

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



Title of savings proposal	Change the support contract for Microsoft software
Reference Number	RCS007

Executive Directorate	Resources
Service Directorate	Information Communication Technology
Service	Infrastructure

Lead member	Cllr Richard Wilkins - Transport & Digital
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Cost centre name	ICT Microsoft Costs
Cost centre code	G001009

**Overview of proposal**

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

We currently purchase technical reactive and proactive support directly from Microsoft. We do this as it builds upon the close technical and strategic partnership that we have developed with them over the years. The service that we support - unified support - provides us with a few valuable items:

- 1: Escalation support - when a Microsoft based service (and we are largely a Microsoft first house) "breaks" or goes down, our support teams should start working on the issue scoping and resolution, while also logging a ticket with Microsoft for their support engineers to come in and advise. This support operates on SLAs (Service Level Agreements) according to the urgency
- 2: It has proactive elements for early awareness of functionality, workshops on new areas (for us) of technology that we want to either pilot, or optimise, or review for best practise
- 3: It allows us access to dedicated MS technical and strategic resources to assist with specific items of work delivery
- 4: It provides us with access to a Microsoft CSAM - customer success account manager - which provides us an excellent service to assure that we are getting value and the support that we need

The cost of this service with Microsoft changes based on volume of licenses and usage - and thus has increased year on year as the organisation has performed its digital transformation, from approx. £130k pa in 2021-22, to approx. £192k in this financial year. This number does not reflect that absorption of licenses and usage from the districts as part of the unitary authority. That cost will come in, if continued, for the 24-25 financial year and will see that cost rise significantly.

We can however seek to gain similar services from the industry marketplace, and i would, for expediency, likely restrict that scope at this time to the vendors on our extant software reseller framework: Bytes, Crayon and Insight

While we would lose the direct relationship that we currently have with MS, that relationship now being between SC and the chosen reseller, and them having the onwards relationship with MS, we could potentially make significant savings.

An analysis of the last financial year across the ex-SCC tenancy/organisation indicated a quoted service for comparable delivery of £75k (approx.) - that is of course significantly cheaper than the MS direct service, to the tune of around £120k.

This figure would need to be re-quoted for, via the new software reseller framework and so open to the 3 listed partners, and a best value selection made - so while it is an indicative price, it is not a solid price

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

Revenue/budget saving. Change of support relationship to reseller rather than vendor approximately £100k saving, in year one (24-25) and then continuing on at that lower cost

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?	Ongoing
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

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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, with Microsoft
2024/25	£100,000	% saving on costs, billed per month, alongside contract benefits and support cost reduction
2025/26	0	there would be no additional saving, unless we are discussing against the cost of the service if we stayed with the current provider

Delivering the proposal
Describe the high level milestones for delivery, including timescales and target delivery date for the saving.
Establish the requirements for the support contract and offer out to the resellers on the framework, discuss and investigate how the support service is delivered and determine our confidence levels in it meeting our needs. Offer out the opportunity, receive return pricing and make selection - procure. Work with the ICT and wider support teams that raise support tickets and utilise the proactive services with Microsoft, and manage the change to a new provider. Monitor the delivery and success criteria for the delivery of the support service.
What activity is needed to achieve the saving?
Contract definition and procurement contract selection and awarding process. Change management
What are the financial resources required?
None in addition to current budget projections
Are there any limitations or constraints?
Time constraint in achieving this
What is the anticipated impact on service delivery to residents or business?
Optimised service and cost support for MS based services, which either directly enable the public, or do so indirectly by supporting our staffs services

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?	
Failure to achieve in the time available Reduction in the strategic partnership and engagement that we have built up directly with Microsoft	
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.

