REPORT TO:	**BOARD**
DATE OF REPORT:	**2 FEBRUARY 2021**
REPORT OF:	Tim Rainey, Assistant Director, Digital Services.
SUBJECT	**ACCELERATED DEPLOYMENT OF MICROSOFT OFFICE 365**

REPORT SUMMARY:

In September 2019 a reporting detailing options for replacing the ageing Microsoft 2010 products (including Office, Exchange and SharePoint) whose extended support was ending in 2020 was considered by the Executive Cabinet. The report recommended that prior to moving to the new Microsoft cloud based Office 365 solution in Mid-2023, an interim step of moving to Office 2016 should be adopted.

This interim arrangement meant that preparatory work, needed to ensure that the organisation got maximum value from Office 365 when implemented, could be undertaken and completed alongside the existing ICT workload, including the setting up of a new Disaster Recovery Centre and commissioning the new Data Centre in Ashton Old Baths.

The 10 months since the initial COVID-19 lockdown have seen unprecedented changes to way our workforce operates.

The overnight move from office working to home working has accelerated the Agile/Mobile working agenda by years. More than ever the organisation now relies on technology to not only support and delivery of services, but importantly and increasingly to support normal day-to-day transactions such as meetings, conversations and collaboration with colleagues.

This unprecedented change has necessitated a rethink on the timescales and pace for deploying Office 365 and associated products such as Microsoft Teams. This report details a timetable and associated costs for bringing forward deployment of Microsoft Office 365 by 2 years, beginning with the rollout of Microsoft Teams across the organisation.

Whilst accelerating the deployment and use of Office 365 the report also details the plan to ensure that the full migration of all users to Office 365 over an 18 month period starting in February 2021 is done in a way that will maximise the benefits of the new system and investments already made in Microsoft Licences.

RECOMMENDATIONS:

1) The timetable for moving to the Microsoft Cloud based Office 365 solution is brought forward 2 years to 2021.

2) Initially in April 2021, the Microsoft Teams functionality will be deployed to all Council users as the first stage in the transition/migration to the full Office 365 solution.

3) An 18-month programme beginning in February 2021 will then manage the systematic migration of users and their data to the new environment. This work will be undertaken alongside the existing ICT work plan and will require appropriate resourcing which will be detailed in the IT Service Review.

4) Approve additional revenue budget of £600k per annum for the licensing costs of Office 365.

5) Note that additional staffing capacity will be required to enable the implementation team to focus on roll out of Office 365 (section 6). This will be the subject of a further report on a wider IT service review.

FINANCIAL IMPLICATIONS: (Authorised By Borough Treasurer)

The proposals set out in this report will require a minimum additional revenue budget of £600k from 2021 onwards. The minimum £600k is based on current Microsoft licensing costs (which may increase in future years) and does not include any forecast costs for additional staffing capacity to ensure effective project management and implementation. The implementation of Office 365 across the organisation is a significant and time-consuming project, which will require appropriate and sufficient resourcing to ensure effective delivery. Initial estimates are that a 6 person implementation team will be required for an 18 month period, as set out in section 7. The total estimated cost of this implementation team is between X and X. This report is not seeking approval for these additional staffing costs which will be covered by a wider IT service review in a separate report.

When Executive Cabinet were asked to approve the move to Office 2016 in September 2019, it was anticipated by officers that a move to Office 365 was likely to be required in 2023/24. Although no formal approval was obtained at that time, the Council's Medium Term Financial Plan has factored in increased costs from 2023/24 to accommodate the expected change. Moving to Office 365 in 2021, two years earlier than anticipated by officers, will result in additional costs in 2021/22 and 2022/23 which were not reflected in previous financial forecasts.

This additional cost has now been factored into the 2021/22 budget proposals and can be funded from a combination of the savings proposed and the one off funding that has been returned from the GMCA reserves to support Councils at this difficult time.

