2021	Insight	£3,383,496	£5,075,244	£6,766,992
Cheshire West Enterprise Desktop Agreement	Apr 2021	Insight	£2,500,000	£3,750,000	£5,000,000
Cheshire East and Cheshire West SCE	May 2022	Phoenix	£1,041,040	£1,561,560	£2,082,080
Cheshire East Open Value Subscription Agreement	May 2023	Software One	£50,000	£75,000	£100,000
Cheshire East on behalf of Qwest Service Level Provider Agreement	Feb 2021	Insight	£200,000	£300,000	£400,000
*New Azure Cloud Agreement			£3,567,200	£5,350,800	£7,134,400
			£11,615,336	£17,423,004	£23,230,672
Projected cost over 6 Years (based on cumulative 20% growth 2021-2023 and on cumulative 50% growth 2023-2026)			£29,038,340		
Projected cost over 6 Year (based on cumulative 20% growth 2021-2023 and on cumulative 100% growth 2023-2026)			£34,846,008		

The following Microsoft support contract is not suitable for aligning with a single licence service provider as it needs to be renewed directly with Microsoft:

Microsoft Agreement Type	Expiry Date	Expiry Date	Projected Costs 2021-2023 (based on 20% growth)	Projected Costs 2023-2026 (based on 50% growth)	Projected Costs 2023-2026 (based on 100% growth)
Microsoft Unified Support Agreement	March 2021	Microsoft	£800,000	£1,200,000	£1,600,000
Projected cost over 6 Years (based on 50% growth 2023-2026)			£2,000,000		
Projected cost over 6 Year (based on 100% growth 2023-2026)			£2,400,000		

NOTES:

- 1.1. ICT is no longer just back office automation; it has become a critical service. If it is unavailable, the Councils cannot deliver services to our service users.
- 1.2. ICT Services has the capability of pro-actively contributing to service redesign, which is needed to address the challenges facing the Council.
- 1.3. ICT has a pivotal role to play in improving efficiency, reducing costs across both Councils and supporting both as they move away from direct service provision into more sophisticated commissioning models and shared solutions.
- 1.4. Information security is a critical focal point, given the amount of information both Councils hold and the potential damages to individual and businesses should this be inappropriately released. Great emphasis has been placed on protecting our systems against threats and maintaining constant vigilance to protect against any new threat. Internal investment in training and education for our users, to raise awareness of security risks and to promote good data security practice wherever staff handle information runs in tandem with our Desktop Transformation programme across both Councils, enabled by the Desktop Enterprise Agreement.

- 1.5. In addition to supporting the Councils in their mission to deliver high quality services to the residents and people of Cheshire, it is underpinned by the ICT Services Business Plan.
- 1.6. Standardisation will allow both Councils to access cheaper “cloud” services for our core infrastructure requirements and negate the need for future major investment in physical technology assets instead moving to a pay as you go consumption basis. Cloud based services will increasingly be the mechanism of choice for technology services and ICT Services is keen to use these where appropriate. Other Councils, such as Shropshire, Kent and Somerset have also adopted similar strategies. ICT will move basic utility type services away from in-house sourced systems to commodity cloud services. An example would be our email system, this is currently provisioned as a service hosted and run in-house. However, for the great bulk of our email, an external service such as Microsoft Office 365 (O365) would provide a cheaper and more functional service.
- 1.7. The term ‘cloud service’ has been used in technology environments for many years. It is an alternative business model for the delivery of ICT services. It has been proposed by both Councils that rather than buy or own equipment and associated services these are rented on an as required basis from providers with massive capacity.
- 1.8. Other benefits of adopting cloud services are cited as:
- Software that is provisioned as Software as a Service is maintained at the latest version as part of the package: new features are automatically available, and there is no lag whilst ICT prepares the upgrade then implements it. Office 365 is a good example of software as a service
 - Speed (better to say Agility and Flexibility): new services can be brought online quickly and scaled as needed. The speed of cloud provision is often identified as the single most important reason to move to a cloud service model. Included here is the capacity to scale up and down as necessary. Extra capacity can be used at intense periods and then turned off when not in use.
 - Fail Fast, Succeed Faster: try something, get fast feedback and then rapidly inspect and adapt or kill it fast before more money is spent
 - Collaboration: as data and service are not locked inside a data centre it is easier to share these with partners.
 - Integration: cloud services have integration designed in at the start and most vendors expect customers to blend solutions from different places and have setup solutions to integrate across vendor boundaries.
 - Cost: Councils will only pay for what they use, and it runs on a revenue not capital basis. The ability to turn things off when not needed and hence not pay for them can give rise to some savings, but this needs to be balanced with a more intense management of things like the starters, leavers and movers’ processes within both Councils and the business hours of service(s) required. In the context of transformation, this also avoids tie in to long term contracts.
 - Security: the major cloud vendors have spent heavily on security and have achieved high levels of certification with UK and US governments, the scale of the operations means that services can afford to implement excellent security at a low unit cost.

- Resilience: Cloud helps you plan and manage enterprise wide resilience, aiding speedy recovery and mitigating the impact of disasters

1.9. Windows 10 is Microsoft's latest operating system and works effectively on mobile and desktop devices. The key benefits of Windows 10 are

- Improved security by providing a layered defence in line with ICT Services Security roadmap, supported class leading security products
- Evergreen which will mean that users will always be on the latest versions of Windows, avoiding costly change programmes
- Provides increased user functionality in line with latest touch technology

1.10. Office 365 is Microsoft cloud software as a service officer product suite. The key benefits of Office 365 are:

- Supports the goals of both councils to consume more cloud services
- Access to the latest versions of desktop and office products
- Enables better collaboration with external partners and suppliers including Health
- Provides a more cost effective email solution
- Office 365 is delivered as SaaS (software as a service) delivers the benefit of being evergreen, meaning that both councils will always be using the latest versions of Office 365 product and provides other benefits including:
 - Enables a reduction in costs, as Councils will only pay for what they use. Provides the ability to turn things off when not needed and hence not pay for them can give rise to some savings, but this needs to be balanced with a more intense management of things like the starters, leavers and movers' processes within both Councils and the business hours of service(s) required. In the context of our desktop transformation programme, this also avoids tie in to long term contracts.
 - Seamless co-ordination with the tools we already know
Office 365 works seamlessly with the programs we already know and use, including Outlook, Word, Excel, OneNote, Publisher and PowerPoint. These tools provide the same great features you rely on as well as powerful capabilities in Office 365. We can if others are editing the document we're creating, synchronise documents with our desktop, broadcast PowerPoint presentations, and check documents in and out of your online document library.
 - Aligns to our vision of Right Device, Right Time Any Place Access
Microsoft® Office 365 provides web-enabled access to email, important documents, contacts, and calendar on almost any device—including PCs, Apple Mac,, iPhones and Android phones. Office 365 enables users to view and edit documents from web browsers on PCs and Apple Mac computers. Office 365 allows us to easily Communicate and Collaborate Inside and Outside both Organisations with Office 365, we can send instant messages to colleagues and customers and invite them to participate in online meetings where we can review documents or take control of a desktop.
 - Office 365 offers great flexibility by only providing our users with the services they need, cost-effectively adding value to your business.