CLACKMANNANSHIRE COUNCIL

Report to Council

Date of Meeting: 10 September 2020

Subject: Digital Strategy – Enhancing Digital Foundations

Report by: Strategic Director, Partnership & Performance

1.0   Purpose

1.1.   On 18 April 2019, Council agreed a Digital Strategy 2019-25 as a key enabler of *Be the Future*. Whilst the principles of that strategy remain relevant, the emergence of Coronavirus (COVID-19) as a global pandemic has necessitated an extremely rapid shift to digital.

1.2.   The purpose of this report is to seek approval for expenditure on a key project that will enable accelerated progression towards objectives set out in the Digital Strategy, whilst supporting essential elements of COVID-19 recovery and enabling ongoing business continuity.

2.0   Recommendations

2.1.   It is recommended that Council:

2.1.1.   agrees that the Council will subscribe to Enterprise Level 3 of Microsoft 365 Option c at paragraph 3.10;

2.1.2.   agrees capital investment of £350,000 in 2020/21 to fund the initial purchase and implementation costs of Microsoft 365 Enterprise Level 3;

2.1.3.   agrees capital investment of £50,000 in 2020/21 to fund a further supporting laptop and PC purchase and replacement programme and an ongoing capital funding investment of £50,000 per annum to continue the replacement programme;

2.1.4.   notes ongoing revenue costs of approximately £250,000 per annum from 2022/23 (£125,000 in 2021/22) for Microsoft 365 Enterprise Level 3 and agrees use of £90,000 from the Transformation Fund in 2021/22 to enable project initiation; and,

2.1.5.   notes that officers will work with Digital Office Scotland in preparation for the 2021/22 budget to fully define a 5 year benefits realisation plan that will deliver M365 efficiencies and benefits to the Council.

3.0 Considerations

3.1. On 18 April, 2019, Council approved a Digital Strategy, a key aim of which is "Transformation through enabling a significant shift to digital".

3.2. The strategy recognises that Digital Transformation is driving significant changes across all aspects of society; that it is a key theme for Scottish Government and an important component of transformation for all local authorities. The principles expressed in the strategy are aligned with principles contained in the Scottish Local Government Strategy, ensuring the approach we take in Clackmannanshire is consistent and will integrate with developments across the wider public sector.

3.3. The Digital Transformation work stream focuses on three areas of work aligned with the Scottish Local Government Digital Partnership work streams, namely:

    a) Digital Leadership: equipping all employees with the skills to provide leadership in Digital Transformation;

    b) Digital Foundations: building Strong technology platforms which enable the council to transform how it works; and

    c) Digital Services: redesigning services around customers taking advantage of digital technologies.

3.4. Digital transformation is a cornerstone of national and Council modernisation, particularly in the context of economic development and recovery. During the course of the last few years, the Council has progressively upgraded a number of core systems, which have been moved to the cloud, including management information systems relating to finance, human resources, health and safety, payroll and revenues. Work is currently underway on the housing management information system, with the social work system, the next immediate priority.

3.5. Our basic Digital Foundations however require modernisation to enable the Council to collaborate and communicate more effectively internally and with partners. As part of a national drive to create a consistent platform for public sector collaboration, Digital Office Scotland, are supporting members to understand and deliver the transformational potential of M365 as a foundation for modernisation, and have supported a number of councils, including Clackmannanshire to secure MS Teams on a 'guest' basis at minimal cost during the first 6 months of the pandemic.

3.6. When the UK went into lockdown on 23 March 2020 as a result of the global pandemic (which is likely to continue for an unknown period), there was an almost overnight necessity for a rapid shift to digital service delivery, placing significant strain on the Council's existing digital foundations. Whilst these have coped to date, there is a requirement to update our operating system with some urgency to ensure ongoing business efficiency, compliance with national security standards and continuity in the face of a period of uncertainty.

