

EXECUTIVE

14th July 2022

Report Title	Software Licence Procurement
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Lead Member	Councillor Lloyd Bunday, Executive Member for Finance and Transformation

Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there public sector equality duty implications?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information (whether in appendices or not)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicable paragraph number/s for exemption from publication under Schedule 12A Local Government Act 1972	

List of Appendices

None

1. Purpose of Report

- 1.1. The purpose of this report is to seek the approval of the Executive to undertake the procurement process for the re-procurement of North Northamptonshire Council's software licence agreement which includes productivity suite and infrastructure.

2. Executive Summary

- 2.1. North Northamptonshire Council utilises software licencing for a number of productivity and infrastructure products that are used in the Council for day-to-day operations and internal/ external public sector collaboration
- 2.2. This report outlines the current arrangements for licencing that were inherited by the Council, which are now due for renewal. It reflects on the opportunities for the Council to procure under a single contract and the route to selection for a new supplier of software licencing for the next 3 years.

3. Recommendations

3.1. It is recommended that the Executive:

- a) Authorise commencement of procurement for productivity and infrastructure software licences for North Northamptonshire Council
- b) Delegates authority to the Executive Member for Finance and Transformation in consultation with the Director of Transformation, to take any further decisions and /or actions required to conclude the procurement, contract award and implementation of the Council's software licensing.

3.2. Reason for Recommendations:

- a) To unify all of our legacy software agreements into a single North Northamptonshire Council contract
- b) To enable the service to employ the most effective and compliant route to renew the Council's license agreements
- c) To allow the organisation to continue its business day to day running through its use of the productivity and infrastructure licencing.

3.3 Alternative Options Considered – The option to do nothing and continue without a contract was considered but discounted as not a viable option. The current contract for software licences will end in August 2022, thereby leaving the Council without service and liable to challenge unless procured through a compliant route.

4. Report Background

4.1. The software licence agreement for the productivity suite and some areas of infrastructure is a 3-year agreement via a reseller for associated licences utilised by North Northamptonshire Council services for the delivery of core functions across the organisation. This includes access to essential applications used by the Council such as email functionality, word processing and collaboration across the organisation and with wider public sector bodies such as the Department of Work and Pensions (DWP). The agreement also covers areas of the Council's infrastructure in the cloud through the utilisation of Server licences.

4.2. As part of the work towards vesting day and in response to the pandemic and a need to collaborate, applications were rolled out across the Council and licences from some of the former boroughs, merged together where possible. Former Corby Borough Council's licences in this instance were added to the East Northamptonshire/Wellingborough agreement. Kettering already had a separate agreement in place.

- 4.3. Following on from April 2021, the Council has worked with existing suppliers to further optimise and merge the remaining legacy contracts on the final year of the current agreement in order to co-term all software licencing positions across the Council, with a view to reprocure a new contract for the Council at the end of the current arrangements. This current contract aligned for the predecessor authorities under North Northamptonshire will now expire in August 2022.
- 4.4. As the Councils software contracts are managed via a reseller, and with the current agreement ending in August 2022, there is a need to procure a new agreement for 3 years.
- 4.5. As part of the re-procurement of licences, the Council has commenced a piece of work with partners to review its licence estate, in order to provide further efficiency via a report on the licensing model that it currently adopts. The work undertaken should give a robust view on which licences will need to be adopted for services and as such provide the authority with an optimum mix for both productivity and financial savings. This work is likely to reduce the cost of licences to the organisation by a minimum of 5% based on the cost of licenses in the 21/22 financial year
- 4.6. The Council has initially completed work to investigate and decommission licences that are not being utilised so this additional piece will allow it to capture how it optimises the “types” of licence that is required for staffing estate to ensure it is best placed.
- 4.7. This work is aimed to be completed before final procurement of licences in order to ensure that efficiencies are made where possible in the 22/23 financial year.

