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THE HIGHLAND COUNCIL
Resources Committee
23 November 2016

	Agenda Item	**13**
	Report No	**RES/ 81/16**

ICT Transition and Network Programmes
Report by the Depute Chief Executive/Director of Corporate Development

Summary

This report provides Members with an update on the status and governance arrangements of the major ICT modernisation programmes now underway. These programmes cover the transition from the Fujitsu contract to the Wipro contract, subsequent transformation activities to be carried out by Wipro, transition to the SWAN network and an overall ICT network refresh.

1.	**Background**
1.1	Reports have been presented to previous meetings of this Committee covering the ICT Re-provision programme. As a contract has now been awarded for core ICT services to Wipro Holdings Ltd, the ICT Re-provision Programme has now moved into an implementation phase. The Committee has also received reports covering the SWAN transition and reference has been made to preparatory work for a wider Local Area Network (LAN) refresh across Council sites. Due to the dependencies between these programmes a combined report is now presented covering the wider ICT Implementation activity.
2.	**ICT Transition**
2.1	The contract with Wipro Holdings was officially signed on the 16th September 2016. Since that date the ICT Implementation Team has been heavily engaged in reviewing and amending the detailed Implementation Plan that has now been approved by the ICT Implementation Board. As required by the Council's Project Management Governance Policy, the ICT Re-provision programme Competition Stage End Report is attached at Appendix A.
2.2	The initial key objective is to ensure a smooth transition of service responsibilities from Fujitsu Services to Wipro ensuring continued support; availability and functionality to the Council, working with both parties to ensure an effective Exit and Transition of services, and full business continuity.
2.3	The RAG Status of this programme is GREEN. The programme of work that is phased over the period until November 2019 covers the initial transition and 6 Transformation Projects. In addition to transition there are 6 Transformation programmes listed below in Table 1, together with descriptions and timelines

1.1.1 Project	1.1.2 Description	1.1.3 Timeline
1.1.4 TP1 – Active Directory	1.1.5 Update to match organisational Structure, support workflow automation and replace Joiner/Movers/Leavers process	1.1.6 To be done alongside Transition and delivered by 31st March 2017
1.1.7 TP2 – Data Centre	1.1.8 Move and replace servers from Fujitsu Data Centre to Wipro Data Centre and remove distributed Servers across THC (mainly Schools)	1.1.9 To be done alongside Transition and delivered by 31st March 2017.
1.1.10 TP3 – End User Computing (EUC) Corporate and Office 365	1.1.11 Move to Office365 and Sharepoint online. Refresh and redesign of Devices	1.1.12 Office 365 to be completed summer 2017 and EUC by December 2017
1.1.13 TP4 – End User Computing (EUC) Schools; Office 365 and LMD (Locally Managed Devices – Chromebooks) roll out	1.1.14 Move to Office365 and Sharepoint online. Refresh and redesign of Devices and LMD roll out	1.1.15 Office 365 for Teacher completed by summer 2017, refresh of device completed by November 2019
1.1.16 TP5 – Application Review	1.1.17 Review of Business applications; identify Roadmap and obsolescence and recommendations.	1.1.18 To be completed by summer 2017
1.1.19 TP6 – Application Self Service	1.1.20 Application Portal for self-service installation and request automation.	1.1.21 Technology to be available by March 2017.

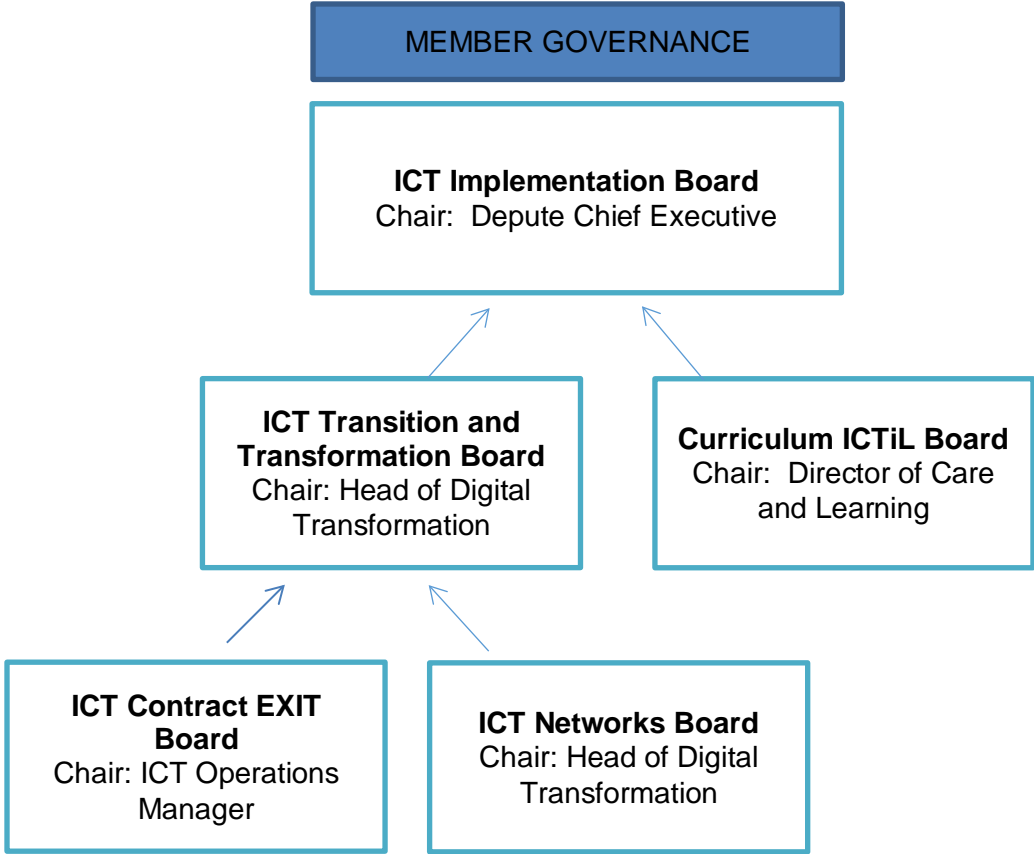Table 1: Transformation Programmes

2.4	An initial estimated one off transition budget of £987,000 has been agreed by the Re-provision Board and it is proposed that whilst this figure will be covered by the overall savings of £18m that will be delivered over the 7 year term of the contract, the transition costs are initially funded from the Council's non-earmarked general fund balance. It is intended to meet the cost of the short-term transition team from the ICT Development Fund (subject to appropriate governance) and for any costs associated with the exit from the existing contract and set-up of new contracts to be funded from balances, and a report will be brought to the Resources Committee in February seeking final approval.

3.	**ICT Network Programme**
3.1	The purpose of the ICT Network Programme is to: • Ensure the successful delivery of an updated ICT network infrastructure within budget constraints; • Deliver the outputs of the ICT Network Strategy and assist in the delivery of the ICT in Learning Strategy; • Ensure the Council has a fit for purpose future-proofed ICT network which meets business needs;
3.2	The scope of the Programme will cover the following five projects: 1. SWAN Transition and Implementation; 2. ICT Network Redesign; 3. ICT Network Refresh; 4. ICT in Learning Bandwidth requirements; 5. Transfer of non-SWAN WAN (Wide Area Network) services (such as low-bandwidth broadband (ADSL) services);
3.3	The RAG Status of this programme is AMBER, due to delays to understanding the scope and the costs for the network refresh. Work on the design phase is nearing completion, and as such further work is underway on the future costs of the Council's network requirements. The Council continues to work with its network suppliers to further refine the costs and where appropriate review our requirements to reduce the overall cost of the ICT Network Refresh. A report will be submitted to members at Resources Committee in February 2017 which will provide more details on all aspects of the Networks Programme and associated costs.
3.4	This project will also develop a business case to cater for the potential need to increase bandwidths to deliver the ICT in Learning Strategic Action Plan. The scope of this work is expected to deliver the following outcomes: • Support the deployment of the 1:1 learner model in Highland schools ie chrome books; • Provides an adequate level of bandwidth to schools, for pupils, teachers, staff and guests within budget constraints;
4.	**SWAN Transition and Implementation**
4.1	The section of the report updates Members on the current status of Pathfinder North (PfN) which is the six local authorities shared services partnership comprising of Argyll & Bute Council, Comhairle nan Eilean Siar, Highland Council, Moray Council, Orkney Islands Council and Angus Council, and its membership within the Scottish Wide Area Network Partnership (SWAN).
4.2	Members were last updated via a report to the Resources Committee in August 2016, and an update is provided on the progression of the Transition from PfN's existing supplier to SWAN including the issues experienced to date. The RAG Status of this programme is currently RED due to supplier delays and cost increases.
4.3	The Transition to SWAN is a programme of work comprising of approximately 700 sites, of which 392 belong to Highland Council. Transition continues to progress steadily, The total number of sites connected is 200, which, represents 51% of the

	Highland estate. The delays to the commencement of the Transition previously reported will not be recovered. Members were previously advised the programme would be subject to an overrun of six months with the possibility that a small number of sites would go beyond this.
4.4	The table below sets out the Capita Transition Forecast. Members will note the majority of the Transition will complete by the end of Q1, 2017, 6 months later than originally scheduled with a very small percentage of sites currently forecasted to go beyond this. Due to the nature of the work, the forecast can only be determined with a degree of accuracy for 4-6 weeks in advance. The longer term forecast is based upon a number of assumptions and given the performance of Capita to date, should be viewed as a guide only.