Microsoft 365

3.7.   In recent months, the Council has adapted the way it works and the ways it delivers services. This has included significant numbers of staff across all service areas working remotely and using collaboration tools to keep in touch with colleagues as well as delivering services to customers and collaborating with partners digitally. Virtual meetings, video conferencing and paperless working has become the norm as we go about our daily work, however, this is not necessarily as integrated as a modernising 21st Century organisation requires. Whilst digital transformation was undoubtedly envisaged, this was perhaps not at the pace that has become necessary in the last 6 months.

3.8.   The Council's current platform relies on Windows Server 12 which has an end of life of October 2022 and needs to be upgraded and replaced. In addition the current Microsoft Office 2010 platform (Word, Excel and Powerpoint) ceases to be supported in October 2020. This means that 'do nothing' is not an option – at the very least the MS Office platform needs to be upgraded to a modern, supported platform that ensure compliance with national public sector security requirements.

3.9.   Notwithstanding the need to replace MS Office 10 (now) and Windows 12 (within 2 years at most), given how the global pandemic has changed, and will continue to change the way we communicate and deliver services, there is a strong case within the context of *Be the Future* priorities to modernise the workplace at this point by consolidating legacy systems and migrating to a cloud based solution which offers a step change in applications and features.

3.10.   Two options have been considered (b and c). Do nothing (a) is not a viable option given the requirement to replace MS Office 10.

  a) Do nothing - having an unsupported version of Microsoft Office is not a viable option.

  b) Upgrade to Microsoft 365 Pro Plus (Office 19) and maintain Lotus Notus e-mail and calendar.

  c) Upgrade to Enterprise Level 3 of Microsoft 365. (Lotus Notes would need to be retained for a period of time to enable a period of migration and to continue to support the Social Work systems until such point that a new management information system (MIS) is implemented).

3.11.   It should be noted that the licence for Lotus Notes would need to be retained in both options to some extent, however, a saving would be made on Option c at the point e-mail migration is complete and the Social Work system is replaced (the current Social Work MIS, which needs to be replaced is based on a Lotus Notes database). In option b, Lotus Notes would be retained indefinitely, and investment in licences for a corporate standalone video conferencing system, such as MS Teams or Zoom, would also be required. (Through an arrangement with Digital Office Scotland, MS Teams has been provided free of charge to local authorities for 6 months following the initial Corona virus response).

3.12. Option c is the preferred option as it provides a platform for significantly improved efficiency and integration of business processes within the Council and across partner agencies, particularly within the context of HSCP, where both Stirling Council and NHS FV have adopted, or are in the process of adopting M365. Option c provides:

a. Applications that can be accessed from any device and from any location with an internet connection which enables remote, home and flexible working.

b. A suite of Microsoft tools that the workforce are familiar with using including Word, Excel and PowerPoint.

c. Communication and collaboration tools:

- Teams/Skype for Business which provides video conferencing, an instant messaging function and is useful for cross department collaboration and sharing and co-authorising documents and reports.

- Yammer which acts as a social network for the workforce to ensure that key messages can be shared on a 'news feed' and all staff can be kept up to date with the information they need to do their jobs.

d. Enables sharing of mailboxes, calendars, contacts and document editing in real time, making scheduling meetings quick and easy and shared mailboxes mean that multiple people can access the same mailbox.   Calendar and emails are synced across devices.

e. Provides SharePoint which means that documents and reports can be accessed and worked on by any member of staff and shared as a link in an email. Multiple users can edit documents stored in SharePoint in real time which makes retrieving, accessing and co-authoring reports easy, and storage less costly.

f. Secure cloud storage with secure environment and robust security measures which is reliable with 24/7 Microsoft support available as part of subscription. Files stored in the cloud are backed up regularly.

g. Tools to automate common business processes across the Council through drag and drop workflow functionality.

3.13. Appendix 1 outlines the features available in both options, whilst Appendix 2 outlines an appraisal of both options and indicative costs. Whilst the capital costs of both options are similar, Option c has a significantly higher ongoing revenue cost resulting from the additional features such as the integrated e-mail/calendar systems, MS Outlook and collaboration tools such as Teams, SharePoint, Yammer and cloud based technology.

