

To: Cabinet

Date: 11 February 2026

Report of: Rocco Labellarte, Chief Technology and Information Officer

Title of Report: Award of Contract for Microsoft Enterprise Software Licensing

Summary and recommendations	
Decision being taken:	To approve the procurement of a three year contract for the provision of Microsoft enterprise software licensing for Oxford City Council, by calling off under Lot 3 (Software) of the Crown Commercial Service Framework Agreement ref RM6098 - Technology Products & Associated Services 2 , to ensure continuity of core digital, productivity, and cyber security services.
Key decision:	Yes
Cabinet Member:	Councillor Nigel Chapman, Cabinet Member for Citizen Focused Services and Council Companies
Corporate Priority:	None
Policy Framework:	None

Recommendation(s): That Cabinet resolves to:	
1.	Approve the procurement of a three-year contract for Microsoft enterprise software licensing called-off under Lot 3 (Software) of the Crown Commercial Service Framework Agreement ref RM6098 - Technology Products & Associated Services 2.
2.	Approve an initial contract value of up to £1.8m , with an additional allowance of £400,000 over three years, for inflationary uplifts and controlled licence growth.
3.	Delegate authority to the Deputy Chief Executive - City and Citizens' Services, in consultation with the Monitoring Officer, Section 151 Officer and Cabinet

	Member for Citizen Focused Services and Council Companies, to award the contract and finalise contractual arrangements.
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Information Exempt From Publication	
State in here what information is to be exempt from publication – where it is, attach it as an appendix and name the appendix as you describe It here	<p>This report contains information relating to the Council's cyber security arrangements and digital resilience.</p> <p>Disclosure of this information could prejudice the security of the Council's systems and increase the risk of cyber-attack.</p> <p>Accordingly, parts of this report are exempt from publication under Schedule 12A, Paragraphs 3 and 7 of the Local Government Act 1972.</p>

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1		<p>Yes.</p> <p>This information is exempted from publication under Schedule 12A to the Local Government Act 1972 on the following basis: Information about someone's finances or business.</p> <p>Appendix 1 contains a detailed breakdown of software licensing types, quantities, and associated costs. Disclosure of this information would reveal commercially sensitive pricing structures and contractual arrangements and would prejudice the Council's commercial position in future procurement exercises.</p> <p>In addition, the licence breakdown reflects elements of the Council's cyber security and technology posture. Public disclosure could increase security risk by revealing information about the scale and composition of the Council's defensive controls.</p> <p>The public interest in transparency is met through publication of the overall contract value, term, and procurement</p>

		route, without disclosing detailed cost and licence composition.
Appendix 2		<p>Yes.</p> <p>This information is exempt from publication under Schedule 12A to the Local Government Act 1972 (paragraphs 3 and 7 – information relating to the financial or business affairs of any particular person, including the authority, and information relating to the security of the authority's property and systems).</p> <p>Appendix 2 contains sensitive information relating to the detailed risk register for the procurement of Microsoft enterprise software licensing. This includes identified operational, cyber security, business continuity, and contractual risks, together with their assessed likelihood, impact, and mitigating controls.</p> <p>Disclosure of this information would prejudice the Council's commercial and operational position by revealing vulnerabilities, dependencies, and risk management strategies associated with its core digital infrastructure and cyber security arrangements. Public disclosure could increase the risk of cyber-attack or service disruption by providing insight into the Council's critical systems, controls, and resilience assumptions.</p> <p>Accordingly, Appendix 2 is not for publication. The public interest in transparency is met through publication of the main report, which sets out the procurement rationale, overall contract value, term, procurement route, and governance arrangements, without</p>

		disclosing detailed risk assessments or security-sensitive information.
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Introduction and background

1. Microsoft software and cloud services underpin a significant proportion of Oxford City Council's ICT estate, including email, collaboration tools, identity management, cyber security controls, and end-user productivity services.
2. The Council's current Microsoft licensing arrangements are approaching renewal. Failure to re-procure would present material risks to service continuity, cyber security, and licensing compliance.
3. This report seeks approval to award a replacement contract for Microsoft enterprise licensing, ensuring the Council can continue to operate securely and efficiently while supporting its cloud-first and security-by-design approach.