It is unclear at this stage as to the implementation costs and further work will need to be undertaken to ascertain this and the impact that any repriorisation of IT resource to implement this may have on the remainder of the IT programme. It is important that this implementation is well project managed to

ensure the maximum benefits are gained from this substantial recurrent funding investment.

LEGAL IMPLICATIONS: **(Authorised By Borough** **Solicitor)**	This is a high level report to ensure that Members have clarity in relation to direction of travel of digital services especially in light of the acceleration of changes to working arrangements as a result of the covid pandemic.

It is anticipated that the service was already planning for a move towards more agile and home working and that the same has been provided for by way of budgeting which will be addressed in more detail in the financial implications.

In September 2019 Cabinet passed a resolution to: *purchase second-user on premise perpetual licenses for replacement Microsoft desktop Office 2016* but is does not appear that any decision was made in relation to the replacement of existing systems or the move to a cloud based solution.

Therefore before any decision can be taken in relation to accelerating any procurement and/or mobilization programme Members firstly need to be provided with the relevant options appraisals including soft market testing, procurement routes and financial implications before a decision to move to a different solution and/or cloud product is decided on by Members.

ACCESS TO INFORMATION: The background papers relating to this report can be inspected by contacting Tim Rainey, Assistant Director, Digital Services by:

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1   BACKGROUND

1.1   ICT is embedded in the everyday operations of all services and is a crucial part of their evolution and transformation providing the basis for sharing services and information, collaboration, communication and new delivery mechanisms.

1.2   The recently approved Tameside and Glossop Digital Strategy details how we will use technology to drive forward this change and support new ways of working across the Council as well as supporting economic development, skills and help to reduce digital exclusion. Delivery of the strategy will also support the drive for corporate savings through a series of "Cross Cutting Digital Savings Projects".

1.3   The strategy also sets out the Councils ambitions for a digitally enable workforce, central to which is "Using modern digital equipment, productivity solutions and connectivity to support agile and collaborative working."

1.4   The 10 months since the initial, COVID-19 lockdown have seen unprecedented changes to way our workforce operates. The overnight move from office working to home working has accelerated the Agile/Mobile working agenda by years, More than ever the organisation relies on technology to not only support and delivery of services, but importantly and increasingly to support normal day-to-day transactions such as meetings, conversations and collaboration with colleagues

2   MICROSOFT OFFICE 2016

2.1   In September 2019 a reporting detailing options for replacing the ageing MS 2010 products (including Office, Exchange, Skype and SharePoint) whose extended support was ending in 2020 was presented to Executive Cabinet. The report provided details and costs for moving directly to the new Microsoft cloud based Office 365 solution or alternatively purchasing Office 2016 licences as an interim step before buying Office 365 subscriptions and beginning to move to the new software in Summer 2023 – A process that would take 18 months to move all 2,800 users.

2.2   For a number of reasons a decision to move to Office 2016 as an interim step was taken. This interim arrangement also meant that preparatory work, needed to ensure that the organisation got maximum value from Office 365 when implemented, could be undertaken and completed alongside the existing ICT workload, including the setting up of a new Disaster Recovery Centre and commissioning the new Data Centre in Ashton Old Baths.

2.3   Despite the unexpected move to home working in February 2020, and the challenges that this brought in terms of remotely upgrading 2,800 laptops with the new Office 2016 suite of software and new Windows 10 operating system, the upgrading of the laptop fleet has been successfully completed.

2.4   Work to upgrade the corporate Microsoft infrastructure including the Active Directory, Exchange email system, SharePoint and Skype for Business are also complete or currently underway, and this in turn has enabled the Office 365 preparatory work to begin. This includes synchronising the Councils internal Active Directory (list of all our users, passwords etc) with Microsoft Azure Cloud Directory which has been completed and work to begin the migration of over 8 million files from shared drives into SharePoint is underway.

