

**Joint Report of the Chief Executive and the Chief Constable to the Chair
and Members of the Police Authority Executive
4th August 2011**

**Executive & Presenting Officer: Mr Steve Sugden, Service Delivery
Manager**

Status: For approval

Microsoft Enterprise Agreement

1. Purpose

- 1.1 This paper informs Members of a decision made by the Acting Chief Executive following consultations with the Force and Steria outside of the normal business of the Authority, to convert the licence to use Microsoft products in force from a *select agreement* to an *enterprise agreement*, and recommends that Members confirm the decision.
- 1.2 The strategic partnership agreement with Steria introduces significant technological improvements which generate new Microsoft licensing requirements. These were known and were included in Steria's price for the contract with the authority. Steria, as planned, entered into a select agreement with Microsoft on behalf of the Force on 28th June 2011. Further research of alternatives during the agreement's cooling off period showed that an enterprise agreement would offer additional benefits to Steria and to Cleveland Police. The two types of agreement are similar, except in their payment terms.
- 1.3 No decision beyond those made in awarding the contract to Steria would have been required of Members in respect of licensing arrangements until 2013/14, as they endure for three years. This development does not alter that position, does not introduce any new cost and does not reduce the level of any savings anticipated in the partnership agreement. At renewal however, a 20% discount against future price would be available with the enterprise agreement.

2. Recommendations

It is recommended that Members:

- 2.1 Approve the decision made by the Acting Chief Executive following consultations with the Force and Steria on 25th July 2011, to convert the 'select' licensing agreement with Microsoft to an 'enterprise' agreement.

3. Background

- 3.1 Members will recall that Cleveland Police Authority entered into a ten-year strategic partnership with Steria in June 2010. The ground-breaking partnership included a transformation programme to deliver over 40 projects, many of which introduce new technology and infrastructure based on Microsoft products. Some of the more significant of these include: remote access to systems; CUPID refresh; and desk-top and lap-top replacement.
- 3.2 As part of these technology transformation projects, there is a need to purchase new Microsoft licenses both for servers and 'client' devices. This requirement was anticipated and was included in Steria's price to the Authority for outsourcing and associated service improvements. An up-front pricing model was used under which licenses would be bought on behalf of the Force at the time of first use. This is known as a select agreement, an approach that Cleveland Police has, in fact, used in the past. The agreements discussed in this paper are for a period of three years and Members will not be asked to consider future licensing options until 2013/14. A more detailed programme will be developed to support the capital planning review in the autumn of 2011.
- 3.3 Steria purchased the necessary licences on 28th June 2011, as planned. During the cooling off period that followed however, inquiries made by Steria and Cleveland Police identified an alternative option which was financially more attractive to Steria and which offered longer term benefits to the Force, an enterprise agreement. An enterprise agreement is largely similar to a select agreement except in its payment terms. On 25th July 2011, Steria notified Cleveland Police that an enterprise agreement would cost it (Steria) £1.3m over three years whereas the select agreement it had entered into on behalf of the Force cost £944k payable within weeks.
- 3.4 The implementation of an enterprise agreement instead of a select agreement does not reduce the options that Cleveland Police would otherwise have available in 2013/14. However, there would be the added option of extending the enterprise agreement which, in 2013/14, could be done at a 20% discount against future costs. This may make it attractive in comparison with other licensing agreements available at that time.

3.5 There is a requirement for Authority and Force representatives' to enter into the licensing agreement with Microsoft together with Steria. Following detailed discussions between Steria and the Force over a number of days, Steria invited the Authority to consider converting its select agreement into an enterprise agreement. In order to exploit the benefits of the enterprise agreement during the cooling off period which commenced on 28th June 2011, signatures on behalf of the Force and Authority were required by close of business on 25th July 2011. The Acting Chief Executive and the Deputy Chief Constable duly signed the agreement.

4 Implications

4.1 Finance

Detailed modelling of the licensing options available has been undertaken. There is a 'fixed price' requirement for Steria to procure Microsoft licenses on behalf of the Force to support the service improvement plans agreed in the contract. This decision is cost neutral. Savings anticipated and reported elsewhere will not be affected. A potential cost reduction in 2013/14 (discount at renewal) is described above.

4.2 Diversity and Equal Opportunities

There are no diversity or equal opportunity implications arising from this report.

4.3 Human Rights Act

There are no Human Rights Act implications arising from this report

4.4 Sustainability

A key feature of this proposal is to ensure a strategic approach to the use of information technology for the next ten years in order to maintain systems and services delivered within the force and ultimately those delivered to the public.

4.5 Risk

There are no new risks arising out of this proposal.

5. Conclusions

5.1 Detailed modelling of the licensing options available has been undertaken and a decision was taken by the Acting Chief Executive and the Deputy Chief Constable to enter into an enterprise agreement. Members are requested to ratify this decision.

Sean Price

Chief Constable