

LONDON BOROUGH OF HAMMERSMITH & FULHAM

Report to: Cabinet member for Finance and Reform, Councillor Rowan Ree

Date: 14/07/2022

Subject: Office 365 improvements June 2022

Report author: Ramanand Ladva, Digital Services Programme Manager

Responsible Director: Director of Economy, Jon Pickstone

SUMMARY

Digital services monitor the council's cyber security and contact centre telecoms position and as a result of evolving cyber risks and changing work practices, additional security and telecoms functionality is needed.

The recommended solutions will provide a more secure Office 365 service and a better call experience for contact centre staff working flexibly and residents calling into the council.

RECOMMENDATIONS

It is recommended that the Cabinet Member:

1. Approves that Appendices 1 and 2 in this report are exempt from disclosure on the grounds that they contain information relating to the financial or business affairs of a particular person (including the authority holding that information) under Paragraph 3 of Schedule 12A of the Local Government Act 1972.
 2. Approves the purchase of the required Office 365 licenses, from 1st July 2022 to 31st May 2024, under the existing contract with Microsoft Limited via its license partner Trustmarque, using the Kent Commercial Services, "Software Products and Associates Services 2" framework.
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Wards Affected: None

Our Values	Summary of how this report aligns to the H&F Values
Being ruthlessly financially efficient	Digital services need to implement additional O365 modules and have negotiated competitive pricing.

Financial Impact

Details outlining the financial impact of this decision are contained within Appendix 1.

Funding for the ongoing costs will be met from revenue budgets held within Digital Services.

A credit check of Microsoft Limited has a score of 100/100, indicating it to be of a very low financial risk.

Andre Mark, Head of Finance (Corporate Services), 15th June 2022

Verified by Emily Hill, Director of Finance, 15th June 2022

Legal Implications

Approval is sought for the purchase of new licences under an existing contract. The original contract was procured by the Royal Borough of Kensington and Chelsea using the KCC framework (there is a separate agreement between the Council and RBKC). Its value means that it is above the relevant threshold and is a public services contract subject to the requirements of the Public Contracts Regulations 2015 (PCR).

This means that the contract can be varied without undertaking a new procurement if it falls within one of the exceptions set out in regulation 72 of the PCR. Under regulation 72 (1)(b) a contract can be modified during without a new procurement if there is a need for additional services or supplies and a change of contractor cannot be made for economic or technical reasons and any increase in price does not exceed 50% of the value of the original contract.

These additional licences have become necessary as a result of an identification of the need for a greater level of security and an improved call experience. A change of supplier cannot be made for technical reasons. It would not be possible to obtain licences from any other supplier and not practicable to use another licence vendor. The value of this change is considerably under 50% of the original contract value. It is therefore a permitted modification under regulation 72.

Under Contract Standing Order 24.4 amendments of above threshold contracts are only permitted if allowed under regulation 72. Since this regulation is complied with the change can be approved in accordance with the CSOs.

*Implications verified by: John Sharland, Senior solicitor (Contracts and procurement).
Dated 20th June 2022*

Background Papers Used in Preparing This Report - None

DETAILED ANALYSIS

Background

1. Since 2015, the Council has been operating using a common set of collaborative tools based on Microsoft Office 365 (O365) to facilitate shared and remote working. O365 provides users with access to a suite of secure

applications like Outlook, Teams, OneDrive, SharePoint, Yammer, Project, Visio and many more. The tools provided are licenced per user and these licenses are purchased through the shared tenancy Enterprise Agreement (EA) with RBKC and WCC.

2. The council currently protects all its O365 users with different levels of security depending on the type of devices being used and the nature of data being accessed. Appendix 2 summarises the Councils current security position and the recommended changes and alternative options considered.
3. From a Telecoms perspective, many contact centre agents currently work from home and take external resident facing calls on their work mobiles or a basic software phone on their laptop. This arrangement was implemented at the beginning of Covid in March 2020 as many services were promptly forced to work from home and a quick solution was required to allow call centre services to be provided remotely. In the same period, staff swiftly adopted widespread use of Microsoft Teams for internal peer to peer calling.
4. Over the past 2 years, the Telecoms team have been closely monitoring the staff experience of working and taking calls remotely and the team have noticed an increasing volume of support calls relating to user facing challenges. On average the telecoms team get 25 – 30 support calls a week where different agents are reporting faults with their telecoms and upon investigation most of the issues point towards users having issues with poor network coverage on mobiles or slow broadband speeds when using their laptops.
5. Both factors impede the agent's ability to effectively take resident calls as when the issues occur, the agent will not be able to take any calls and they will appear offline or when a call is taken it may have very poor sound/voice quality. On occasion, agents have also reported calls get dropped completely when speaking to residents which also effects the residents experience.
6. Furthermore, over a 3-month period, the councils main contact centre lost approximately 584 hours of work (5% of total time) due to the telecom's issues mentioned above. This issue appears transparent against contact centre SLA's however it ultimately resulted in fewer agents being available to take calls and longer waiting times for residents.