	Highland Council Delivery Profile								
Sites Requiring Connection	Sites Connected	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
392	200	15	53	78	11	11	6	5	13

4.5	Members are assured that every effort is being made to reduce the number of sites that will be subject to an overrun, and to bring the completion date forward. In the meantime the Council has made full Business Continuity arrangements with the current supplier Vodafone to protect the Council's network provision.
4.6	As per the previous report, a claim for extra time (Relief Notice) to deliver the service was issued by Capita to PfN on 25 November 2015. The Notice focused on conditions relating to Construction and Design Management legislation (CDM), that specifically Highland Council was placing on the proposed survey and installation works to its sites.
4.7	Members will recall that Capita had estimated the delay to be 6 months across the entire 692 site programme for all Partners but the Council reduced this claim to 3 months for 75 Highland Council sites only, and protect its commercial position.
4.8	This agreement represents significant movement from the original position and will reduce the financial impact of the Relief Notice considerably, which is very positive news for the Council. Initial modelling indicates that the financial impact of the Relief Notice can be met from existing budgets. However, as per the overall financial risk the impact of the Relief Notice will be affected by a number of factors. This includes agreeing with Capita liability for certain elements of the charges applied by Vodafone for the contract extension and the actual progress of the Transition. The financial impact continues to be assessed as part of the overall operational and financial risks. Based on the most recent Swan roll out plan received from Capita the total additional costs payable to Vodafone until the roll out has been completed amount to £645k over 2016/17 (£387k) and 2017/18 (£258k). Activity is already underway to recover these additional costs from Capita on the basis that Capita is responsible for the delay.

5.	**Future Programme Governance**
5.1	New boards are now in place to ensure that governance continues to be robust. The Programmes will be overseen by the ICT Implementation Board chaired by the Depute Chief Executive/Director of Corporate Development and including all Directors and is now meeting monthly. The ICT Executive Board (Members) will continue with an amended remit to oversee the delivery of the ICT Implementation, as detailed in this report.
5.2	Reporting to the ICT Implementation Board will be a number of sub boards which have a direct relevance and inter-relationship with the core elements of the overall Council wide ICT new contracts implementation. The diagram below illustrates the structure.
5.3	MEMBER GOVERNANCE **ICT Implementation Board** Chair: Depute Chief Executive **ICT Transition and Transformation Board** Chair: Head of Digital Transformation **Curriculum ICTiL Board** Chair: Director of Care and Learning **ICT Contract EXIT Board** Chair: ICT Operations Manager **ICT Networks Board** Chair: Head of Digital Transformation
6	**Implications**
6.1	Resource Implications: Resource implications for the individual workstreams will be assessed during the programme progress and will be addressed once budgets and project plans are clarified. A detailed piece of work is currently being undertaken by senior finance and ICT officers with regard to profiling the ICT costs over the 7 year lifetime of the contract. This is a complex exercise and has many interdependencies and it is expected that this work and any associated budget implications will be reported to the February 2017 Resources Committee. At this stage it is expected that there will be costs relating to contract exit and transition to new contracts, while a budget

	pressure of £645,000 (spread across 2016/17 & 2017/18) for additional costs arising from the SWAN project, is the subject of a claim to Capita.
6.2	Legal Implications: The Council must adhere to the contract provisions within the contracts it has signed for all ICT contracts in order to ensure that work programmes remain on time and that any contractual penalties are avoided.
6.3	Equality Implications: There are no equality implications arising from this report.
6.4	Climate Change/Carbon Clever Implications: There are no climate change implications arising from this report.
6.5	Gaelic Implications: There are no Gaelic implications arising from this report.
6.6	Rural Implications: There are no rural implications arising from this report.
7.1	Risk Implications: There are a number of risks which relate to the overall programme of ICT modernisation works outlined in this document. The main risk in terms of transition is that the Council needs to ensure that it is ready and able to transition across both corporate and curriculum ICT estate and has the necessary staff and resources available to support an effective migration from Fujitsu to Wipro. In terms of the ICT Networks Programme then the Council is currently scoping the networks requirement and assessing both capital and revenue funding streams. Initial indications have suggested that there is further work to do to fully understand costs and any potential budget pressures. Early engagement with the supplier market has indicated that there may be budget pressures in 2017/18 with regard to the local area network, wireless local area network and schools bandwidth requirements, and officers are currently working to understand and assess these financial risks, with a more detailed report being presented to members in February 2017. The SWAN rollout continues to carry financial risks for the Council, in that alternative business continuity arrangements have had to have been procured and put into place, as reported in Section 4.

8. RECOMMENDATIONS
8.1 Members are asked to:
  i.   Note the report
  ii. Note the requirement for exit and transition costs to be funded from the Council's non-earmarked general fund balance and that a report will be brought to the February Resources Committee
  iii. Note the pressure created by the delay of the SWAN migration of £645,000 and that action is being taken to recover costs from Capita
  iv. Note the risks presented regarding the Exit, Transition and Network Programmes

Signature: Michelle Morris
Designation: Depute Chief Executive
Authors: Vicki Nairn, Jon Shepherd
Date: 10th November 2016

The Highland Council

ICT Reprovision Programme
Competition Stage
End Stage Report

DOCUMENT DETAILS		
Project Name	ICT Reprovision Programme	**Author**
		Maarten Westerduin
		Programme Management Office
		Karen Chisholm McIntosh
		Project Manager
		Jon Shepherd
		ICT Operations Manager
Document		**Owner**
Revision:	0.12 Draft	The ICT Reprovision Programme Office
Status:		The Highland Council
Control dates		**Approved by**
Sponsor Review:		Michelle Morris
ICT Review:		Depute Chief Executive
		Corporate Development Service

Distribution

NAME	TITLE	SERVICE
Ken Fox	ICT Reprovision Programme Manager	CD
The Core Team	N/A	CD
Vicki Nairn	Procurement Lead (Head of Digital Transformation)	CD
Michelle Morris	Project Sponsor (Director or Corporate Development)	CD
The Reprovision Board	N/A	CD

Change history

REVISION	DATE	AUTHOR	CHANGE SUMMARY
0.1	3 May 2016	Karen Chisholm McIntosh	Initial draft
0.2	5 May 2016	Karen Chisholm McIntosh	Update to initial draft
0.3	6 May 2016	Karen Chisholm McIntosh	Update to initial draft
0.4	9 May 2016	Karen Chisholm McIntosh	Update to initial draft
0.5	10 May 2016	Ken Fox	First Review
0.6	25 May 2016	Karen Chisholm McIntosh	Update following review
0.7	26 May 2016	Karen Chisholm McIntosh	Updates to Section 7
0.8	31 May 2016	Karen Chisholm McIntosh	Updates to Sections 1 - 8
0.9	13 July 2016	Karen Chisholm McIntosh	Updates to Section 8
0.10	14 July 2016	Karen Chisholm McIntosh	Updates to Section 8 & addition of Section 9 (audit)
0.11	27 July 2016	Ken fox	Review and Update
0.12	29 Sept 2016	Jon Shepherd	Review and Update

Summary

This End Stage Report seeks to provide the ICT Reprovision Programme Board with a synopsis of the Competition Stage.

Contents

1. Background

The Highland Council's ICT service delivery is currently undertaken through an 'outsourced' service delivery model with one contract covering Managed ICT Services provided by Fujitsu Services and the other covering Managed Wide Area Network Services provided by Vodafone.

The Managed Wide Area Network Services contract (Pathfinder North) which would have come to end of term in March 2014 has been extended for three years to allow the Council to participate in the SWAN Vanguard Reprovision project. This was done successfully and transition to SWAN WAN services commenced in March 2016. SWAN services will provide the future Managed WAN Service for the Council and implementation will be completed by 31st March 2017.

The Managed ICT Services contract was due to come to end of term on 31 March 2015, but an agreement for service continuation was reached providing for the majority of the service to continue to be delivered until 30 September 2016, with a 6 month contract extension to 31st March 2017.