2.5   The process of categorising and moving these files is time consuming but it is vital housekeeping task from both an Information Governance point of view and to ensure maximise benefits of the new software. Some files date back to the late 1990's with over a million orphaned files between 10 and 20 years old which legally should be deleted, however amongst them will be many files that legally we should retain.

2.6   These files need to be checked and deleted or categorised and have retention policies added before moving into SharePoint. This is a one of opportunity to "tidy up" historic information.

3   IMPACT OF COVID PANDEMIC AND CHANGES TO WAY WE WORK

3.1   The advancement of agile working and increased take-up and reliance on technology for communicating and collaborating, not only within the Council but wider with partners, has necessitated a rethink on the timescales and pace for deploying Office 365 and associated products such as Microsoft Teams.

3.2   Prior to the COVID Lockdown in March 2020 fewer than 100 people regularly used Skype for Business to hosts online meetings or for their desktop telephone calls. This changed overnight when the majority of the workforce moved to home working and Skype for Business became a crucial platform for hosting hundreds of concurrent meetings and calls for over 2000 staff who became regular user's dependant on the functionality it provided.

3.3   To date Skype for Business has proven to be reliable and has successfully supported much of the organisations internally and external communication and collaboration requirements. However using different platforms has limited the way joint NHS/Council Teams can communicate and share information, which in turn has caused operational difficulties. Furthermore being Skype users, as opposed the using Microsoft Teams[1], like many of the other GM authorities, has made joining external meetings with partners confusing, problematic and overly complicated. Other organisations including Manchester City Council are moving Office 365 for the same reasons.

3.4   To complete the migration of 2800 users with all their associated documents and emails into the Cloud based Office 365 system, along with appropriate training will take 18 months complete. The report approved by Executive Cabinet in September 2019 outlined the original timetable for these works. A review of the Councils Microsoft licensing requirements would be undertaken in mid-2023, which would then give time to migrate from the current Microsoft 2016 Office Suite to Office 365 before the extended support for Microsoft Office 2016 ended in mid-2025.

4   STICKING TO ORIGINAL TIMETABLE.

4.1   The Council could choose to continue with the original timetable for Office 365 deployment, confident that the desktop software it has in place and functionality it provides will continue be secure, reliable and supported. This would also mean the additional costs associated with Office 365 subscription licenses would be avoided for 2 more years as would the need for additional resources required to deliver an accelerated Office 365 deployment alongside current key ICT projects. .

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[1] Microsoft Team's is in essence the latest iteration of Skype for Business but it can only be purchased as part of full Office 365 product suite.

4.2   That said, the original plan and timetable for implementing Office 365 did not take into account the seismic impact that the COVID pandemic has had on how the organisation operates, how staff are now working, and how they will continue to work in the future. Where and how the majority of our office based staff work from has changed for good. Agile and working from home is here to stay. It is therefore vital we have the right tools in place to support this new approach.

4.3   Not investing in these new modern tools would have a serious impact on the ability of services to realise productivity and efficiency gains that agile and collaboration working can bring. This would have knock effect on achieving future budget savings. It would also limit the ability for teams and individuals to communicate and collaborate with each other and with partners and customers. For these reasons, it is sensible to bring forward the Office 365 implementation timetable by 2 years.
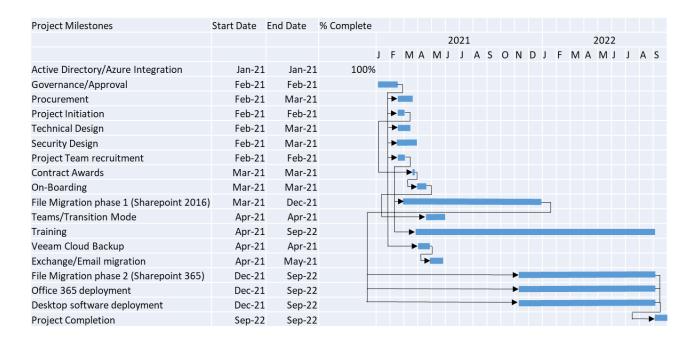
5   BENEFITS OF MIGRATING TO OFFICE 365