Proposals and Analysis of Options

7. The recommended Telecoms solution involves moving up to 700 contact centre agents to Microsoft Teams phone system. This solution will allow agents to take resident calls on Microsoft Teams which is a more user-friendly product than the current mobile phone and software phone products in use.
8. The benefits include a much-improved call experience for contact centre agents working from home as Teams only relies on a small internet connection and it has been designed to work very well on even the slowest broadband speeds available to all homes.
9. Moving to Teams also allows the council to streamline the Telecoms products being used by staff to a single product and reduces the issues faced by contact

centre staff working in areas with poor mobile network coverage. Teams can also be used more comfortably with a headset which contact centre agents already have. Note: Contact centre staff will be able to make external calls out to residents directly from Teams as well. None contact centre users would still make external calls from their work mobiles. The software phone in use now can also be decommissioned.

10. Furthermore, contact centre agents can work in a flexible hot-desking manner from any office including eventually at the Civic Campus. This will remove or limit the need for desk phones in the future as staff will be able to bring their laptops and headset and take/make calls from any desk. Note: a small quantity of desk phones will still be deployed at the Civic Campus for those teams with a particular business need.
11. If the council does not commit to the Teams phone system licenses now, then staff will continue to struggle working with poor mobile network coverage and slow broadband speed issues which ultimately impacts the resident facing service. Contact centre staff are likely to continue working in a hybrid manner in the future and these licences are needed to support modern working practices.
12. Furthermore, delaying the telecoms decision is not recommended as Digital services will eventually have to identify an alternative solution to allow contact centre staff to effectively hot desk at the Civic Campus. This may eventually lead to even more costs and a more complicated delivery project during a critical period when staff will be moving back to the Civic Campus.

Reasons for Decision

13. The cyber security landscape is constantly evolving, and this enhanced level of security licensing will better support our network.
14. The council has changed its working practices and additional O365 security is required to safely support remote working, pro-actively protect against cyber-attacks and reduce the potential risk of a security breach.
15. The council has changed its working practices and additional telecoms services are needed to improve the quality of calls being taken remotely.
16. The telecoms decision is needed for a better resident facing service experience whilst enabling flexible working from any office space including eventually at the Civic Campus.
17. Moving to Teams phone system will avoid a lengthy and resource consuming telecoms migration as part of an enabling upgrade project which is already in flight. Not moving to Teams would mean extensive migration work will be required to maintain current services with mobiles and software phones for contact centre staff.

Equality Implications

18. The approval of these proposals will not have any direct negative impact on any protected groups, under the Equality Act 2010.

Risk Management Implications

19. The report recommends procuring software licences to support the effective use of Microsoft products. This is essential to ensure the continuous running of frontline services and maintain security over the Council's infrastructure and data.

Implications verified by: David Hughes, Director of Audit, Fraud, Risk and Insurance, 20 June 2022.

Climate and Ecological Emergency Implications

20. The Council has evaluated Microsoft environment policies. The terms have been outlined in Appendix 3.

Implications verified by: Hinesh Mehta, Head of Climate Change, 20 June 2022.

Local Economy and Social Value

21. Social value terms have been included in the RBKC procurement for the underlying license contract. Digital services have evaluated the Microsoft responses against our social value goals and some of the terms are outlined in Appendix 3.
22. As Microsoft are a global company they do not capture social value at our borough level and are unable to complete the SV portal. However, they do provide social value which the borough benefits from such as, during Covid Microsoft made lots of free digital training available to the public and we publicised it to residents through our networks and the Adult Learning team; also they supported schools with remote learning platforms with heavily discounted Teams licences; and helped medical services in boroughs eg GP surgeries.

Social Value implications

23. Social Value policy requires that contracts let of a value of over £100,000 must include commitments to contribute social value from the council's social value Themes, Outcomes and Measures (TOMs).
24. This requirement is not possible on this contract for reasons described in paragraph 22.
25. It is recommended that, where Microsoft can and will make social value contributions that are relevant to the borough, that their representative works with the council's Social Value Officer to make and co-ordinate contributions

towards the council's strategies.

Implications added by: Paul Clarke, Economic Development Officer, 7th July 2022.

Digital Services and Information Management implications

26. Digital Services supports the award contract for the purchase of the recommended Office 365 licenses, from 1st July 2022 to 31st May 2024, as this is a key enabler for core objectives of the Digital Services strategy.
27. It is critical for this service to be in place for other dependent projects to be successfully deployed.
28. IM implications: if not already in place a Data Privacy Impact Assessment (DPIA) should be carried out to ensure that all the potential data protection risks, resulting from implementing the recommended license changes, are properly assessed with mitigating actions agreed and implemented.
29. In addition, if not done so already, a (Cloud) Supplier Security Questionnaire(s) should be completed, to ensure that all the potential data protection and information security risks arising from this change are properly assessed with mitigating actions agreed and implemented.
30. Any contracts arising from this report will need to include H&F's data protection and processing schedule. This is compliant with UK Data Protection law.

Implications verified by: Pierre Rogier, Strategic Relationship Manager, Digital services, 07391 734087, 16th June 2022.

Consultation

31. Digital services have developed the security and telecoms recommendations in this paper in consultation with Gartner, Microsoft, and Trustmarque who are the council's Microsoft's license provider/partner.
32. Digital services have also consulted and presented the telecoms options from this paper to the Contact Centre Working Group which comprises of key contact centre leads from the council's resident facing phone services. The group is supportive of the recommendation.

LIST OF APPENDICES

Exempt Appendix 1 - Financial implications
Exempt Appendix 2 - Office 365 security changes

Appendix 3 – Microsoft Social Value and Environment Messaging