During the second half of 2012 external advisers appointed by the Council undertook a review of the options for the future delivery of the Council's ICT services.

On 10 April 2013 the Resources Committee considered a report by the external advisers KPMG which offered three options:

- Option 1: 'do minimum' as a two year extension of the incumbent contract which is then followed by Option 2 as the nearest like-for-like option;
- Option 2: re-procurement of the IT outsourced contract; and
- Option 3: 'mixed economy', where certain services are brought in-house and the remainder are procured as managed rather than outsourced services.

The report identifies a number of options (above) with the multi-sourcing option (Option 3) being recommended as the preferred option.

The Reprovision Programme is currently in Stage 4 – Competition Stage. A formal programme environment has been established with clear governance arrangements in place, all sourcing and procurements have completed and a contract for the Core Services element of the programme has been awarded.

2. Programme Manager's Report

This section of the report provides a summary of the major events, milestones and decisions that have taken place during this Competition Stage. The Board are aware that the programme has been classified by the Office Government Commerce (OGC) risk assessment profile as highly complex and high risk. The Board requested therefore that the programme team manage this complexity and risk by adopting and

adapting a formal programme management approach, using PRINCE2 and OGC Management of Risk processes.

The Programme's Critical Success Factors are:

- Costs - It's affordable and represents Value For Money (VFM)
- Commercial - the solution is commercially acceptable and deliverable
- Strategic - supports The Highland Council's strategic ambitions
- Innovation - access to innovation & good practice.

The Competition Stage was designed to prepare the programme to run a Competitive Dialogue form of procurement for the delivery of Core ICT services and to source/procure the commodity services in line with the approved sourcing strategy. The approach aligns to Option 3: 'mixed economy', where certain services are brought in-house and the remainder are procured as managed rather than outsourced services, from the KPMG Outline Business Case prepared on 5 February 2013.

A contract for the provision of the Core ICT Services was signed on 16th September 2016 with Wipro Holdings (UK). This event also marks the start of the six months Transition period. A plan for Transition is provided under separate cover, it will culminate with the new supplier being fully responsible for the provision of ICT Services in accordance with the agreed Model Services Contract.

The Competition Stage commenced on 1st July 2015 with the publication of a Contract Notice on the Public Contracts Scotland (Tender) Portal. The document has been archived for audit purposes.

The Board are requested to note the considerable complexity involved in delivering the approved sourcing strategy and the way that functions from across the Council collaborated successfully to deliver the stage on time and within budget. The Board are also thanked for the leadership and timely decision making that ensured the stage could progress as planned.

The Competition Stage was designed to achieve the approved Critical Success Factors as defined in the KPMG Outline Business Case. This section of the report provide a summary of success against these factors:

Cost - It's affordable and represents Value for Money (VFM)

The procurement/sourcing activities forming part of the programme have provided the opportunity for considerable savings to be made. Details of the Core savings and Commodity savings are contained in respective Tender Reports approved by the Board. To fully realise these savings, it is essential that a successful Transition and Transformation is enacted. A full Benefit Realisation strategy is in place to support this aim. In addition, ICT Services must be alert to any new service provider/s seeking commercial advantage and enforce the contract terms appropriately.

Commercial - the solution is commercially acceptable and deliverable

Considerable effort has been invested by the Programme's Financial Manager and the Council ICT Contracts Officer (now departed) to ensure that the financial model was capable of providing the necessary level of billing granularity needed to support accurate billing.

The financial model is capable of supporting the Council as it enters a period of change by providing visibility of the impact of change to numbers, storage, devices etc. The model also ensures that reductions of this nature see a fair and transparent reduction in cost as may be necessary.

Strategic - supports The Highland Council's strategic ambitions

The programme's intent to provide a strategic framework for change and to support the Council's ambitions are embodied in the its approved mission statement:

"The ICT Reprovision Programme will procure a cost effective value for money ICT solution that will deliver excellent service delivery and contribute to the continuous improvement of the Council. **The new arrangements will support and enable business change, transition and transformation whilst driving forward the strategic deployment of ICT"**

All elements of the programme support the Council's strategic ambitions by providing innovative, flexible and modern technical solutions to support staff deliver excellent Public Services.

Innovation - access to innovation & good practice.

The new ICT Services structure has established the role of ICT Business Partners to ensure Services have access to current ICT developments and to ensure that ICT aligns to business needs. The new core contract requires the provided to have a business relationship manager that links with ICT Services to bring insight of external industry best practice and knowledge. In addition, the Contract Board – Chaired by the Deputy Chief Executive has as a standing agenda item access to innovation within scope of the contract.

3. Key Events

The following events are noted in the programme diary from 11 June 2015 onwards:

Date	Event
26 June 2015	Presentation to Digital Champions
1 July 2015	Final review of documentation for contract notice, including by external advisers. Issue of contract notice through PCS
2 July 2015	Completion of call-off report for LAN/WLAN
8 July 2015	Tender Board for LAN/WLAN
28 July 2015	Consultation with Corporate Improvement Team
1 August to 8 September 2015	Detailed drafting of specification and contract for MPS including evaluation criteria for PQQ, legal and financial input
17 to 20 August 2015	Service management sessions with groups of stakeholders. 5 sessions held
19 August 2015	ICT Executive Board (Members)

25 to 26 August 2015	Core Services PQQ moderation meetings held. Presentation of TOM to ICT Reprovision Board
27 August to 2 September 2015	Preparation and Approval of PQQ stage report and draft of debrief letters
1 September 2015	Service Management Integration workshop.
2 September 2015	Invitation to Proceed to Dialogue was issued to six Tenderers with a dialogue timetable at the same time as issuing the debrief letters.
3 September 2015	Finance Evaluation criteria and scoring for ISOS workshop
4 September 2015	Community benefits – finalisation and approval of evaluation plan
7 September 2015	Technical Evaluation criteria and scoring for ISOS workshop
9 September 2015	Preparation for issue of ISOS – including Strategy document. Issue of PQQ documentation for MPS. September Issue of ISOS to 6 suppliers
15 September 2015	Tenderers Forum in Edinburgh
16 to 23 September 2015	Dialogue sessions held in Inverness
23 September 2015	ICT Reprovision Board meeting
24 September to 2 October 2015	Dialogue sessions held in Edinburgh
24 September to 1 October 2015	Evaluation of MPS PQQ
24 September 2015	onwards Dealing with clarification requests from bidders arising from dialogue sessions
30 September 2015	Steve Barron met with Atos. Preparation of LAN/WLAN contract adoption tender report
2 October 2015	Issue MPS tender documentation to 3 tenderers
5 October 2015	Capita site survey review
6 October 2015	Steve Barron met with Wipro
6 to 8 October 2015	Dialogue sessions held in Inverness
7 October 2015	Personalised Mail papers issued for quotation
7 October 2015	Steve Barron met with Fujitsu
9 October 2015	Atos, Fujitsu and Wipro attended Schools visits (Dochgarroch Primary and Culloden Academy)
12 to 16 October 2015	Clarification calls with tenderers
14 October 2015	Desk top device minimum standards completed - Check that Framework meets minimum standards - Peripherals check that Framework suitable
21 October 2015	ISOS submissions received
28 October 2015	Presentations to Independent Group and SNP
13 November 2015	Tender Board approval for commodities sourcing
16 November 2015	Issue of ISOS debrief and ISDS invitations
17 November 2015	ICT Executive Board (Members)
19 November 2015	Telephone ISOS debrief sessions with tenderers
23 November 2015	Steve Barron and Ashley Gould met ATOS
24 November 2015	Dialogue sessions – Technical and Finance, including feedback
25 November 2015	Dialogue sessions – Technical and Finance, including feedback
1 December 2015	Dialogue sessions – Technical and Finance/Legal
2 December 2015	Internal technical and financial design session
3 December 2015	Dialogue sessions – Technical and Finance/Legal