3.14. Option c, will incur additional recurring revenue costs of circa £247,000 per annum. Year 1 to October 2021 will be included in the initial capital outlay. A revenue budget of circa £125,000 will be required to cover the remainder of 2021/22, and from 2022/23 onwards circa £247,000 per annum.

3.15. Microsoft 365 will necessitate a move away from thin client technology, which uses Wyse Terminals, to greater use of PCs and laptops. To support an ongoing laptop/PC replacement programme, a capital budget of £50,000 per annum would be required, commencing with an additional £50,000 investment in 2020/21.

3.16. Whilst moving to a cloud based managed service brings a host of necessary modernisation, environmental and organisational resilience benefits, it shifts the ongoing balance of cost from capital to revenue, thus creating a demand pressure in the short term. Implementation of M365 will enable modernisation of organisational practices and efficiencies, however, this will need to go in step with the adoption of new ways of working, including more efficient management information practices, reductions in print, paper and travel, and reduced IT infrastructure and property costs, all of which will take further time to quantify and realise. Officers will work with Digital Office Scotland in the run up to the 2021/22 budget to fully define a benefits realisation plan that optimises M365 benefits and efficiencies savings over the course of a 5 year plan. At this stage, an estimated pump priming investment of £90,000 is required from the Transformation Fund for 2021/22.

4.0 Conclusion

4.1. The adoption of M365 would represent an important and fundamental step for the Council in delivering its Digital Strategy as a transformational component of *Be the Future*. It will provide a platform for ongoing modernisation, enabling increased ability to collaborate and integrate across partnership boundaries into the medium to long term. Furthermore it will strengthen organisational resilience and minimise business continuity risks, particularly during an ongoing and unprecedented global pandemic, the duration of which is still unknown.

5.0 Sustainability Implications

5.1. The Digital Strategy supports Council transformation through Council's *Be the Future* programme. Implementation is integral to the Council's long term financial and environmental sustainability, through increased efficiency and carbon reduction potential, particularly as a result of reduced travel, print, utility and infrastructure costs.

6.0 Resource Implications

6.1. Financial Details

6.2. The full financial implications of the recommendations are set out in the report. This includes a reference to full life cycle costs where appropriate.   Yes

6.3. Finance have been consulted and have agreed the financial implications as set out in the report.   Yes ☑

6.4. Staffing

7.0   Exempt Reports

7.1.   Is this report exempt?   Yes ☐ (please detail the reasons for exemption below) No ☑

8.0   Declarations

The recommendations contained within this report support or implement our Corporate Priorities and Council Policies.

(1)   **Our Priorities** (Please double click on the check box ☑)

Clackmannanshire will be attractive to businesses & people and
ensure fair opportunities for all   ☑
Our families; children and young people will have the best possible
start in life   ☐
Women and girls will be confident and aspirational, and achieve
their full potential   ☐
Our communities will be resilient and empowered so
that they can thrive and flourish   ☐

(2)   **Council Policies** (Please detail)

Clackmannanshire Council Corporate Plan 2018/22

Clackmannanshire Council Digital Strategy 2019-25

9.0   Equalities Impact

9.1   Have you undertaken the required equalities impact assessment to ensure that no groups are adversely affected by the recommendations?
Yes ☑   No ☐

10.0   Legality

10.1   It has been confirmed that in adopting the recommendations contained in this report, the Council is acting within its legal powers.   Yes ☑

11.0   Appendices

11.1   Please list any appendices attached to this report. If there are no appendices, please state "none".

Appendix 1: Microsoft 365 Options

Appendix 2: Microsoft Options Appraisal

12.0   Background Papers

12.1   Have you used other documents to compile your report? (All documents must be kept available by the author for public inspection for four years from the date of meeting at

which the report is considered)

