

**Somerset Council MTFP 2024/25 - 2028/29
Savings Proposal**



Title of savings proposal	Reduction in Microsoft licences to reflect a smaller workforce
Reference Number	RCS006

Executive Directorate	Resources
Service Directorate	Information Communication Technology
Service	Infrastructure

Lead member	Cllr Richard Wilkins - Transport and Digital
-------------	--

Cost centre name	ICT Microsoft Costs
Cost centre code	G001009

Overview of proposal

Description of savings proposal (alt+return for new line)

The Unitary proposal states that there is an expected 300 headcount reduction to be made by rationalising the workforce and bringing the common functions of business together under one authority.

An M365 E5 License, which is the license that provides all office functionality such as teams, outlook, SharePoint and so on, along with the heightened security and protection functionality, costs around £300 per user, per year.

if the organisation achieves this stated ambition as regards headcount reduction, then this would indicate the we could remove 300 E5 licences, at a saving to the organisation of approximately £90,000.

this is alongside any natural increase or decrease in staff levels and associated license reclamations that we perform on-going, operationally.

What will the saving achieve? (alt+return for new line)

Lower headcount means less licensing required, which means saving on what we spend out on this. However, this is only negotiable downwards, at point of contract anniversary annually. So reductions in headcount and associated licenses made in this year, would only provide cost saving at contract anniversary, 1st april 24

Type of saving	LGR Saving - Contract
Which of the 17 key areas does the saving cover?	Review of Assets
Is this saving once-off or ongoing?	Once off
Does this impact on either the Council's priorities or another service?	No
Are there any policy change requirements? If yes, please provide further information below.	No

Benefits of the proposal

Tangible Benefits - savings/income £ (pro-rata for part year)		Intangible benefits (e.g. cost avoidance)
2023/24 (in-year)	0	we are under Ts and Cs for this financial year
2024/25	£90,000	based on 300 staff count reduction, at £300 pa, per user
2025/26	0	the same formula would apply for any headcount reduction proposed for 24/25, which I do not have an indication of

Delivering the proposal

Describe the high level milestones for delivery, including timescales and target delivery date for the saving.

As the headcount reduction is made, presumably we will start to see the Leavers monthly count move to be higher than the Starters monthly count (which it has not been thus far, but the reverse).
ICT review the leavers list and reclaim any associated licenses assigned to those leavers. We then project forward for the required license count for the forward year, based on that current number of active licenses, and in this case, would then make that saving by reducing the number accordingly

What activity is needed to achieve the saving?

Achieving the advertised headcount reduction

What are the financial resources required?

none

Are there any limitations or constraints?

Currently starters are higher than leavers, so the organisation is still growing...and license count will need to in accordance with the actual staff numbers

What is the anticipated impact on service delivery to residents or business?

none

Please note that an equalities impact assessment is required for all proposals.

Other implications

Impact	Number or description
Staffing impact (#s)	0
Redundancy or vacancy?	
Legal impact	0
Insurance or other impact	0
Equalities impact	0

Please ensure that you have consulted HR and your Finance Business Partner regarding any staffing savings.

Risks

What is the risk status of the proposal?	Low
What are the risks associated with this proposal?	
No risk as we are currently carrying an excess license count so we are well placed to achieve the target 300 license reduction.	
Are there mitigations or actions that if implemented can reduce those risks?	

Please send your completed form to your Finance Business Partner for sign-off and submission of request.