9 December to 10 December 2015	Handover workshops Reprovision to ICT Services on Managed LAN including Capita
14 December 2015	ICT Reprovision Board
15 December 2015	ICT Reprovision Governance Workshop. December Attendance at LAN/WLAN Exit Board Weekly ISDS dialogue planning sessions
16 December 2015	ISDS dialogue session with Tenderers
17 December 2015	ISDS dialogue session with Tenderers Weekly ISDS dialogue debrief sessions
22 December 2015	ISDS Tenderer clarifications review. Capita/THC – service documents discussion Managed LAN
6 January 2016	ISDS dialogue sessions with Tenderers
7 January 2016	ISDS dialogue sessions with Tenderers. Attendance at LAN/WLAN Exit Board
14 January 2016	Additional dialogue session with Tenderer 1
15 January 2016	Additional dialogue session with Tenderer 2
18 January 2016	ISDS dialogue sessions with Tenderers
19 January 2016	ISDS dialogue sessions with Tenderers
December to January 2016	Preparation of Benefits Management Strategy & Lessons Learned Report
20 January 2016	Preparation for ISFS Sub-stage
1 February 2016	Implementation Manager joined the Reprovision Team
8 February 2016	Receipt of ISDS Submissions bids
9 to 15 February 2016	Evaluation of ISDS bids
16 February 2016	Technical interrogation of financial bids Workshop Day 1
19 February 2016	ISDS Finance and Community Benefits moderation meetings
22 February 2016	ISDS Technical moderation meeting
24 February 2016	ISDS Legal moderation meeting
26 February 2016	Issue of ISDS Sub-stage report for Tender Board
29 February 2016	ICT Executive Board meeting and Tenderers presentations to Members. Sign off of ISDS Stage Report by the Tender Board
1 March 2016	Technical interrogation of financial bids Workshop Day 2
2 March 2016	New Project Manager joined the team (fixed-term contract till end of June)
7 March 2016	Issue of ISFS Strategy with stage instructions to Bidders. Commencement of ISFS sub-stage
7 to 8 March 2016	MSC contract and schedules review internal workshops
9 March 2016	Dialogue debrief session with bidders and commencement of ISFS dialogues
15 to 18 March 2016	ISFS Dialogue Session with Bidders - Round 2
17 March 2016	March ICT Reprovision Board Meeting
22 to 25 March 2016	ISFS Dialogue Session with Bidders – Round 3
24 March 2016	Special ICT Reprovision Board
5 April 2016	Meeting with the Leader and DCE and ICT Reprovision Programme Manager
18 April 2016	ISFS Workshop: Final agreement on outstanding MSC inputs. Evaluation of Technical Submission meeting
21 April 2016	Final ISFS Strategy update.
25 April 2016	Service Management Framework Key Principles agreed at the Weekly Business Meeting

27 to 29 April 2016	ISFS Dialogue session with Bidders- Round 4
25 May 2016	Dialogue closes to both bidders
25 May to 6 June 2016	Bidders prepare submissions
6 June 2016	Bid receipt
6 June 2016	Bids downloaded and issued to evaluators
15 June 2016	ICT Reprovision Board
7 June to 27 June 2016	Evaluation scoring by team
28 June 2016	Co-ordination of evaluation scoring
29 June 2016	Assessment of scores to direct moderation
25 July to 29 July 2016	Moderation meetings
1 August to 2 August 2016	Finalise scoring
11/12 August 2016	ICT Reprovision Board
18/19 August 2016	Executive Board
24 August 2016	Resources Committee
25 August 2016	Intention to Award and debrief letters issued
26 August to 6 September 2016	Standstill
12 September 2016	Final Award
12 September to 31 March 2017	Transition to new supplier

4. Key Decisions

The following is a record of key decisions and dates from 11 June 2015 onwards:

Date	Decision
11 June 2015	The Board agreed that the Capital Affordability limit is the total provision in the capital plan for ICT noting that these provisions require to cover all the capital expenditure incurred on ICT
11 June 2015	The Board agreed the revised matrix to be used in the evaluation of the cost element of the Financial Evaluation methodology including the funding arrangements for any financial year where the bid exceeds the affordability limit for that year
11 June 2015	The Board agreed the position on the financial aspects of the Contract documentation as in the report recommendation
11 June 2015	The Board noted the three methods of calculation of the revenue affordability limit, the closeness of the output costs and the key assumptions underlying the model
11 June 2015	The Board authorised the Head of Digital Transformation to negotiate terms to secure the transition time needed
11 June 2015	The Board approved the proposed revised approach to providing a Commercial Lead function
11 June 2015	The Board approved the closure of the Requirements and Sourcing Preparation stage and approved entry into Stage 5, Competition Stage, following successful publication of the Contract Notice of 1 July 2015
11 June 2015	The Board agreed that there should be an additional objective to cover the time critical aspect of the delivery of the Programme
24 June 2015	The Board agreed that refresh of Peripheral devices would be met by Services and that only the revenue cost of £150k pa for supporting these

	devices was included in the new contractual arrangements
24 June 2015	The Board agreed that the revenue affordability level of £8.65m pa was used as the Council's affordability level for the procurement of Core Services
24 June 2015	The Board agreed that the Thin Client approach should be explored with bidders albeit recognising the concerns expressed by ICTiL in using Thin Client
14 Aug 2015	The Board approved the Communication and Consultation Plan and noted the report
14 Aug 2015	The Board agreed the recommendation to deploy the proposed 2 stage approach of the Cat F schools refresh project report which would be progressed for device refresh and locally managed devices deployment. This would be subject to more work which would be carried out as per above conversations
23 Sept 2015	The Board noted the Independent Programme review report
23 Sept 2015	The Board agreed actions proposed by the Programme Sponsor to address the issues raised within the report
23 Sept 2015	The Board noted the Programme Progress report and noted that the work has been progressing on the Programme Definition Document
23 Sept 2015	The Board noted the Transition report
23 Sept 2015	The Board agreed to the appointment of an Implementation Manager on HC11 commencing in December 2015 and for a 17 month appointment. The total cost would be £76,690 and the Board agreed this would be funded from the total available funding of £339,159 highlighted in the Budget Monitoring statement (in Item 4 of the Minutes)
23 Sept 2015	The Board approved the recommendation that the Implementation charges would be charged to THC separately from Service Charges and that the Implementation Approach and charges would form part of the Evaluation/Bidder Selection process
23 Sept 2015	The Board agreed that the Finance Lead should work with the External Advisers to estimate the Transition costs
23 Sept 2015	The Board approved the outline implementation plan
29 Sept 2015	The Board noted the scope and need for the Optional requirement for the Core contracts to be responsible for the deployment of the Curriculum Locally Managed Devices. This will need to be determined prior to the ISDS Stage
11 Nov 2015	The Board approved all recommendations and 3 bidders going forward for the Core procurement
14 Dec 2015	The Board approved the Programme Definition Document
17 March 2016	The Board requested to schedule a special Resources Committee to approve contract signature
17 March 2016	The Board requested to schedule a special ICT Reprovision Board meeting to brief directors on what has been proposed in relation to delayed timelines of Programme
24 March 2016	The Board approved the revised plan outlined 4 weeks delay
11 May 2016	The Board agreed that the 7-2 year approach for the Contract Term should be adopted as the basis for the Final Submissions.
11 May 2016	The Board agreed to Microsoft Education EES licences being used in schools. This would mean a domain name change for schools to for example name@highlandschools.co.uk
15 June 2016	The Board agreed to take the Programme Progress Report as read and move on to a discussion on the outcome of the evaluation that had been

	undertaken to date.
12 Aug 2016	The Board recommended the award of the contract, as per the Tender Report in Annex A, for the provision of Core ICT Services to Members at Resources Committee on 24 August 2016 with the suggested amendments from this Board
12 Aug 2016	The Board approved the communications Strategy in Annex B for the period up to the Contract Award subject to the amendments suggested.
12 Aug 2016	The Board agreed to present this Communications Strategy to the ICT Executive Board (Members) and or Resources Committee as deemed appropriate.
12 Aug 2016	The Board agreed the risks in the Table of Risks as part of the Core Contract Award should be reviewed in conjunction with the existing Risks and Issues and consolidated in to one singular report including RAG statuses, costs (where known) and highlighting any interdependencies.
12 Aug 2016	The Board NOTED and APPROVED the change in status of Risk 23 from RED to AMBER in paragraph 6.1 of the Risks and Issues Report
12 Aug 2016	The Board NOTED and APPROVED the change in status of Risk 40 from AMBER to RED in paragraph 6.2 of the Risks and Issues Report
19 Aug 2016	Officer presentation to all elected members on the procurement process, and recommendation to award a contract to Wipro
25 Aug 2016	RESOURCES Committee agree the contract award to Wipro

5. Stage Issues

The following were considered as Board level issues in the ICT Reprovision Programme that impacted on time, resource and planning.

Ref	Issue	Remarks
5	Outstanding decisions on Service Management	RESOLVED
15	TUPE figures from Fujitsu - Details of roles subject to TUPE received from Fujitsu appear higher than anticipated	RESOLVED
16	Data from Fujitsu may be delayed, unreliable or inaccurate	RESOLVED

6. Review of Competition Stage Objectives

6.1. Review of Team Performance

Over the course of the Competition Stage the ICT Reprovision Team structure has evolved. The Programme Management Office (PMO) has developed into a strong team, delivering amongst other tasks; core Programme planning, creating and managing the data room, organising and documenting dialogue sessions and managing clarification and due diligence questions received from the bidders.