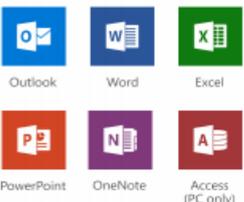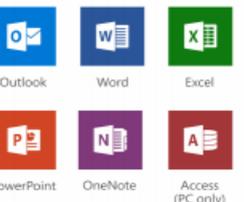Yes ☐ (please list the documents below)   No ☑

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Appendix 1- Microsoft 365 Options

Office 365 ProPlus	Office 365 Enterprise E1	Office 365 Enterprise E3	Office 365 Enterprise E5
Office applications plus cloud file-storage and sharing. Business email not included.	Business services—email, file storage and sharing, Office Online, meetings and IM, and more. Office applications not included.	All the features of ProPlus and Enterprise E1 plus security and compliance tools, such as legal hold, data loss prevention, and more.	All the features of Enterprise E3 plus advanced security, analytics, and voice capabilities.

Office applications (ProPlus): Outlook, Word, Excel, PowerPoint, OneNote, Access (PC only)

Services (ProPlus): OneDrive

Office applications (Enterprise E1): (Not included)

Services (Enterprise E1): Exchange, OneDrive, SharePoint, Skype for Business, Microsoft Teams, Yammer

Office applications (Enterprise E3): Outlook, Word, Excel, PowerPoint, OneNote, Access (PC only)

Services (Enterprise E3): Exchange, OneDrive, SharePoint, Skype for Business, Microsoft Teams, Yammer

Office applications (Enterprise E5): Outlook, Word, Excel, PowerPoint, OneNote, Access (PC only)

Services (Enterprise E5): Exchange, OneDrive, SharePoint, Skype for Business, Microsoft Teams, Yammer, Power BI Pro

Appendix 2 – Microsoft 365 Option Appraisal
Assessment of Options B & C

	Option B	**Option C**
Pros	Would provide upgraded Microsoft Office suite (word, excel, powerpoint). Would enable national security compliance requirements. Migration and possible disruption to services likely to be minimal. Lower annual revenue costs. Applications will be familiar to workforce.	Offers Microsoft Office Suite (Word, Excel, Access and Powerpoint) and also range of collaboration and communication tools. Offers integrated outlook email and calendar functions Preferred national platform for Digital Office Scotland. Would enable national security compliance requirements. Partners and several other Councils already using or deploying M365 enabling more integrated working. Offers enhanced cloud storage and security functions Enables remote and flexible working. Subscription service with annual costs based on the number of user licenses required. Other savings and carbon reduction benefits possible due to new ways of working enabled. Increased resilience and business continuity with 365 offsite support
Cons	Stand alone Lotus Notes would be retained for email and calendar functions. Standalone collaboration and communication tools, such as MS Teams, would need to be purchased separately. Does not enable nor drive new ways of working, and would inhibit digital modernisation. Unlikely to enable efficient collaboration across partnership boundaries. Does not enable pace of modernisation being adopted elsewhere in the public sector nor drive other financial or non financial benefits.	More costly model in terms of initial implementation costs and ongoing revenue costs. Migration potentially disruptive for services in short term. Requires a large scale information management project prior to migration. Risk that applications and features are not well used by the workforce, and benefits potential is sub-optimised creating a demand pressure beyond the short term. Rollout would need to be accompanied by a learning and development programme to drive digital modernisation and optimise customer and organisational benefits.

Costs for Options B & C

	Option b		Option c (preferred)
Year 1 capital costs		Year 1 capital costs	
MS 19 purchase	£344, 543	M365 Licenses (1200)	246, 912
Lotus Notes	£70,000	Migration Costs	£80,000
		Training	£20,000
		Lotus Notes	£70,000
Total	**£414, 543**	**Total**	**416, 912**
Ongoing annual revenue costs		Ongoing annual revenue costs	
Lotus Notes	£70,000	M365 subscription	£246, 912
		Lotus Notes (whilst required)	£70, 000
Corporate video collaboration licence	£100,000 (est)		
Total	**£170,000**	**Total**	**£316, 912**

74