



# Cabinet

12 NOVEMBER 2012

**LEADER**

*Councillor Nicholas Botterill*

**RATIONALISATION OF MICROSOFT ACADEMIC LICENCES**

**Wards: All**

Recommending that the Council enters into an agreement with H&F Bridge Partnership to migrate the current academic licences to the existing Microsoft Enterprise Agreement Subscription contract from October 2012 for an additional annual cost of £44,702, to be permanently funded from the IT infrastructure fund.

**CONTRIBUTORS**

EDFCG  
DoL

**Recommendation:**

**That approval be given to migrate the current academic licences to the existing Microsoft Enterprise Agreement at a total cost of £44,702 p.a. as set out in para. 3.2 of the report.**

**HAS AN EIA BEEN COMPLETED?**  
N/A

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?**  
YES

## **1. BACKGROUND**

- 1.1 A significant proportion of the H&F desktop estate utilises reduced price 'academic' Microsoft licences, because they are considered part of an educational institution. These licences are point licences for Windows XP and Microsoft Office 2003 and, unlike the Enterprise Agreement (EA) in operation for rest of the Council's desktops, these academic licences do not include the right to upgrade to Windows 7 and Microsoft Office 2010.
- 1.2 With the introduction of the virtual desktop and the associated upgrade to Windows 7 and Microsoft Office 2010, the Council now has to decide how to licence these machines. As at December 2011, there were 709 academic licences out of a total estate of 3,300.

## **2. OPTIONS**

- 2.1 HFBP have considered four options:
  - 2.1.1 Leave the academic licensed desktop estate as is, with Windows XP and Microsoft Office 2003. This will put at risk the savings in support costs anticipated as a result of the workplace strategy but, more critically, leave around a quarter of the Council estate operating different versions of Microsoft Office. This is particularly important for Children's Services wishing to operate on a Tri-borough basis as there will be continued incompatibility with Tri-borough colleagues. Moreover, this approach would only delay the inevitable, as Microsoft intends to withdraw support for Windows XP in 2014.
  - 2.1.2 Purchase a new perpetual academic licence agreement for all 709 machines. The estimated cost of this is £121,000 per year for the first 3 years and then £56,000 thereafter for Software Assurance.
  - 2.1.3 Purchase a new subscription academic licence agreement for all 709 machines, the estimated annual cost of this it to be determined but will be in excess of the current EA terms agreed with Microsoft.
  - 2.1.4 Migrate the current academic licence estate to H&F's EA agreement. This has an estimated cost of £44,702 per annum.
- 2.2 The recommendation is to adopt option four for the following reasons:
  - 2.2.1 The current EA agreement is the most cost effective way of licensing, partly because the EA agreement can flex on an annual basis to accommodate fluctuations in staff numbers;

2.2.2 The EA Licence agreement allows devices to be upgraded to the latest versions when necessary;

2.2.3 The academic classification that Microsoft use is stringent and is inherently difficult to audit and apply i.e. any corporate staff using the system will deem the device to require a corporate licence;

### 3. COSTS

3.1 There is a range of costs involved in full migration to EA for the Council's academic licensed estate:

3.1.1 All machines will require full EA licences for Microsoft Office and the client access licence for access to server software;

3.1.2 For Power PCs, all that is required is an upgrade to Windows 7;

3.1.3 For Standard PCs, a virtual desktop access (VDA) licence is required for Windows.

For 2012/13, these costs are estimated as follows:

Item	Required Quantity	Annual Unit Cost £	Increase £
Windows upgrade	200	11.55	2,310
VDA Licence	500	20.16	10,080
Microsoft Office	700	34.06	23,842
Client access licence	700	12.10	8,470
Total			44,702

### 4. BENEFITS

4.1 Migrating the Council's academic licensed estate to EA offers a range of benefits:

4.4.1 The Council will be able to fully realise the benefits of the workplace strategy for these machines, enabling 80% of staff to work anywhere without local configuration of the desktop, and thereby:

- Further optimise use of accommodation across H&F and Tri-borough
- Enable staff to be more efficient
- Enhance mobility and personalisation
- Give performance and availability guarantees increasing productivity
- Give all staff access to the latest technology.

4.4.2 The academic licences are limited to Microsoft Office 2003, whereas its Tri-borough partners are both using Office 2007. Using Office 2003 wastes time in opening and saving Office 2007 documents as these have to be converted between the different file formats. It causes particular problems for complex spreadsheets used by Finance staff, as key formatting elements are not retained.

4.4.3 Accessing the benefits of the EA for the entire estate:

- It enables the costs to flex on an annual basis to accommodate fluctuations in staff numbers.
- Costs spread evenly over duration of agreement
- Prices fixed for duration of contract with a true-up or down annually to reflect current needs based on the staff numbers prevailing. Costs can therefore go down as staff numbers go down.
- Special government pricing – lowest commercial price guaranteed
- Lower Total Cost of Ownership (TCO) by being able to standardise upon Microsoft products across the estate rather than having to run multiple versions because of license and budget limitations
- New version upgrades
- Home Use Program providing Microsoft Office at negligible cost to staff. This in itself has the additional benefit of helping staff arrive at work ready to work, having used the latest version of the software
- 24/7 support
- Simplified license administration

## **5. RISK MANAGEMENT**

- 5.1 Failure to ensure the estate is appropriately licensed could result in financial and reputational damage to the Council.
- 5.2 The proposed approach addresses the key risk identified above with Option 1, leaving the academic licensed desktop estate as is, with Windows XP and Microsoft Office 2003. This would put at risk the savings in support costs anticipated as a result of the workplace strategy.

## **6. EQUALITY IMPLICATIONS**

- 6.2 There is considered to be little or no impact on equality as a result of the issues in this report.

**7. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE**

- 7.1 The estimated cost of the proposal is £0.045m per annum. It is proposed that this be permanently funded from use of the IT infrastructure fund. The balance of the fund was £2.8m at the close of 2011/12 with annual budget provision of £0.8m.

**8. COMMENTS OF THE DIRECTOR OF LAW**

- 8.1 There are no direct legal implications for the purposes of this report.

**9. COMMENTS OF THE DIRECTOR FOR PROCUREMENT AND IT STRATEGY**

- 9.1 There are no procurement related issues as the recommendations contained in this report relate to an order to be placed under the contract with the Council's strategic IT Partner.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	IT strategy - getting the basics right IT infrastructure renewal (published)	Jackie Hudson ext 2946	FCS SmartSpace
2.	Workplace Strategy (published)	Jackie Hudson ext 2946	FCS SmartSpace
<b>CONTACT OFFICER:</b>		<b>NAME: Jackie Hudson</b>	<b>EXT. 2946</b>