The Programme Team has unfortunately had to say goodbye to three Project Managers, the Re-provision Programme Manager and a Project Support Officer at a critical time for the Programme. A change in career and the ICT re-structure contributed towards these losses, with colleagues leaving the Council for employment elsewhere.

The staff changes did impact the team and the gaps left by colleagues were definitely felt. However, the team did bounce back and welcomed two new colleagues into the PMO, who picked up knowledge of the Programme quickly.

The Head of Digital Transformation is extremely pleased with the contributions of all team members.

It is important at this point to acknowledge the considerable support provided by the Principal Contract Officer, the ICTiL Project Manager and the Programme's Financial Manager without which the programme would not have been successful. A lesson has however been identified that the programme would have benefitted significantly from the internal financial resource being embedded within the team.

6.2. External Advisers

External Advisors play a key role in a programme of this scale and complexity. Much depends on the contracts put in place to source advisors and the management of these contracts. Considerable effort was invested by the programme team and The Highland Council's Procurement Unit to ensure robust contracts were in place. This investment was worthwhile and ensured the Programme Manager not only had a suitable level of support but was also positioned to defend against contract variation requests. The latter seeming to be a commercial tactic by one external advisor. It was necessary to use the contract provisions on several occasions to protect the Council. Much tighter control was exercised during this procurement compared to the 2010 procurement in respect to the management of external advisors. The lessons learnt in 2010 have been used to good effect. A summary of the performance of each advisor is provided below:

6.2.1. Legal Advisers

Legal advice was provided by DLA Piper based out of Edinburgh. The team had suitable access to the resource and a consistent point of contact for the majority of the time. At the latter stage of the Core procurement our primary legal advisor left DLA for a new firm and our secondary legal advisors at around the same time took ill. This created a period of uncertainty and the need for additional work to ensure the stage could be closed successfully. It was generally felt that DLA's support was light touch during dialogue perhaps due to DLA trying to save the Council money or perhaps due to the need to travel to Inverness.

6.2.2. Technical Advisers

Technical advice was provided by NCC Group based out of Manchester. The team had suitable access to the resource and a consistent point of contact for the majority of the time. Due to a dispute in relation to a contract variation (defended successfully by the team) our primary technical advisor was changed to what was perceived to be a less expensive resource. The new resource proved to be much more involved in the process and provided excellent support. The relationship in

general was strained due to the very difficult and consistent requests for more funds.

6.2.3. Financial Advisers

Financial advice was provided by New Networks based out of Cheshire. The team had suitable access to the resource and a consistent point of contact. This adviser was extremely profession and made a considerable contribution to the success of the programme. The Programme Manager would recommend using this resource on other Council major projects.

7. Review of products

7.1. Key Products and Activities
The following key products and activities were delivered for the Competition Stage:

- Programme Definition Document
- Revised Communication Plan
- Commodities Tender Board Reports
- Risks and Issues Reviews and Reports
- Benefits Management Strategy
- Lessons Learned Report
- End Stage Report
- Core (MSC) and Commodity Contracts
- Service Management Framework – Produced in conjunction with ICT Services.
- Final Tender Report

7.2. ICT Services Structure

During the Competition stage, a major change to the ICT Service structure took place. The change was designed and delivered to enable ICT Services to be in the best position to provide the Council with the most effective ICT service when the new core and commodity contracts implement.

The changes started to implement in late Q1 2016, with transition to new roles taking place well into Q2 2016. ICT Services have further developed as a Centre of Excellence for delivering ICT throughout the Council.

The new structure is illustrated in diagram 1.
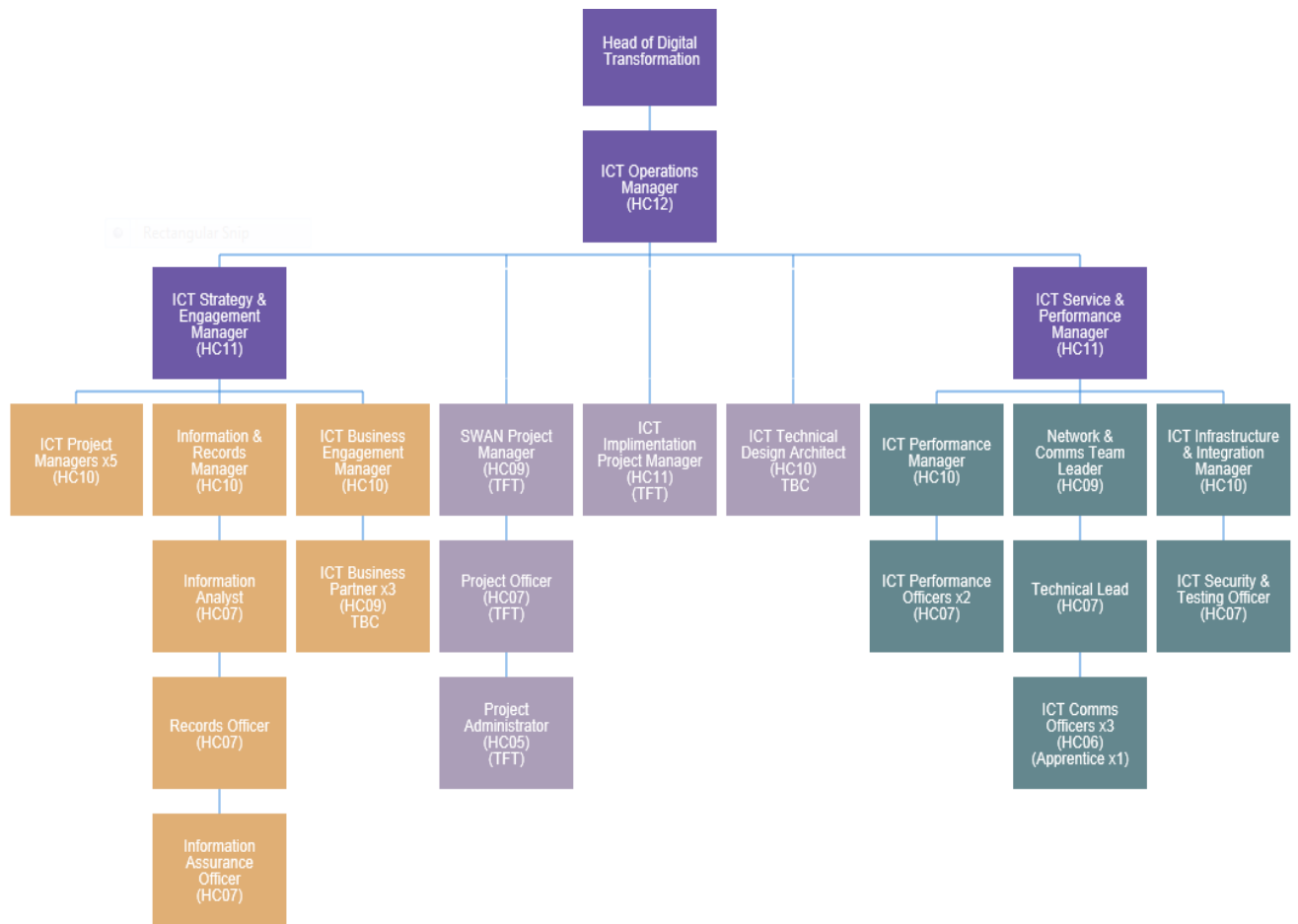
Diagram 1 ICT Services Structure

The new ICT Services structure is 20% smaller than the previous structure but contains important improvements such as the Business Partner, Network and Comms Team and Technical Design Authority. It will take time for the new structure to embed and for processes to be optimised for best performance but the opportunities are significant.

7.3. Develop Specifications

7.3.1. Market Research

The majority of market research for Core services was completed during the Requirements and Sourcing Preparation Stage (as mentioned in the End Stage Report June 2015).

Market research for End User Devices continued into the first half of the Competition Stage and completed when the minimum standards for devices were agreed and compared against the devices available on the Scottish Framework.

7.3.2. Sourcing Approach

The multi-sourcing approach which the Council agreed has been delivered as per the ICT Reprovision Programme's approved Outline Business Case.

However due to changes in the external ICT markets, the Council's previous significant affordability gap and the poor response to earlier tenders, the Legal, Financial and Technical advisers recommended that where possible, the Council should seek economies of scale by packaging together services and requirements, which resulted in:

- making external service provision attractive to the industry;
- maximising value-for-money so that the services would be affordable;
- reducing contractual and client-side complexity through having as few contracts as possible.

