

Notice of KEY Executive Decision

Subject Heading:	M365 Tenancy Migration Partner
Decision Maker:	Kathy Freeman Strategic Director of Resources
Cabinet Member:	Councillor Paul Middleton – Cabinet Member for Digital, Transformation and Customer Services
SLT Lead:	Kathy Freeman Strategic Director of Resources
Report Author and contact details:	Gayle Kipling ICT Programme Manager gayle.kipling@havering.gov.uk
Policy context:	<p>This project directly contributes to the “Enabling a resident-focussed and resilient Council” and supports the objectives to:</p> <p>Manage our systems and data well and be a data driven organisation.</p> <p>Manage the council’s response to climate change and the challenges it presents, taking action to become carbon neutral by 2040</p>
Financial summary:	<p>The M365 Migration contract will be £812,400 for a 12 month contract, which includes a 20% contingency of £135000 to be used at the discretion of Havering. Capital has been allocated for this deliverable.</p>

Key Executive Decision

Reason decision is Key	Expenditure or saving (including anticipated income) of £500,000 or more
Date notice given of intended decision:	19/03/2025
Relevant Overview & Scrutiny Committee:	Overview and Scrutiny Board
Is it an urgent decision?	No
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

☐ People – Supporting our residents to stay safe and well.

☐ Place - A great place to live, work and enjoy

☒ Resources – Enabling a resident-focused and resilient Council

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

The Strategic Director of Resources is recommended to approve:

- A contract award with a maximum value of £812 000 to Microsoft Ltd via G-Cloud 14 Framework Agreement (RM1557.14) Lot 2 to complete a migration exercise for the M365 split against the existing shared one source tenancy for a term of 12 months from the 01/05/2025 to 30/04/2026.

AUTHORITY UNDER WHICH DECISION IS MADE

Scheme 3.3.3

Powers common to all Strategic Directors:

4. Contracts

4.2 To award all contracts with a total contract value of below £1,000,000 other than contracts covered by Contract Procedure Rule 16.3.

STATEMENT OF THE REASONS FOR THE DECISION

Both Havering & Newham Councils have invested heavily in M365 productivity & collaboration tools:

Word, Excel, PowerPoint, Outlook, MS Teams, Teams Telephony, Teams Meeting Rooms, PowerBI, SharePoint Online, Yammer (Viva Engage), MS Bookings & MS Forms.

The utilisation of some these productivity tools has been constrained by the configuration of the shared Microsoft tenant and the recent decision to return the IT Service and its capabilities to London Boroughs (LB) of Havering and Newham mandates the creation of a sovereign Microsoft Tenant for each borough.

The decision taken by both LB Havering and Newham to split and return the one source IT shared service back to the boroughs by the end of December 2025 mandates that various technical activities to take place to achieve a sovereign status. The split of the existing Microsoft cloud tenancy and the data which it contains is a key and foundational activity to provide the Councils with their own sovereign IT environments. The creation of new sovereign tenants will provide the boroughs with control over their respective digital environments, proving the bedrock on which to build their digital services.

This decision supports the outcome approved in the cabinet decision made on 13/03/2024 to decouple OneSource ICT and create a Sovereign IT Service for Havering.

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Following a period of market engagement, a contract was awarded to Microsoft to deliver a discovery exercise to advise on the best way to configure the new tenancies and split the data relevant to each organisation, while also providing the costs and timescales needed to complete it, working in collaboration as a joint exercise with the London Borough of Newham.

The output of this engagement has helped the Council to determine its approach to the migration, the dependent workstreams and a list of key decisions to work through to deliver successfully.

To select a suitable supplier and in compliance with the G-Cloud 14 Framework process, the following actions were applied against Lot 2:

- Creation of a long list using the keyword search in-line with the requirements identifying 4 potential services.
- The keywords used were: "Holistic strategic migration and digital transformation with change management and collaboration"
- Creation of a short list by focusing based on G-Cloud predefined filters (Security certification ISO/IEC 27001) resulting in 1 supplier with the capability to meet the requirements.
- Reviewed the supplier's service definitions in-line with the implementation requirements.
- Supplier capability was met by – Microsoft Limited's Cloud Navigator service offering.

On this basis, Microsoft Limited was selected as the preferred supplier.

The G-Cloud Framework has a number of suppliers from whom to select and is considered to represent the best value compliant route to market for the services required for this piece of ICT work.

Challenges with the existing environment exist, due in the main, to the expedited roll out of MS Teams as part of the rapid response to Covid. M365 was deployed without the controls and governance in place and has grown organically. This, in turn has led to an uncontrolled proliferation of MS Team sites and M365 Groups which is exacerbated by the one source arrangement of both organisations working in the same tenant. Using Microsoft's Industry Solutions Delivery team (ISD) for the migration involved in the disaggregation of Newham and Havering has the benefits of:

- specialised knowledge and expertise in navigating the complexities of mergers, acquisitions, and divestitures. Microsoft's ISD team have successfully delivered split tenancies for a number of local authorities previously
- the ability to call on the collective knowledge held within the Mergers, Acquisitions, and Divestitures (MAD) Connected Community. This community fosters collaboration and expertise across Microsoft, promoting knowledge sharing and awareness of important scenarios, including operational processes, migration challenges, and integration planning, essentially we benefit from the learning involved in other Council migrations.

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- Using previous experience and in depth knowledge of their own product to develop detailed migration plans, conduct workshops, and provide ongoing support to ensure a smooth transition
- ISD's approach includes leaving the source environment intact during migration and synchronizing tools to ensure that each user's data is migrated in full at the same time. Original data remains intact in the source tenant until the migration has successfully concluded.
- As Overall, ISD provides a structured and well-supported approach to divestitures, helping customers achieve their goals with minimal risk and maximum efficiency.

