LEIGHTON-LINSLADE TOWN COUNCIL

Policy and Finance Committee

Date:	**29 July 2019**
Title:	**IT: Computers and Office 365 licensing**
Purpose of the Report:	**To seek Committee approval for the replacement of computers and a move to monthly software licensing.**
Contact Officer:	**Sarah Sandiford, Head of Democratic and Central Services**

Corporate Objective/s	To consolidate processes and procedures, ensuring operational efficiency.	
Implications:		
Financial	√	
Human Resources		
Operational/Service delivery	√	
Legal		
Risk	√	

1. RECOMMENDATION

1.1 To approve a number of computer hardware and software upgrades as outlined in paragraph 5.

2. BACKGROUND

2.1 The Town Council owns 28 computers which are used by staff in running the day to day operations of the organisation; 4 of which are relatively new and 24 of which are nearing the end of their useful life (15 in the White House, 2 at Astral Park, 7 at TACTIC, of which 4 are for staff and 3 are used by young people accessing the Centre).

2.2 Historically, computers have been purchased on an as-needed basis; either necessitated by the hire of a new staff member or as recommended by the Council's I.T. support provider (historically Beds Borough Council, since 2015 Virtual I.T.).

2.3 Until now, computers would be purchased with Microsoft operating system software and a Microsoft Office licence, which would last for the lifetime of the machine (generally 5-7 years on average).

2.4 The last significant investment in computer hardware was the purchase of 12 computers in 2013, with a further 10 purchased in 2015.

2.5 Purchases of computers and licensing would historically have been funded from Reserves, with Committee approval. The I.T. revenue budget funds only annual costs relating to specific software licences used by the Council, email, website domain names and security measures.

2.6 In 2016, the Town Council endorsed the allocation of £50,000 from the Future Projects Earmarked Reserve for the progression of I.T. related projects. Funds to date have been spent, with Committee approval, as follows:

Mod.gov install & licensing first year	£9,000	
Mod.gov 2nd year costs	£7,250	Thereafter in revenue budget
Server replacement; move email to Office 365, backup solution, network switches, hardware	£14,006	
Websites refresh project	£5,000	
One off websites migration costs	£920	
One off additional O365 & server migration cost	£1,253	Increased due to adding 21 email accounts
Tablet devices & accessories	£4,620	
Remaining	£7,951	

2.7 In 2018, following the decision by Council for all Town Councillors to use LLTC email addresses for all formal Council related matters, Microsoft Outlook monthly licensing costs have been incurred at £3pppm for Councillors.

3. CURRENT STATUS

3.1 Of the 28 computers currently in use, 14 are over six years old and 10 will be five years of age by January 2020. Four computers have been replaced within the last two years.

3.2 Of the 28 computers currently in use, 20 are licensed with the Windows 7 operating system, 3 with Windows 8.1 and 5 with Windows 10.

3.3 As reported to Committee in February 2019, the Town Council has been advised that Microsoft will no longer be supporting the Windows 7 operating system from 14 January 2020. In addition to concerns about failing functionality, more importantly this poses an increased security risk to the Town Council. The Council's IT provider, Virtual IT, cannot support machines with this operating system after January 2020.

3.4 The Town Council's I.T. support provider has therefore provided a number of options for consideration in respect of replacing or upgrading existing machines.

3.5 It is widely recognised that there is a move towards monthly licensing or membership costs in many arenas. Microsoft Office is no different, with it becoming increasingly difficult to be able to purchase "in a box" licensing to last the lifetime of a machine.

3.6 A move towards monthly licensing would appear to be inevitable and will, as reported to Committee in February 2019, bring with it implications for the annual revenue budget.

4.0 UPDATE

HARDWARE

4.1 Following discussion with the Town Council's IT provider, quotations on a number of options have been obtained. For the 14 computers aged over six years, replacement before the end of this calendar year is recommended.

4.2 Having reviewed the requirements of the business, it is proposed that two of these computers are not replaced and that the three machines used by young people at TACTIC be funded from the TACTIC earmarked reserves (Committee support already resolved by the Cultural and Economic Services Committee).

4.3 Therefore, the Committee is asked to consider the purchase of 9 computers from the funds remaining in the Future Projects budget for IT Projects (see 2.6).

4.4 Two costs have been obtained, on a like-for-like basis and a slightly upgraded version to a Solid State Drive, which offers faster performance. Costs range from £630 - £665 per machine.