5.1   Moving to Office 365 migration is a complex task, but one which bring many benefits, for the following reasons:
*   Work Anywhere
*   Collaborate Easily
*   Always Have Access to the Latest Versions of Programs
*   Productivity
*   Security

5.2   **Work Anywhere;** One of the biggest advantages of Office 365 is the ability to work from anywhere as long as you have an internet connection. Because it's entirely cloud-based, staff can access email, files and Office programs (Word, PowerPoint, Excel) from any location and any device. Local copies of Office will also be installed on each laptop to ensure they will continue to work "off-line" should Internet access not be available

5.3   **Collaborate Easily**; Working in teams, where people are often home based, and where external partners are also involved, is a key business requirement. There are many ways to collaborate and communicate in Office 365. The suite comes with a number of tools – Exchange, SharePoint, Yammer, Teams, - all designed to improve communication flows and cultivate a culture of collaboration in which employees are able to seamlessly share ideas and files between teams, departments, tools and devices

5.4   **Always Have Access to the Latest Versions of Programs**; With Office 365, the latest versions of Office is always available at no additional charge. Whilst this is a good thing care must also be taken to ensure that line-of-business applications are compatible.

5.5   **Productivity**: Office 365 can significantly improve employee productivity but it also true that the majority of users do not use it to its full potential. Most people use only 20% of Office 365 functionality focusing on email, file storage and access to Office programs. In order to get full value for money from the Office 365 investment it's important that a comprehensive training and up-skilling resources are made available to all staff.

5.6 **Security;** One of the biggest misconceptions about the Cloud is that it's not safe. In reality, it isn't necessarily any more or less safe than an on-premise system. It's all in how you use it and what security measures you put in place. Office 365 has a lot of built-in security features to keep data safe. These include:

- Encrypted email which ensures no one other than the intended recipient can read an email.
- Data Loss Prevention which is a set of policies that checks and prevents sensitive information from leaving your organization via email.
- Advanced Threat Analytics (ATA) uses analytics and machine learning to detect suspicious network behaviour. It will scan emails as they arrive checking for malicious links and attachments and if detected it prevents the malicious attachment or link from being delivered to the intended recipient.

6   TIMETABLE FOR MIGRATING TO OFFICE 365

6.1 Preparatory works required ahead of the migration to Office 365 are already underway but will now be accelerated and prioritised. Additional resources will be needed to undertake this work, (and the wider 18 month migration process), in order that we will be in a position to begin the move to Office 365 in June 2021. Without these additional resources bringing the start date forward would have a serious impact on the current ICT day-to-day work and planned programme in particular the commissioning of the new Data Centre, new Disaster Recovery facility and upgrades to key infrastructure including cyber security protection.

6.2 An implementation team of 6 will be put in place for 18 months to focus on the implementation of Office 365, whilst the other IT business as usual works are delivered as planned. The team will consist of:
- Project Manager/Business Liaison (Grade G)
- Technical Architect (Grade K)
- Senior Technical Specialist (Grade I)
- Technical Specialist (Grade H)
- Desktop Specialist (Grade H)
- Trainer (Grade F)

6.3 To deal with the pressing issue of video conferencing, whilst not compromising on the effective migration of users and their files to the new environment, it's intended to rollout the Teams video conferencing functionality to all 2800 users ahead of the full Office 365 implementation. This is called "transition mode" and means that the Teams Video Conferencing can quickly be deployed to all users, whilst all other functionality including email, word, excel would remain the same for the time being.

6.4 The 18-month programme of migrating the 2800 users and their data to the new platform and all the new functionality within 365 can then get underway without the issue of incompatibilities between Skype and Teams. Causing operational difficulties. It's intended to implement this transitional step as soon as is possible following the procurement of the Office 365 subscriptions.