In addition to the experience that Microsoft bring to the migration, using a Microsoft team helps to mitigate the risk of duplicate licence charges. Microsoft normally waive duplicate licence charges for the first 90 days to allow for the migration of accounts, using Microsoft allows this element of the licencing regime to be waived, allowing for a less rushed migration.

Microsoft already have a significant understanding of both our existing and our target architecture. Microsoft authored, own and operate the technology, so are therefore best placed to assist with this complex migration in an expedient manner.

OTHER OPTIONS CONSIDERED AND REJECTED

The Council considered the following options:

1. Do nothing.
By doing nothing, the Councils would be unable to split a critical business service from one source and each other, which is necessary to achieve complete sovereignty over the Council's Information Technology estate.
2. Migrate the M365 tenancy using in-house teams.
The Councils do not have the necessary skills and expertise to manage this piece of work in-house, which is why the Councils would like to commission a partner to upskill our in-house teams.
3. Migrate the M365 tenancy using a different partner.
Microsoft already have a significant understanding of both our existing and our target architecture, as well as the effort required to migrate Havering into their own sovereign tenant. Bringing in a different partner would necessitate an element of re-work which would impact on the overall timeline.
Microsoft authored, own and operate the technology, so are therefore best placed to work alongside the Havering and oneSource teams to deliver the transition.

PRE-DECISION CONSULTATION

None

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NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Mark Duff

Designation: Director of IT, Digital & Customer Services

Signature: Mark Duff

Date : 24/03/2025

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council requires appropriate information technology systems for its employees to carry out its functions. The Council is making a decision to make a contract for migration of information technology services for that purpose.

The Council has the power to procure a contract a contract for these services through section 111 of the Local Government Act 1972, which allows the Council to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions, or through its general power of competence in section 1 of the Localism Act 2011 to do anything an individual can do, subject to certain limitations. None of the limitations apply to this decision.

There is an existing framework for cloud based software and the Council can make the contract through the framework through section 33 of the Public Contracts Regulations 2015.

For these reasons, the Council can make the contract.

FINANCIAL IMPLICATIONS AND RISKS

This report is seeking approval from the Strategic Director or Resources to award a contract with a maximum value of £0.812 million to Microsoft Ltd via G-Cloud 14 Framework to complete an exercise to split Havering Council from the existing shared oneSource tenant onto their own sovereign tenant as part of the wider programme of works designed to deliver a modern and sovereign ICT service for Havering Council.

The Council undertook a detailed discovery exercise, carried out by Microsoft, to fully understand the configuration of the existing tenancy and the work required to extract Havering and establish it within its own sovereign tenant. Therefore, the cost estimated for this contract are well informed and as a result ought to be accurate, albeit the final amount will not be known until the statement of works has been finalised and agreed as part of contract award. The contract is expected to be in the region of £0.677 million with an additional 20% (£0.132 million) built in as contingency which may or may not be drawn down and which will be used at Havering's discretion. Therefore, total maximum contract value will be £0.812 million.

Costs will be funded from ICT's M365 budget. The budget available is approximately £1.2 million which is considered sufficient to accommodate the cost of this contract, the cost of internal project management costs connected with the project as well as providing for an element of overall or general contingency.

The award of the contract will be for a term of 12 months from the 01/05/2025 to 30/04/2026. Therefore all the costs will fall in 2025/26. Payment will be on completion of agreed milestones.

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The benefit of awarding the contract to Microsoft includes familiarity with our tenancy as a result of the previous discovery work undertaken, familiarity with the technology (due to it being Microsoft owned) and previous experience at having undertaken similar disaggregation in the past in a local government setting.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The recommendations made do not give rise to any identifiable HR risks or implications that would affect either the Council or its workforce.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the Council, when exercising its functions, to have 'due regard' to:

- (i) The need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) The need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) Foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are age, sex, race, disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council is committed to all of the above in the provision, procurement and commissioning of its services, and the employment of its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing for all Havering residents in respect of socio-economics and health determinants.

An EqHIA (Equality and Health Impact Assessment) is usually carried out and on this occasion this isn't required

The Council seeks to ensure equality, inclusion, and dignity for all in all situations.

There are no equalities and social inclusion implications and risks associated with this decision

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HEALTH AND WELLBEING IMPLICATIONS AND RISKS

The recommendation made does not give rise to any identifiable implications that would affect either the Council or its workforce in terms of health and wellbeing.

ENVIRONMENTAL AND CLIMATE CHANGE IMPLICATIONS AND RISKS

There are no environment or climate change implications regarding this contract as the M365 environment is already a cloud based solution. Microsoft as an organisation have committed to being carbon neutral by 2030.

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BACKGROUND PAPERS

OneSource ICT Decoupling and creation of a Sovereign IT Service for Havering Report



OneSource ICT
Decoupling and crei

Delegated authority has been granted under section 2.1.4 of the OneSource ICT Decoupling and creation of a Sovereign IT Service for Havering report approved at Cabinet on 13/03/2024.

[Decision - OneSource ICT Decoupling and creation of a Sovereign IT Service for Havering](#)

APPENDICES

None

Key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

Details of decision maker

Signed



Name: Kathy Freeman

Cabinet Portfolio held:

ELT Member title: Strategic Director of Resources

Head of Service title

Other manager title:

Date: 09.04.25

Lodging this notice

The signed decision notice must be delivered to Committee Services, in the Town Hall.

For use by Committee Administration

This notice was lodged with me on _____

Signed _____