4.5 The Committee is asked to consider the phasing of a similar programme for the 10 computers purchased in 2015, at an anticipated cost of £630-£665 per machine. Whilst the initial licensing issue can be addressed at a cost of £200 per machine, it is anticipated that the computers will be likely to need replacing within 2-3 years.
Assuming a lifespan of a further 2 years, phasing of replacement would save £2256 on monthly licensing for the 10 machines, but upgrading of the operating system will cost £2,000, making the saving negligible.
In terms of future planned upgrades, it may be advantageous to have all computers on the same life cycle.
Officer recommendation would therefore be to replace all 22 machines now.

4.6 An alternative option proposed by the Council's IT supplier is to consider a move to monthly leasing, rather than purchasing outright. The HP "Device as a Service" option includes functionality such as next day on-site technical support

and monitoring/management, but comes at a significantly higher cost over the three year period. The cost quoted is for hardware only.

SOFTWARE

4.7   Licensing for new machines would need to be paid on a monthly basis from the revenue budget. This will lead to the IT central budget being overspent in the current financial year. The budget for 2020 onwards will need to reflect the monthly software licensing costs.

4.8   A number of options exist for monthly Office licensing. These will be kept under regular review and an advantage to monthly licensing is that changes can be made to the type of licence as required.

4.9   Initially, it is anticipated that all staff members will have Office 365 Business Premium at £9.40pppm and that the public-access computers at TACTIC will offer the web-based Business Essentials software at the lower premium of £3.80pppm.

4.10   Whilst reviewing software licensing, it is recommended that the current Outlook licensing for Councillors be upgraded to Microsoft Office 365 Business Essentials, at a cost of an additional £0.80pppm (£201.60 per year total, for 21 Councillors). This will provide Councillors with web and mobile versions of Microsoft Exchange, Word, Excel, Powerpoint, Outlook, Sharepoint and MS Teams, plus OneDrive with 1TB storage) which will facilitate accessing and creating documents.

4.11   Options and cost implications are set out in the table below for consideration.

Options		One-off costs	Monthly costs
1	Replace 12 PCs (over six years old) & move to monthly licensing	12 x £630	9 x Office 365 Business Premium = £112.80/month
	Upgrade operating system for 10 PCs (five years old) (temporary fix; likely need to replace within 2 years)	10 x £200	Plus 3 x Office 365 Business Essentials (TACTIC) = £11.40/month
	Upgrade RAM in laptop	£40	
	Secure destruction of 10 machines	£85	
		Total £9,685	Total £105.40/month
2	Replace 22 PCs (over five years old) & move to monthly licensing	22 x £630	19 x Office 365 Business Premium = £178.60/month
	Upgrade RAM in laptop	£40	Plus
	Secure destruction of 20 machines	£85	3 x Office 365 Business Essentials (TACTIC) = £11.40/month
		Total £13,985	
			Total £190.00/month
3	Instead of purchasing, move to the DaaS (Device as a Service) option direct with HP. Option to purchase at end of three year term or to renew agreement and replace machines. Service includes next day business onsite response plus reporting, monitoring & proactive management by HP Service Experts.	£32.63/month per machine over 3 years

12 machines (£14,096.16 over 3 years)

22 machines (£25,842.96 over 3 years) | As above: £105.40/month

£190.00/month |
| | + secure destruction of 20 machines | £85 | |

*replacement costs are based on a like for like basis. Machines with upgrade to Solid State Drives (offering faster performance) would attract a slightly higher cost of approximately £665 each.

**likely life of replacement machine: approximately five years.

***although it remains an option to purchase one-off Microsoft licensing per machine, the cost is not dissimilar over five years and monthly licensing gives greater flexibility.

5.0 RECOMMENDATIONS

5.1 **To replace 22 computers on either a like for like basis (£12,600) or with an upgrade to incorporate Solid State Drives (£13,300), to be funded as follows:**

Future Projects earmarked reserve (remaining funds from £50k allocated for IT Projects in 2016)	**£7,951**
TACTIC earmarked reserve (for 3 public access computers used by young people)	**£1,656**
General reserves	**£2,994 - £3,694**

5.2 **To accept a move to monthly software licensing for Microsoft Office products as outlined at 4.9 and to note that the revenue budget for IT for 2019-2020 will be exceeded as a result.**

5.3 **To approve an upgrade in software licensing for Councillors to Microsoft Office 365 Business Essentials as outlined at 4.10.**

5.4 **To increase the IT revenue budget from 2020-2021 onwards by £2,500 per annum to meet the monthly Office licensing costs for staff and councillors.**

End.