| | |
|---|---|
| **THE HIGHLAND COUNCIL**<br>**Resources Committee**<br>**24 February 2016** | Agenda Item **16** |
| **ICT Projects Update**<br>**Report by the Depute Chief Executive/Director of Corporate Development** | Report No **RES/ 15/16** |

**Summary**

This report provides Members with an update of the status of current ICT projects as per the Council's Project Governance Policy.

| 1. | **Background** |
|---|---|
| 1.1 | The Council's new Project Governance Policy was agreed at the November 2015 meeting of the Resources Committee. One element of that policy was to provide Members with a regular update of the status of projects. This report provides the update on the status of ICT projects currently underway. |
| **2.** | **ICT Project Governance** |
| 2.1 | Each ICT project is governed by its own Project Board with a Project Sponsor at a senior level responsible for ensuring the governance adheres to the Council's policy. In addition, for a project to progress, it must pass a series of "Gateway Reviews" before being allowed to advance to the next stage. The Gateway Reviews are as follows:<br><br>• **Gateway 0:** Strategic Assessment – (requires a project mandate and a project sponsor);<br>• **Gateway 1:** Initial Business Justification (requires outline of the project and an outline business case);<br>• **Gateway 2:** Investment Decision (requires Project Definition and a detailed business case);<br>• **Gateway 3:** Project Commencement (requires Project Initiation Document);<br>• **Gateway 4:** Readiness for Service (the business solution goes "live");<br>• **Gateway 5:** Operational Review and Benefits Realisation;<br><br>For ICT projects, Gateway Reviews are carried out at the ICT Development Board, chaired by the Depute Chief Executive. |
| 2.2 | All large ICT changes are assessed using a scorecard. This covers factors such as the estimated costs, impacts on other systems, impacts on staff and the public, requirement for Fujitsu involvement, dependencies, complexity and other risk items. Depending on the result of the scorecard, potential changes are then scored as not projects, minor projects or major projects. This report covers all changes regarded as projects under that scorecard. |

| | |
|---|---|
| 2.3 | The Project Governance Policy states that compliance with that policy will be monitored and enforced for projects that: <br><br> • Requires significant capital or revenue investments – significant investment means having a value of £4 million or more over the lifecycle of the project and any resulting contract/s as set out in the Procurement Reform (Scotland) Act.; or <br> • Projects whose implementation exhibits a high level of complexity, ambiguity, tension, uncertainty or risk as identified by the scorecard in; or <br> • Projects that are forecast to deliver substantial cost savings as identified by the Council's Senior Leadership Team. <br><br> However for ICT projects it is accepted that the standards and processes in the policy are best practice and they are therefore generally applied for all projects. |
| 2.4 | Projects are categorised into one of the following types, noting that in some cases more than one category may apply – <br><br> • **Infrastructure** – generally crossing across Services and initiated by ICT Services – enabling other changes to happen; <br><br> • **Compliance** – non-standard change required to comply with legislation etc; <br><br> • **Business as Usual (BAU)** – standard but large scale change, usually relating to planned system upgrades; <br><br> • **Innovation** – related to real changes in processes or systems – something new. |
| **3.0** | **Current Projects** |
| 3.1 | The table at Appendix 1 provides the summary status for all current ICT projects. For those projects showing an Amber or Red status further commentary is given below. |
| 3.2 | **Members ICT Service** – **RED** – this project will introduce, where required, new tablets to replace existing laptops being used by Elected Members. The project is Red as the original timescale for deployment starting in December 2015 has been missed as a result of delays in confirming devices and getting pricing from Fujitsu. Work is ongoing with Fujitsu to finalise the costs and it is expected that engagement with Members for selection of devices and preparation for rollout will be able to start in March 2016. |
| 3.3 | **Enterprise Mobility Management – RED** – this project will replace the Council's Blackberry infrastructure with a modern platform for managing a range of Smartphones. The project is Red due to timescale and cost. The complexities of securely interfacing with the Council's email system were under-estimated in the original scope and this has caused a delay of several months. Additionally we are working with two suppliers – Vodafone and Fujitsu – and that has led to further delay. Costs have risen due to the requirement to carry out security testing, to confirm the new system meets PSN standards, and the additional work to interface with email. Testing is going well now and it is expected that the new service will be live for Members in March 2016. |

| | |
|---|---|
| 3.4 | **Customer Relationship Management (CRM) – RED** – this project will replace the Council's CRM system and will deliver ongoing savings. The project is Red due to timescale and cost. Fujitsu were asked to deliver a work package to enable network connectivity and decommissioning activity. This work package has been costed significantly higher than the original estimate, meaning that the total project cost has risen from £180,000 to £213,746. The ICT Development Board has expressed concerns on this increase and has tasked ICT Services to challenge Fujitsu on the cost increase. |
| 3.5 | **New Schools Programme – Lundavra – RED** – although the new Lundavra school opened on time, there are still issues with the data network – especially the wireless network. Therefore the ICT aspect of the project has not closed as expected. Fujitsu are currently assessing the network and work is starting with Capita, the Council's new networks supplier, to find a resolution to the problems. |
| 3.6 | **PSN Phase 2 – RED** – this project has been running since the 2014/15 ICT Health Check to resolve a number of deficiencies identified. This project and the predecessor Phase 1 project have been critical to the Council's accreditation to the Public Services Network (PSN). The project is Red due to timescales – due to complete one year later than planned. This has been due to the highly complex interdependencies of the infrastructure changes being made and also to poor contractor performance early in the project.