Preferred Procurement Option

4. Award a three-year contract via **Crown Commercial Service Framework RM6098 Lot 3 (Software)**.

This route:

- Is fully compliant with public procurement regulations
- Provides value for money through aggregated public sector pricing
- Reduces procurement and legal risk
- Enables timely contract award

Alternative Options Considered

5. **Option 1 – Short-term or annual licensing**
Rejected due to increased cost, operational risk, and lack of price certainty.
6. **Option 2 – Reduced licensing with lower cyber security assurance**
Would deliver a marginal saving (approximately £33k per annum) but would materially reduce the Council's cyber security controls and assurance and is therefore not recommended.

Other implications

No additional implications beyond those set out elsewhere in this report have been identified.

The proposed contract award relates solely to the renewal of existing corporate ICT software licensing arrangements and does not introduce changes to service delivery, staffing, policy, or public access to services. Wider considerations such as health and safety, human resources, crime and disorder, sustainability, and environmental impact have been considered and are not applicable to this decision.

Financial implications

7. The proposed three-year contract has an estimated value of **£1.8m**, with a maximum potential value of **£2.2m** over the contract term to allow for inflationary uplifts and controlled licence growth.
8. Financial Services have confirmed that sufficient funding exists within approved ICT budgets to meet these costs. The use of a Crown Commercial Service framework provides cost certainty and value for money through aggregated public sector pricing.

Legal issues

9. Under Rule 18.12 Cabinet is the authorising body for projects valued at £750,000 or over. Under Parts 4.5 (10) 4.5 (11) and Rule 19.17 of the Constitution Cabinet is responsible for the decisions set out in the recommendation. Under section 9E (3) (c) of the Local Government Act 2000 Cabinet is empowered to delegate its functions to officers.
10. Due to the estimated value of spend, the procurement will need to be carried out in accordance with the Procurement Legislation and the Council's Constitution. Calling-off under an established framework agreement such as the Crown Commercial Service Framework Agreement ref RM6098 - Technology Products & Associated Services 2 is a recognised way of lawfully procuring provided that the call-off process is strictly adhered to. Any inflationary uplifts must only be allowed as permitted using the methodology set out in the framework agreement. When calling-off a further competition will be conducted which ensures that best value will be achieved as the reseller with the cheapest price will be awarded the call-off contract. Legal services are instructed to support and advise on process and documentation.

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Level of risk

11. Failure to approve this decision would expose the Council to:
 - Loss of access to critical systems
 - Increased cyber security and data protection risk

- Licensing non-compliance
- Disruption to service delivery

These risks are mitigated through the proposed contract.

Equalities impact

12. An Equalities Impact Assessment has been considered for this decision. The proposed contract award relates to the procurement of corporate ICT software licensing required to maintain core digital infrastructure, cyber security, and productivity services across the Council. The decision does not introduce changes to service delivery models, eligibility criteria, access arrangements, or the way in which residents or staff interact with Council services. The licensing arrangements apply consistently across the organisation and do not have a differential impact on any protected characteristic group as defined under the Equality Act 2010. As no adverse or differential equalities impacts have been identified, a full Equalities Impact Assessment is not required, and no appendix is attached. Equalities impacts will continue to be considered as part of the implementation and ongoing use of digital services supported by this contract.

Carbon and Environmental Considerations

13. The use of cloud-based services supports reduced reliance on on-premise infrastructure and aligns with the Council's wider sustainability objectives.

Conclusion

14. The proposed contract award ensures continuity of critical digital services, maintains cyber security assurance, and provides cost certainty over a three-year period. Approval is therefore recommended.

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