To deliver the approved The programme has been designed in the following way:

Tranche 1 – Core Services	Tranche 2: Commodity Services
Service desk and support	Supply of desktop PCs Framework
A proportion of service management processes for example participation in incident management, service level management, knowledge management, capacity management, problem management, etc. In-house participation for example in financial management, problem management, service level management, etc.	Supply of Laptops Framework
Infrastructure e.g. data centre, servers.	Supply of Workstations Framework
Applications e.g. software	Supply of Tablets including student devices Framework
ICT modernisation and transformation	Supply of peripherals, e.g. headphones, Smart Boards, keyboards, printers Framework
Curriculum ICT for managed devices	Supply of consumables, e.g. toner Framework
	Managed Print Service e.g. supply of multi-functional devices, toner, inks Restricted competition
	Personalised print – e.g. Council tax bills where use ICT to pull data to be printed. Framework
	LAN/WLAN – e.g. switches to access to the internet, connections within and between Council offices. Framework
	WAN – e.g. broadband Scottish Wide Area Network – SWAN

7.3.3. Authority External Customer (AEC) Decisions

The Council currently provides ICT services delivered as part of its current contract to a number of other public bodies as third party customers. This may be subject to change and may therefore affect the level of business required under this forthcoming contract, however these are currently:

- Highlife Highland
- Highland and Western Isles Joint Valuation Board

- NHS Highland (up to 500 staff)

7.3.4. Shared Services

The Reprovision Programme explored the potential for shared services.

A number of authorities had indicated the potential for specific areas where joint working could be beneficial and the responses were followed up from visits and teleconferences by the Reprovision Team to discuss these further in the first quarter of 2014.

With the exception of the cabling contract with High Life Highland, the outcome of the visits and teleconferences concluded that at present there were no further suitable opportunities for the Highland Council to enter into shared services for the ICT Reprovision Programme.

7.3.5. Mobile Telephony

The current Mobile Telephony contract started on 1 May 2015 and will be in place for 26 months. The saving achieved from the procurement that took place in 2015 is £74,876 over the period of the contract, these savings, following agreement by the Reprovision Board, are not being split between the Council's services, instead they are being retained by the ICT Reprovision Programme to help towards the Reprovision affordability gap.

7.3.6. Local Area /Wireless Area Networks (LAN/WLAN)

A contract with Capita was put in place on 14th February 2016 for management of the LAN and WLAN. This contract was procured as a Valued Added Service from the overall SWAN contract that the Council signed up to in October 2014. Full exit from Fujitsu for LAN/WLAN management happened on 1st March 2016.

7.3.7. Cabling Contract

The new Cabling Contract commenced on 27 April 2015. The successful bidders were local firms Future Communications (Lead Contractor) and GA Barnie. Services resulting from this contract are also being consumed by HighLife Highland in the form of a shared service. The award is in line with the Council's approach and supports the programme's achievement of the Critical Success Factors.

7.3.8. ICT in Learning (ICTiL)

The ICTiL Project Manager worked closely with ICTiL and the Reprovision team to refine the ICT requirements in relation to the new Target Operating Model. This included:

- Google Apps for Education and Chromebooks
- Feasibility of client software reductions and resultant Managed device reductions.

- Bidder involvement in Chromebook rollout as part of Curriculum refresh.
- Dialogue, Evaluation and Moderation of bidders' technical solutions.

Outside of the core re-provision activity the ICTiL project manager worked within Care & Learning and ICT Services to develop the ICTiL programme of activities required to be completed prior to the implementation of the new TOM. These include;

- Initiation of the Management Information activity required to migrate school data (mostly held on school based servers) onto SharePoint 2010.
- Development of the 'Schools Ready' project to ensure schools can implement use of Chromebooks promptly after delivery, and facilitate the managed device rollout and ultimate reduction in managed device numbers.
- Instigated development of schools network capability requirements and their inclusion in the Network Strategy Programme.

7.4. Transformation Topics

7.4.1. Identification of transformation projects

The Reprovision Programme has identified that investments in the following areas may/will be required during the term of a contract:

- Datacentre transition embracing Cloud Services and the use of shared infrastructure to provide server and storage managed services;
- Enhanced Security Services to meet the Council's PSN compliance obligations;
- A replacement "Office Service" which will provide improved access to information through the adoption of appropriate workflow, document management and management information systems. This replacement Office Service will rationalise the number of data & file storage environments, provide email, web filtering capabilities;
- Business Application Transformation covering strategic alignment applying value assessment to optimise & rationalise Highland Council's application portfolio;
- Provision of key applications/software via self-service;
- Active Directory/Identity Management Transformation including redesign of joiner/mover/leavers process.

7.5. Affordability and Finance

7.5.1. Affordability Modelling

Determining the Affordability level for both Revenue and Capital expenditure was a key consideration for the Council and this covered both the Core Services contract and the Commodity Procurements.

A 'ground up' financial model was compiled and developed by the Procurement team including External Advisers to estimate the total cost of the financial implications falling on the Council resulting from all the procurements that were being undertaken.

In terms of the capital implications the Council had made a total provision of £12.2m for ICT Reprovision within its capital programme. As part of the financial model, the estimated capital costs, including unit costs for purchasing devices from Scottish Government frameworks, were developed and refined along with the Council's operational requirements, including device numbers. This provided an estimated total capital cost for comparison against the £12.2m made available in the capital programme. This position was monitored throughout the procurement and reported to the Council's ICT Reprovision Board. The final position is that the capital costs exceeded the capital provisions by £8.012m over the term of the financial model and this was reported to both the Council's Reprovision Board and the Council's Capital Programme Board. This position and the ongoing device refresh requirements are being included in the current review of the Council's Capital Programme.

In terms of the revenue position the financial model covered both the Core ICT Services contract as well as the revenue of the Commodity procurements. The main focus on the Revenue costs was on the Core Services contract as this was the highest cost contract. The financial model was based on the new Target Operating Model (TOM) and provided an estimate of the costs and subsequent charges that the successful bidder would levy on the Council.

The Council's affordability level to be published and issued to each bidder for Core services came from a review of the costs shown in the financial model, an analysis of the costs payable to the incumbent (adjusted to reflect that all the services in the current contract are not part of the Core Services which the bidders are submitting prices for) and the Technical Team's advice on likely cost. This resulted in an affordability level for Core Services of £8.65m pa in each of the 5 years being issued to the bidders.

During the procurement process the bidders had to supply the Council with their financial models so their costs and charges were visible to the Council and comparable against the Council's estimated position.

As a result of the dialogue with both bidders an adjustment had to be made to the £8.65m pa as financial responsibility for a number of 3rd party contracts had to remain with the Council. At the same time the Council in conjunction

with the bidders amended the contract term from 5 years with an option to extend +1+1 years to a 7 year contract with a Council option to break at the end of year 5. As a result the Council's affordability limit was changed to £8.221m pa for each of 7 years.

The Evaluation Criteria for the financial model submissions was that higher levels of savings against the £8.221m pa would attain higher scores. Both bidders provided savings against the £8.221m pa with one bidder providing a higher level of savings and attaining a higher score which fed into the overall marks and selection of the successful bidder.

7.6. Engage Stakeholders and Maintain Stakeholder Management

7.6.1. Communications Plan

The Communications Plan defines; the key parties (stakeholders) both externally and internally (within the scope of the programme) who have an interest in the programme; the forms of communication that will be used to communicate with these parties; and the aims of the communication.

The plan contains a description of the means and frequency of communication and aims to facilitate engagement with the appropriate parties as set out within the plan. The Programme Manager is accountable for the Communication and Consultation Plan and the Programme Management Office is responsible for ensuring the Programme adheres to the plan. Note this document has been placed under change control as the document is expected to change as the programme progresses.

The plan has been used extensively throughout the stage and is considered to be very effective. Details of all communications can be found in respective board reports. The plan will be handed over to the Implementation Manager at stage closure.

7.6.2. User Intelligence Groups

To assist in the requirements gathering and analysis on the current operating model a series of User Intelligence Groups (UIGs) were facilitated, originally aligned to the tower structure, they included key Subject Matter Experts (SMEs) from ICT Services and system administrators and ICT SMEs from across the Council's 5 Services.

These UIGs were a key factor in driving through the Target Operating Model and have been successful in doing so. It is anticipated that during Implementation some of these UIGs will need to be reconvened to assist with the communications and preparation for transition to the new services.

7.6.3. Stakeholder Management

Stakeholder Management has remained an integral part of the ICT Reprovision Programme. During the latter parts of Competitive Dialogue and as commodity contracts were each having their tender approach agreed, the team could reach out to Stakeholders and start providing more detail about the future TOM to Services.