Although this is not satisfactory and all efforts are being made to close the project, a recent onsite audit by a PSN assessor provided substantial reassurance of the Council's security management. As a result we will continue with a 2-year PSN accreditation – one of only 3 Councils in the UK to have achieved this accreditation. This is a direct result of strong management of security generally in the Council and the robust approach being taken with suppliers.

The full cost profile of PSN2 has only seen a nominal change in costs – from £452,573 to £453,894.

In addition to the project costs, there has been significant additional PSN-related expenditure through ongoing business as usual activity. Much of this has covered the refresh of old devices running Windows XP that could no longer be supported and the regular updating of key software components. This business as usual   has cost £403,414 over the last 2 years and has been funded through ICT Services budget and Fujitsu Service Development Credits. |
| 3.7 | **Integrated HR and Payroll – RED**  – this project forms part of the wider Business Support Programme, which to date has delivered £2.3m, with further savings expected in excess of the target. Delay to this project is due to technical issues with the new system, though this is LIVE to 97% of all staff (e.g. on-line payslips). Work is ongoing with Fujitsu Services to resolve remaining technical issues, and delay to resolution has been escalated through governance. Delays have impacted on cost, with additional budget (£91k) from the ICT Development Fund approved through governance, including ICT Development Board.

Part of this additional project cost involved the extension of the contract with the consultant who was contracted to work on the project.  The contract extension |

| | |
|---|---|
| | brought the total cost in excess of £50k by which the work should have been put out to re-tender, however, given the detailed knowledge and experience of the individual concerned, the scale of financial savings and performance improvement required, the Director of Finance agreed in these exceptional circumstances to extend the contract without re-tendering. To have done otherwise would have prejudiced the successful outcome of the project. |
| 3.8 | **Digital Access Service – AMBER** – this project is part of the Transformational Savings Programme and is introducing a number of online services to the Council's website. The project is Amber due to timescale. However the recent delays have been a result of delayed service documentation rather than any delays in introducing the public-facing services. These documentation issues are now largely resolved. |
| **4.0** | **Re-baselined Projects** |
| 4.1 | The Project Management Governance Policy recognise that remedial action can be applied to a RED status project to bring it back on track, - for example when the delivery timescale is changed to account for a revised implementation date or if there is an authorised project cost increase with agreed budget increase. Such projects are said to be "re-baselined".<br><br>The following projects were re-baselined within this reporting period; |
| 4.2 | **Local Taxation e-Services – RED to GREEN** – this project will implement an online service for Council Tax and Non-Domestic Rates, allowing householders and businesses to access details of their payments and transact online. The project is Red due to timescales – original implementation date was to be January 2016. The delay is due to a dependency on the project to replace the Council's CRM system. This dependency is relatively recent and represents an opportunity as the new system will provide online functionality, meaning that a separate e-Services system will not be required. The disadvantage is a delay until the CRM system is live in April-May 2016. Section 3.5 below provides more detail regarding the CRM project. |
| 4.3 | **Unified Communications - RED to GREEN** - the Unified Communications project was originally forecast to the original budget and would have delivered much later than originally planned. However, as reported to members at November 2015 Resources committee there has been a change of approach and re-planning following the pilot rollout, which has closed the pilot and commenced a new phase of the project and as such this has changed the RAG code from RED to GREEN |
| **5** | **Implications** |
| 5.1 | Resource Implications: Project Sponsors will have to ensure the required resources are in place to meet the requirements of their projects. This is the case for all projects detailed above in this report. |
| 5.2 | Legal Implications: There are no legal implications arising from this report. |
| 5.3 | Equality Implications: There are no equality implications arising from this report. |
| 5.4 | Climate Change/Carbon Clever Implications: There are no climate change |

| | implications arising from this report. |
|---|---|
| 5.5 | <u>Gaelic Implications:</u> There are no Gaelic implications arising from this report. |
| 5.6 | <u>Rural Implications:</u> There are no rural implications arising from this report. |
| 5.7 | <u>Risk Implications:</u> There are no risk implications arising from this report. |

---

**RECOMMENDATIONS**

Members are asked to:

- Note the report;
- Agree the additional expenditure on the Integrated HR and Payroll and CRM Projects.

