

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



Title of savings proposal	Migrate Azure (Microsoft Cloud Storage) to a more cost effective contract
Reference Number	RCS002

Executive Directorate	Resources
Service Directorate	Information Communication Technology
Service	Infrastructure

Lead member	Cllr Richard Wilkins - Transport and 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)

There is an opportunity for us to move away from the current Server & Cloud Enrolment "SCE" agreement model to a CSP model by migrating across for our SC Azure spend. It is a way to access the MACC discounts without the associated lock in with Microsoft and it provides access to additional benefits. The savings on this initially would be 3% to 4% of our current transactional value (circa £25k pa based on the last 3 months usage) but the real cost savings come into play with the additional services wrap around the CSP agreement that is not available via Azure transacting via SCE/EA.

We would stick with Enterprise Agreement model "EA" for M365 (E5 licenses etc...) and look to consolidate the legacy authority agreements into one - no saving in and of itself, that would come with tighter license optimisation, understanding and controls which i will go into in a separate proposal

The main benefits are:

- 24 x 7 Management & remote support
- Technical Support for Azure
- Vendor (Microsoft) escalation and ticket logging & management
- Security Posture Reporting
- Architectural Health checks & Reviews
- Optimisation Reviews

Other additional benefits are

Comprehensive cryptocurrency fraud protection. Automated compliance & governance policies to protect your environment from these threats and preserves the integrity of your Azure environments.
Cost Control. Azure costs are monitored, controlled, and alerted on if they start to rise due to an event such as a cryptocurrency fraud event.

We will get increase savings from implementing the optimisation recommendations as well as a savings from our spend on Azure Support at it includes a large portion of the support contract

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

our average monthly spend on Azure is circa £56k. This amount means we should hit the 4% MACC discount which equals roughly £2.2k per month, or £26.4k per year
It will provide better service support and improvements in addition, as well as reduce our potential support costs, by including Azure support directly as a part of the agreement, as opposed to as currently achieved, by contracting and purchasing separately

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

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	£25,000	% saving on costs, billed per month, alongside contract benefits and support cost reduction
2025/26	0	based on current figures for azure consumption/utilisation

Delivering the proposal

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

Will need to renegotiate the main Microsoft agreement, in advance of end of year, with the objective of consolidating the 5 previous authorities agreements down in to one, co-termining - and procured in accordance with the Software reseller framework controls - so going to our partnered resellers; Bytes, Insight and Crayon. Will need to specify the amounts, sizes and volumes of licenses and spend, and obtain pricing for the migration of the Azure spend for the primary tenancy to move to the CSP model, and then selection of reseller across all of these to move forward with. This would separate out the Azure costs from the M365 costs, into its own contract

What activity is needed to achieve the saving?

Contract definition and procurement contract selection and awarding process

What are the financial resources required?

none in addition to current budget projections, however strategic and targeted adoption of cloud hosting, and rising list prices from Microsoft will affect the actuals, as they are based on what and how much we consume

Are there any limitations or constraints?

time constraint in achieving this, continuity of service is required for licenses being maintained from exiting contract agreements into the consolidated contract, and maintaining the Microsoft ramp-up contracts within that single reseller contract will be essential

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

Optimised service and cost support for cloud hosted and delivered applications and 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, risk to any legacy former district tenancies that was not maintained through the contract consolidation	
Are there mitigations or actions that if implemented can reduce those risks?	