The Business Change Line of Development, in the Reprovision Programme facilitated a series of successful stakeholder workshops, with the objective to develop the Service Management Framework with the Services. The framework, based on the Information Technology Infrastructure Library (ITIL) was put in place to enable a standard of Service Management to be delivered throughout the Council for all ICT contracts. The workshops ensured that the Council's Services had a voice in the design of the framework. The workshops gave the Services a good understanding about the delivery and support of the ICT contracts going forward, building further on the already existing competent skills evidenced in the Services.

A device roadshow was also held on 4th May 2016 at Council HQ. The roadshow included two suppliers (Dell & HP) from the Scottish Government frameworks; Desktop, Mobile Computing and Thin Client. All Services and HLH were invited to drop in at any time throughout the day to come and see the devices on the current catalogue. There was a very good turn out with interest from all areas of the Council, with staff taking the opportunity to ask questions about not only the devices but also the ICT Reprovision Programme. A second roadshow is being planned for the Implementation stage,

7.7. Align Projects with Programme Objectives

The ICT Reprovision Programme Brief identifies the key programme objective as;

"Ensure new arrangements for the delivery of ICT services from 1 October 2016 are established"

These have been taken by the ICT Reprovision Programme Team as: -

- Delivery of significant cost savings to the Council by delivering services in innovative ways that make best use of new technologies and delivery routes such as Cloud-based services;

- Innovation in service delivery, whilst being agile and flexible in support of the Council's operational outputs;

- A contractual relationship for core ICT services which will enable effective management of a multi-sourced approach for related services and supplies;

- An ICT services contract between the Council and a single prime ICT services provider, potentially with a number of specialist sub-contractors,

including the SME community, ensuring that both the Council's in-house ICT function ("ICT Services") and the supplier perform customer-focused, professional and proactive functions;

- Opportunities around the delivery of Community Benefits.

7.8. Governance: Manage and Control Delivery

The management and control of the ICT Reprovision Programme's delivery is detailed in the Programme Definition Document. It has proven to be very effective with timely key decisions being made by the board as necessary.

Governance arrangements for the MSC have been approved by the Reprovision Board are contained in Schedule 8.1 Governance of the contract. The Reprovision Board requested that attendees for the MSC boards should be approved post contract signature. This action falls to the Implementation Manager. It is essential that the ICT Services team invest time now to understand how contract management for all contracts will be achieved to ensure delivery.

7.9. Design Service Management

Following the Procurement Approach, work continued on the Service Management work stream to clarify how the core supplier and their sub-contractors, together with the commodity and hosted application suppliers will be integrated and managed and which functions will in future be retained in-house by ICT Services, Procurement and service-based ICT staff.

The objective of the Service Management work stream, throughout the Competition Stage and Implementation, was to create and implement a Service Management Framework that will be followed by all Services in the Council that manage ICT contracts.

The design of the ICT Service Management framework has been based on the following key elements:

- Infrastructure Technology Information Library (ITIL) – including guidance from ITIL qualified Council staff
- The developed and evidenced success of the HR model
- Analysis of current ICT activities done throughout the Council
- Development of Key Principles for Service Management
- Framework development workshops with selected Council Service representatives
- A period of testing, review and feedback, which will also continue throughout Implementation

Development of the Model Service Contract (MSC)

The Model Service Contract (MSC) has been refined throughout the Competition Stage.

An initial version of the MSC was released at the start of Invitation to Participate in Dialogue (ITPD), marking the start of the participation in dialogue, and the document continued to be a living document throughout the Competitive Dialogue process, with Bidders updating sections relevant to their solutions and stating how the requirements are met.

The MSC document has been developed for Core components but has clear links to the relationship with Commodity and Highland Council managed services.

Separate Requirement documents were developed and tailored for the sourcing approaches for Commodities and resulting contracts are now held by ICT Services.

7.10.　　Handover to the Implementation Programme

The next stage of the programme is The Implementation Stage. At the time of writing this report the Implementation Manager is in place and recruitment for the other team members has commenced. The Implementation Manager has been involved in dialogue sessions and has a deep understanding of the bidders Transition and Implementation Plan.

The programme's Benefit Management Strategy has been handed over to the Implementation Manager. It contains clear ownership of task including responsibility for the programmes Finance Manager to accurately records and approve savings.

The required Programme Documents for the Competition Stage are now complete and published as part of the handover to Implementation.

8. Lessons Learned

The lessons learned in the Programme have been listed below. The lessons learned have been gathered throughout the stages, including the end of Competition Stage retrospective session held on 2 June 2016.

No	Title	Description	Created	Learn
04	Specification for tenders	Due to a change in the timescale of Programme work, Head of Procurement advised that possibility of a procurement challenge if an award made to one of the current bidders. Early stages in the Programme took longer than originally planned due to sourcing approach decisions.	21/07/15	Be clear about all details of specification before issuing tender to avoid risk of having to start again or of risking a challenge.
05	Use of CCS website	This proved very lengthy process for THC Procurement to load documents through CCS e-procurement site. On closing day suppliers were getting error messages. CCS staff not helpful. Had to clone papers and give extra time for bid to be submitted. More time from procurement as a result and had supplier not contacted THC direct may have resulted in no bids, having to re-	21/07/15	Do not assume simple and quick to use CCS site. On closing day check whether it's functioning before deadline.

		tender etc.		
06	Data from incumbent supplier	Do not underestimate the time that will be required to obtain reliable and accurate data from an incumbent supplier.	21/07/15	Collate data required so not sent in dribs and drabs. Have clear lines of communication and chase unanswered requests.
07	Use of CCS website (2)	The website is complex and instructions not detailed - occasional use of a complex and unfamiliar site increases time taken and therefore use of unfamiliar IT systems with no training requires to have additional time factored in.	21/07/15	Training on how to use the CCS website has been and will need to be addressed in the future.
08	Supplier responses	When issuing request for information, the Programme gave the option to suppliers to either submit written response or attend for presentation. No written responses were received. Several requests for presentation time. Leaves no option to filter responses in advance which would have been preferable and could have saved PM time in attending presentations.	21/07/15	When issuing request for information consider preferred response and frame the question accordingly, e.g. submit written response by x date and then you may be selected for a meeting/presentation.
09	Use of checklists for framework	Two out of three bidders did not submit a mobile phone for testing by the deadline. One of the two then threatened legal challenge as also missed the extended deadline.	21/07/15	May be useful in the future, to summarise what is required and when it is required, at the end or the beginning of ITT to ensure no doubt can be claimed
10	Quality review	The quality review of content and document control process needs to be adhered to for all key products. This is to avoid further gaps in content, errors in content and versions getting out of sync.	21/07/15	The programme team has in place a quality review plan that has been based on PRINCE2 guidelines for quality review and also has a SharePoint site to which the products are being controlled. The programme team have noted that these reviews need to be planned in advance of publishing the products and the PMO will take tighter control of the process.
11	Internal Support	The programme would benefit from having the internal Financial support imbedded within the Reprovision Team to ensure cohesion between financial, technical and procurement aspects. This is critical in the Competition Stage.	21/07/15 & 06/06/16	The Procurement lead has been advised of this suggestion and this should be agreed for the next round of procurement. Having Finance embedded within the team would also have assisted on a wider/greater understanding of the financial model.
12	Document Management & Control	The document management approach/system needs to be agreed and have the structure agreed prior to the start of a programme/project to prevent confusion and wasted time.	21/07/15	Agree an approach and structure up front, giving thought to how the documents may be used and what controls need to be put around them. Configuration Item management needs to be in place.

13	Understand the scope of external adviser's remit and cost implications	External advisers are indicating (July 2015) that they have done great deal of work and are reaching the cost limit when there is still over 12 months of the programme to run. The wording of their contract(s) was to "assist", not to "advise" and this has led to a misunderstanding between the team members and the external advisers about who should do what and where the points of contact should be.	21/07/15 and 06/06/16	Clearer specification of requirements throughout. Raised again in session June 2016, with additional recommendation not to just focus on the £ being saved, be sure you understand what you really need from the advisors before going to tender. It was felt by the team that more Legal input would have been beneficial through dialogue as having the advisors does make a positive difference.
14	Contract Management	In reading the Fujitsu 2010 contract on exit and gathering data for Data Room, it was noted that the 2010 contract provided for Registers to be kept, i.e. CMDB and register of all "Service Employees", and also that the contractor will maintain a "Business Process Manual". These were not insisted on during the course of the contract and if they had been, it would have provided a useful source of data for the Data Room and saved time and effort.	13/08/15 & 06/06/16	Strong contract management required at an early stage and throughout the running of the contract to ensure that benefits are captured and THC insists that contract terms are complied with.
15	Insurance requirements	In PQQ on insurance requirements Colin Mackenzie (Insurance) thinks it would have protected the Council to specify limits on retention or excess. Also queries why ask for employer liability insurance as restricts sole traders and small family firms from submitting bids and does not impact on protection THC requires.	13/08/15	Check with Insurance to agree, prior to PQQ, the approach towards limits on retention or excess.
16	Project Management	THC audit report on the Aspien project has been critical of project management and has also reported on Transformational Savings which has positive elements of project management within.	27/08/15	Ensure the continuation of proactive Risk Management throughout the Programme
17	Missing published deadline for responding to data requirements	THC indicated at ISOS that clarification requests would be responded to within 1 day. Many required data requests to be made of incumbent supplier and it was not possible to meet the deadline as (1) it was too short to enable request to be made, answered and verified (2) greater volumes of data were requested than had been anticipated, and (3) more complex data was requested than had been anticipated.	09/11/15 & 06/06/16	Set more realistic timelines to respond to requests involving the gathering of data from the incumbent or other external sources. Try to anticipate what data will be requested and start requesting it as soon as it is identified
18	Data Room	Delay to getting information required into the Programme's Data Room	06/06/16	Data room structure and internal processes need to be addressed in the programme earlier, perhaps having a strategy for data room management within the Communications Plan. Process