---

Signature:        Michelle Morris
Designation:   Depute Chief Executive
Authors:          Jon Shepherd
Date:               9 February 2016

## APPENDIX 1 – Current Projects List

| Before Gateway 0 | Project Type | Service | PM | Project Sponsor | Cost Baseline | Cost Forecast | Go-Live Baseline | Go-Live Forecast/ Actual | Overall Project Status | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Current | Previous Report (Nov 2015) |
| ICH IT Provision | Innovation | C&L | THC | TBC | | | | | **Green** | **Green** |
| Legal Case Management System | Innovation | CD | THC | TBC | | | | | **Green** | **Green** |
| Decriminalised Parking Enforcement | Innovation | CD | TBC | TBC | | | | | **Green** | **Green** |
| **Between Gateway 0 and Gateway 1** | | | | | | | | | | |
| Curriculum Guest Access | Innovation | C&L | TBC | Brian Porter | | | | | **Green** | **Green** |
| Webcasting | Infrastructure | CD | TBC | PM | | | Jun 2016 | Jun 2016 | **Green** | **Green** |
| Members Service | Innovation | CD | FJS | Vicki Nairn | | | Dec 2015 | Apr 2016 | **Red** | **Green** |
| **Between Gateway 1 and Gateway 2 – Project Definition** | | | | | | | | | | |
| Construction Information Management System | BAU | D&I | THC | Finlay MacDonald | TBC | TBC | Aug 2016 | Aug 2016 | **Green** | **Green** |
| Inverness City WiFi | Innovation | D&I | THC | Stuart Black | £1,250,000 | £1,250,000 | Oct 2016 | Oct 2016 | **Green** | **Green** |
| Category F Schools Refresh Phase 1 | BAU | C&L | FJS | Brian Porter | £630,018 | £630,018 | Aug 2016 | Aug 2016 | **Green** | **Red** |
| e-Development (Building Standards and Planning) | BAU | D&I | THC | Malcolm Macleod | £60,000 | £60,000 | Aug 2016 | Aug 2016 | **Green** | **Green** |
| **Between Gateway 2 and Gateway 3 – Project Initiation** | | | | | | | | | | |
| Unified Communications | Infrastructure - Innovation | CD | THC | John Robertson | £1,514,590 | £1,823,000 | Jul 2016 | Mar 2018 | **Green** | **Red** |
| Local Taxation e-Services | Innovation | FIN | THC | Alan Gunn | £65,000 | £65,000 | Jan 2016 | Dec 2016 | **Green** | **Green** |
| **Between Gateway 3 and Gateway 4 – Project Delivery** | | | | | | | | | | |
| Enterprise Mobility Management | Infrastructure | CD | THC | Jon Shepherd | £20,400 | £70,000 | Dec 2015 | May 2016 | **Red** | **Green** |
| Mobile Service Delivery | Innovation | CD | THC | Caroline Campbell | £341,500 | £341,500 | April 2016 | April 2016 | **Green** | **Green** |
| CRM Replacement | BAU | CD | THC | Vicki Nairn | £180,000 | £ 213,746 | Jan 2016 | Mar 2016 | **Red** | **Green** |

| New Schools Programme - Noss | Infrastructure | C&L | FJS | Brian Porter | £137,920 | £137,920 | May 2016 | May 2016 | Green | Green |
|---|---|---|---|---|---|---|---|---|---|---|
| New Schools Programme - Lundavra | Infrastructure | C&L | FJS | Brian Porter | £138,534 | £139,441 | Nov 2015 | Feb 2016 | Red | Green |
| SWAN Implementation | Infrastructure | CD | THC | John Grieve | £1,400,000 | £1,150,000 | Sep 2016 | Sep 2016 | Green | Green |
| Wireless Guest Access | Infrastructure | HLH | FJS | Alan Hoseason | £39,075 | £69,000 | Dec 2014 | Feb 2016 | Green | Red |
| PSN Phase 2 | Infrastructure | CD | FJS | Jon Shepherd | £452,573 | £453,894 | Mar 2015 | Mar 2016 | Red | Red |
| Curriculum Chromebook Pilot | Innovation | C&L | THC | Brian Porter | £40,000 | £40,000 | Sept 2015 | Sept 2016 | Green | Green |
| SEEMiS | BAU | C&L | THC | Brian Porter | £400,000 | £408,000 | | | Green | Green |
| Digital Access Service (NDL, Achieve Forms and Netcall) | Innovation | CD | THC | Michelle Morris | £85,284 | £104,449 | Jan 2014 | Dec 2015 | Amber | Green |
| Integrated HR and Payroll | Innovation | CD | THC | Derek Yule | £455,000 | £546,000 | Jan 2015 | Feb 2016 | Red | Amber |