6.5 The project plan below shows the key project milestones and delivery dates.

Project Milestones	Start Date	End Date	% Complete		2021													2022							
					J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
Active Directory/Azure Integration	Jan-21	Jan-21	100%																						
Governance/Approval	Feb-21	Feb-21																							
Procurement	Feb-21	Mar-21																							
Project Initiation	Feb-21	Feb-21																							
Technical Design	Feb-21	Mar-21																							
Security Design	Feb-21	Mar-21																							
Project Team recruitment	Feb-21	Feb-21																							
Contract Awards	Mar-21	Mar-21																							
On-Boarding	Mar-21	Mar-21																							
File Migration phase 1 (Sharepoint 2016)	Mar-21	Dec-21																							
Teams/Transition Mode	Apr-21	Apr-21																							
Training	Apr-21	Sep-22																							
Veeam Cloud Backup	Apr-21	Apr-21																							
Exchange/Email migration	Apr-21	May-21																							
File Migration phase 2 (Sharepoint 365)	Dec-21	Sep-22																							
Office 365 deployment	Dec-21	Sep-22																							
Desktop software deployment	Dec-21	Sep-22																							
Project Completion	Sep-22	Sep-22																							

7 FINANCIAL IMPLICATIONS

7.1 The table below shows the annual subscription costs associated with the move to Office 365. These don't include costs associated with the additional resource needed to undertake the migration which will be included in the IT Service Review report later in January.

7.2 The pricing structure for Microsoft Licensing is reviewed every three years and the next agreement is due to be re-negotiated by Crown Commercial Services in April 2021. The prices shown below are based on the current agreement.

7.3 In addition, the current 2-year contract for Windows 10 operating system expires on 01/07/21 and would need to be renewed if the organisation doesn't move to Office 365. If it does move these costs are included in the Office 365 subscription.

Part Number	Item Name	Year 1 Total		Year 2 Total		Year 3 Total	
AAD-33204	M365 E3	£	532,896	£	532,896	£	532,896
SY9-00006	O365E5	£	112	£	112	£	112
AAD-33196	M365 E5 Step-up From E3	£	167	£	167	£	167
FT5-00006	SfB Plus CAL	£	12,360	£	12,360	£	12,360
LK6-00002	Phone Sys	£	38,400	£	38,400	£	38,400
TJ7-00001	Audio Conf	£	1,554	£	1,554	£	1,554
FSZ-00002	Defender for O365 Plan 2	£	95,424	£	95,424	£	95,424
	Veeam Office 365 Backup	£	31,450	£	31,450	£	31,450
		£	712,362	£	712,362	£	712,362
	Less Existing budget (for OS)	£	113,000	£	113,000	£	113,000
	Additional budget required	£	599,362	£	599,362	£	599,362

7.4 Specialist technical support/advice for the implementation of Office 365 will be required to ensure we have the best possible setup and approach to migrating to 365. The costs for this will be met from within existing budgets.

7.5   Additional staffing resources will also be required within the IT Service to deliver the migration and associated works over an 18-month timeframe. This will be detailed in the forthcoming IT review document but the costs are detailed below.

Post/Role	Team	Grade	Annual Salary Cost inc. on-costs	Total Salary costs 18 months
Senior Technical Specialist	365 Implementation	I	£ 52,524	£ 78,786
Technical Architect	365 Implementation	K	£ 66,847	£ 100,271
Technical specialist	365 Implementation	H	£ 44,303	£ 66,455
Desktop Specialist	365 Implementation	H	£ 44,303	£ 66,455
Trainer	365 Implementation	F	£ 33,801	£ 50,702
Project manager/business liaison	365 Implementation	G	£ 39,814	£ 59,721
			£ 281,592	£ 422,390

8   PROCUREMENT

8.1   The service is currently working with STAR procurement and STAR legal regarding the most appropriate framework that is fully compliant with the Public Contracts Regulations 2015.

9   RECOMMENDATIONS

9.1   See front sheet.