					and tolerances with the incumbent supplier also need to be formally agreed earlier in the programme, to ensure both parties understand the rules of engagement before information is required from the incumbent.
19	Communications	Some members of the wider team were feeling that the programme needed to be better joined up with sharing specification information and also understanding of issues e.g. TUPE. Some felt that until recently the communications have been weak and that there was not a coordinated approach to sharing information with ICT BAU.	06/06/16			The PMO should be set up earlier in the Programme and the PMO are to implement and maintain the Communications Plan, ensuring that communications for the programme follow the approved plan/strategy and that there is a coordinated approach with ICT BAU. Service workshops work well and they are a good way of getting requirements and also sharing information. Getting the right stakeholder audience to these workshops is also a key to avoiding "mushroom clouds" being created about certain topics.

9. Audit Actions

The tables below detail the follow up of management of agreed action(s):

ICT Contract			HA20/009.bf.bf			
Ref.	Grade	Recommendation	Management Agreed Action	Responsible Officer	Action Due	Action Taken by Management
3.1.4	Medium	1/ The effectiveness of other Service Credits should also be considered in the light of the current Contract experience.	There is a mechanism in the contract annual review to amend weighting for application of service credits. This will be considered for next contract review.	Corporate ICT Manager and ICT Delivery Manager	31/03/15 Revised 04/07/16	Agreed action has been implemented Clause 7 (Performance Indicators of the new ICT Contract currently being procured) obliges the Supplier to provide Operational Services so as to meet (or exceed) Target Performance Levels. Where the Supplier fails to do this, Service Credits will be deducted from Service Charges.

		2/ Any future ICT Services Contracts should consider the effectiveness of having Service Credits as the sole financial remedy in the case of consistent under-performance.	For future contracts we shall consider a range of appropriate financial remedies for under-performance.			Agreed action has been implemented please reference Clause 7 (Performance Indicators of the new ICT Contract currently being procured) obliges the Supplier to provide Operational Services so as to meet (or exceed) Target Performance Levels. Where the Supplier fails to do this, Service Credits will be deducted from Service Charges.
		3/ As part of their ICT Contract monitoring processes, ICT Services should sample at least 30 items of the TfS CMDB on a monthly basis to verify the accuracy of it	An audit of CMDB change by phone and site visit is now carried out each month.			Agreed action implemented, completed on 04/02/2014.
		4/ An inventory report containing items and fields that are easy for Service staff to check such as PC/laptops/thin clients should be sent out to Service Directors annually prior to financial year end so that Service staff can verify the TfS CMDB is correct.	An inventory report will be sent out to Service Directors prior to year-end with a request that they verify it is correct.			Agreed action implemented completed on 31/03/2014.

Information Security			HA20/010.bf.bf			
Ref.	Grade	Recommendation	Management Agreed Action	Responsible Officer	Action Due	Action Taken by Management
3.3.1	Medium	1/ ICT Services staff should put processes in place monitor Fujitsu's adherence to the agreed Asset Disposal Work Instruction.	1) Process for spot checking Asset Disposal to be agreed.	ICT Delivery Manager & Corporate ICT Manager	31/12/14 Revised 04/07/16	Agreed action has been implemented and process in place.
		2/ As ICT Services state it is not possible to assign ownership of	CMDB requirement will be reviewed and assessed as part of future			Agreed action has been implemented please refer to the extract from Schedule 2.1 of the new ICT Contract currently being tendered and

| | | | ICT Contracts. | | | evaluated:
33.11 End User Relationships
The CMDB shall track the relationships between CIs and people. Relationship types include for example End Users, service owners and support groups. |

Online Payments			HDB05/001.bf			
Ref.	Grade	Recommendation	Management Agreed Action	Responsible Officer	Action Due	Action Taken by Management
4.2.1	Medium	C)For future contracted out ICT project work, if an RFS has to be raised for contractors, where possible it would be helpful to incorporate Service Level Agreement [SLA] detail such as timetable and expected quality standard of work expected, design and technical input requirements, service credits or financial penalties for not meeting completion time / quality standards set. This should be considered for post ICT reprovision.	C)For future ICT contracts, consideration will be given to a suitable SLA to cover RFS performance - action for ICT Re-Provision Manager due 31/03/16:	ICT Re-Provision Manager	31/03/16 Revised 22/09/16	Agreed action has been implemented. A specific schedule has been created as part of the ICT Reprovision programme see table below.

10. Risks

The Board are aware that the programme has been classified by the Office Government Commerce (OGC) risk assessment profile as highly complex and high risk. The Board requested therefore that the programme team manage this complexity and risk by adopting and adapting a formal programme management approach, using PRINCE2 and OGC Management of Risk processes.

During the Competition Stage the risks and issues have been defined in the Programme's Risk Register and have been discussed at Board meetings and Risk Workshops. The programme has been developed within the Management of Risks

(MoR) Framework agreed by the Board and complies with the Programme's Risk Management Plan.

The following risks have been handed over to the Implementation Manager:

Title	Description
Implementation of future WAN/LAN design	It is a prerequisite for the Infrastructure Target Operating Model and Locally Managed Devices (LMDs) deployment that the future WAN/LAN design is implemented.
Implementation of ICT provision for transferred NHS and THC staff	Following the establishment of Integrated Care and Health (ICH), there is an ongoing issue relating to the ICT provision for the transferred HC and NHS staff, including CareFirst, networks and infrastructure.

It is essential that the separation project is implemented by 31 Dec 2016 to ensure both organisations have a sound ICT support model and to ensure that no cost is attracted to THC ICT Reprovision programme. |
| Delivery timescales | Risk that the delivery of new arrangements for the provision of ICT Services may not be in place by 01 April 2017. |
| Risk of Challenge | Risk that the unsuccessful Tenderer will challenge the award resulting in unquantifiable delay and potentially cost to defend the process. |

11. Forecast

The Core and Commodity Contracts awarded by the Council will put in place new and modern ICT systems and services and also establish new governance arrangements directly between the Council and the contractors for the Business as Usual duration of the contract term. However, following appointment, the successful Core contractor has to submit an Implementation Plan to the Council for agreement. During this Implementation period for the Core Services transition the Council will need to agree and/or resolve any issues on the Implementation Plan within contractual timescales.

For this purpose it is recommended that a Transformation & Transition Project Board via the Project Sponsor is established and authorised to agree to the Implementation plan as long as it remains within the time table and budget approved by the Reprovision Board.

All the basic building blocks in respect to key documents to support successful delivery of the programme are now in place. An Implementation team has been

recruited and plans for the Implementation stage are at an advanced level. The team must continue to work hard to achieve all agreed timescales. The programme is well positioned to enact a successful transition.

12. Future Governance

With the close of the competition stage the programme will move towards implementation which comprises of transition from Fujitsu to Wipro and to other suppliers for the commodity contracts, following by transformation of equipment. As such a number of new governance boards will be required to ensure that full project management governance is in place. The ICT Re-provision Board will change to become the ICT Implementation Board chaired by the Depute Chief Executive/Director of Corporate Development and will meet monthly, in turn feeding into the members ICT Executive Board and then to committee.

Reporting to the ICT Implementation Board will be a number of sub boards which have a direct relevance and inter-relationship with the core elements of the overall Council wide ICT new contracts implementation. The diagram below illustrates the structure.

Diagram 2: ICT Implement Board Structure

MEMBER GOVERNANCE

ICT Implementation Board

Chair: Depute Chief Executive

ICT Transition and Transformation Board
Chair: Head of Digital Transformation

Curriculum ICTiL Board

Chair: Director of Care and Learning

ICT Contract EXIT Board

Chair: ICT Operations Manager

ICT Networks Board

Chair: Head of Digital Transformation