5. Issues and Choices

- 5.1. Existing agreements for the predecessor councils expire in August 2022, which means that the Council is likely to lose access to core infrastructure and applications for the delivery of core service.
- 5.2. The organisation will lose access to collaboration with other public sector bodies for delivery of services
- 5.3. There are different agreements across the Council for software licences relating to productivity and some infrastructure. The procurement will allow alignment of our contract agreements under North Northamptonshire Council.
- 5.4. Not all software licences are fully utilised or optimised for staff. The re-procurement process will allow for the organisation to optimise the use of licences across the organisation
- 5.5. There are 2 options to review relating to this procurement, which are detailed below;

- 5.6. The first option is to “**do nothing**”. In this option we will allow for the current contracts across the Council to expire, however this has been discounted as not a viable option. This option which will put the organisation at risk of losing its licencing for the required software and infrastructure, which will result in the loss of the use of its productivity services such as email and collaboration. Where licences are allowed to carry over, this will put the organisation in a non-complaint state and also potentially increase the costs of licences.
- 5.7. The second option is to “**go to market and procure**”. In this option, we will follow the most efficient and compliant route to renew our software licences through procurement, adhering to all the required governance.
- 5.8. The Council joined a non-obligation aggregated tender run by Crown Commercial Services on behalf of multiple local authorities, which will allow the Council to take advantage of a unique opportunity to get the best pricing through economies of scale, beyond that of NNC alone.
- 5.9. The Executive is recommended to select the option highlighted in 5.7. This is due to risks highlighted and no other viable option being available to address the licencing issue.

6. Next Steps

- 6.1. Subject to the approval of the Executive, the IT service will work with our procurement team to reprocur and award the contract for software licences required.
- 6.2. This is to be done via the Crown commercial services framework, utilising the relevant routes for agreements.

7. Implications (including financial implications)

7.1. Resources, Financial and Transformation

- 7.1.1. The cost of the licence procurement will be managed within the current budget allocation.
- 7.1.2. Through the exercise to optimise our software licence position, we will look to reduce the overall licence position by a minimum of 5% over the period of the new contract.

7.2. Legal and Governance

- 7.2.1 The Council has the power to enter into contracts in order discharge its functions (Local Government Act 1972, s111 and the Local Government (contract) Act 1997, s1).

7.2.2 The Local Government Act 1972 requires the Council to have regulations for how it enters into contracts. In addition to complying with all relevant UK and EU legislation every contract entered into on behalf of the Council must also comply with the Council's Contract Procedure Rules and the Council's Financial Regulations.

7.2.3 The Council's Contract Procedure Rules permit a contract of any value to be procured via a framework agreement, compliance with these Rules and relevant national law is achieved through compliance with the framework agreement.

7.2.4 Value for Money must be achieved in all procurements.

7.2.5 Procurement advice has been sought and it is proposed that it is appropriate to use a procurement framework as the route to market. The Council will utilise a legally compliance Crown commercial framework to procure the required licences.

7.3. Relevant Policies and Plans

7.3.1. This procurement meets the corporate objective of enabling the council to provide Modern public services by ensuring the service effectiveness is driven and improved through the use of applications and technology

7.3.2. This procurement links into the draft ICT Strategy and supports the theme "Getting the best deal", which relates to our amalgamation/ renegotiation and centralisation of contracts, which is detailed in our application strategy.

7.3.3. This work also supports the published future ways of working strategy, that support modern ways of working through the use of a hybrid working environment.

7.4. Risk

7.4.1. There is a risk of loss of service for the Council if the relevant licences are not procured.

7.4.2. There is a risk of commercial challenge to the council if we allow current contracts to expire and do not take a compliant route to market.

7.5. Consultation

7.5.1. Consultation will take place with the procurement teams and internal stakeholders as part of the procurement process.

7.6. Consideration by Executive Advisory Panel

7.6.1. Not applicable.

7.7. Consideration by Scrutiny

7.7.1. The procurement process and /or any part of the requirement may be selected for consideration by Scrutiny.

7.8. Equality Implications

7.8.1. The Council is committed to treating people fairly. The procurement of relevant software licences will allow services to be able to serve all citizens within North Northamptonshire

7.9. Climate Impact

7.9.1. The Council, having declared a climate change emergency in June 2021, is committed to reducing its climate impact both within its own Council buildings and in working with businesses and the wider community to achieve net zero energy emissions. The use of cloud software licencing and infrastructure allows the council to ensure that we are greener by not running hardware on premise and thereby reducing our carbon footprint.

7.10. Community Impact

7.10.1. Not Applicable

7.11. Crime and Disorder Impact

7.11.1. There are no implications arising from any recommendations that are being proposed that have a crime and disorder impact.

8. Background Papers

8.1. None