

**THE HIGHLAND COUNCIL
Resources Committee
8 February 2017**

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

Agenda Item	15.
Report No	RES/14/17

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.

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 AMBER – a change from the GREEN status in November 2016. This is due mainly to the risk around meeting the end of March 2017 transition deadline. Although there is every expectation that the date will be met, the plan has slipped by a couple of weeks and there is little contingency given the compressed timeline for the transition. Because of the slippage and the requirement to re-plan as a result of this, there is also risk about availability of Council resources to assist with testing of systems as they migrate.

These risks are being actively managed with very close involvement from Council senior management. A detailed transition plan has been agreed with both Wipro and Fujitsu with full connectivity to the Wipro data centre in place on 30 January 2017

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and the first live services being migrated on 3 February 2017 Discussions are ongoing but also near conclusion in relation to transfer of staff from Fujitsu to Wipro as this is fundamental to a smooth transition.

2.4 As a reminder, 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

Project	Description	Timeline
<ul style="list-style-type: none"> TP1 – Active Directory 	<ul style="list-style-type: none"> Update to match organisational Structure, support workflow automation and replace Joiner/Movers/Leavers process 	<ul style="list-style-type: none"> To be done alongside Transition and delivered by 31st March 2017
<ul style="list-style-type: none"> TP2 – Data Centre 	<ul style="list-style-type: none"> Move and replace servers from Fujitsu Data Centre to Wipro Data Centre and remove distributed Servers across THC (mainly Schools) 	<ul style="list-style-type: none"> To be done alongside Transition and delivered by 31st March 2017.
<ul style="list-style-type: none"> TP3 – End User Computing (EUC) Corporate and Office 365 	<ul style="list-style-type: none"> Move to Office365 and SharePoint online. Refresh and redesign of Devices 	<ul style="list-style-type: none"> Office 365 to be completed summer 2017 and EUC by December 2017
<ul style="list-style-type: none"> TP4 – End User Computing (EUC) Schools; Office 365 and LMD (Locally Managed Devices – Chromebooks) roll out 	<ul style="list-style-type: none"> Move to Office365 and SharePoint online. Refresh and redesign of Devices and LMD roll out 	<ul style="list-style-type: none"> Office 365 for Teacher completed by summer 2017, refresh of device completed by November 2019
<ul style="list-style-type: none"> TP5 – Application Review 	<ul style="list-style-type: none"> Review of Business applications; identify Roadmap and obsolescence and recommendations. 	<ul style="list-style-type: none"> To be completed by summer 2017
<ul style="list-style-type: none"> TP6 – Application Self Service 	<ul style="list-style-type: none"> Application Portal for self-service installation and request automation. 	<ul style="list-style-type: none"> Technology to be available by March 2017.

Table 1: Transformation Programmes

2.5 An initial estimated one off transition budget of £987,000 was agreed by the Re-provision Board in June 16 and work is ongoing to review this estimate to ensure transition is delivered in the most cost-effective way possible. Whilst this figure will

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be covered by the overall savings that will be delivered over the 7 year term of the contract, the transition costs will be funded from a combination of ICT investment funds (£250k) and the remaining budget carried over from the Re-provision programme (£114k). Any residual funding requirement, no more than £623k, will be met from the Council's non-earmarked general fund balance or funded as a budget pressure for the 2017/18 ICT budget.

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 project remains at RED due to delays to understanding the scope and the costs for the network refresh and the delays to the transition to SWAN.

At the Network Programme Board on 22 November 2016, the Board approved a revised approach to the ICT Network Refresh, in an attempt to address some of the timescale, affordability issues and dependency issues on other projects, whilst limiting the scope of additional work with our current Managed LAN supplier.

- 3.4 Since then a number of activities have taken place to take forward this revised approach:
- Completion of supplier reviews (during November);
 - An internal review to look at where it would be possible to revise the approach/scope of the refresh to reduce cost further;
 - A further meeting with Capita to discuss these changes and for them to provide a revised Network Refresh proposal following feedback from suppliers;
- 3.5 Capita supplied revised proposals on 13 January 2017, and the Project is currently analysing these proposals to determine whether these are acceptable or whether an alternative procurement route may be required.

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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 at Resources Committee in November 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 project is 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, at the time of writing this report, the total number of Highland sites connected is 250, which, represents 64% of the Highland estate. Members were previously advised that the delays to the commencement of the Transition previously reported will not be recovered and 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	Feb	Mar	Apr	May	Jun
392	269	38	25	23	21	16

- 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. The two key risks associated with the delayed transition are business continuity and additional costs. The Council has made full Business Continuity arrangements with the current supplier Vodafone to protect the Council’s network provision. Members have previously been advised that activity is underway to recover the additional costs from Capita on the basis that they are responsible for the delay an update on which is detailed further below. The forecasted additional costs for the Partnership, based upon the Capita transition schedule are approx. £1.1m. The costs for Highland, as previously reported, are forecasted to be approximately £645k over 2016/17 (£387k) and 2017/18 (£258k).

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- 4.6 The PfN Partnership has engaged legal support on behalf of all Partners to progress its claim for the additional costs incurred as a result of the delay. Capita dispute they have a contractual obligation to meet all of the additional costs. Formal negotiation with Capita is underway under the dispute resolution process set out in the contract. Legal costs to support the claim, assuming legal proceedings are not required would be approximate £7.5k for Highland. These costs would be included in the claim against Capita.
- 4.7 The legal advice received to date supports the view that PfN can legitimately make a claim for all additional costs incurred. However, as above this position is disputed by Capita and the outcome is by no means certain. The claim will continue to be progress through the dispute resolution procedure and Members will advised of further progress accordingly.

5 Implications

- 5.1 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. At this stage a budget of £987,000 is required for ICT transition costs although this is being partly funded from ICT Investment Funds and remaining Re-provision budget as covered in paragraph 2.5 above. A budget pressure exists of £645,000 (spread across 2016/17 & 2017/18) for additional costs arising from the SWAN project and action is being made to recover these costs, as detailed in 4.7.
- 5.2 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.
- 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 Gaelic Implications: There are no Gaelic implications arising from this report.
- 5.6 Rural Implications: There are no rural implications arising from this report.
- 5.7 Risk Implications: There are a number of risks which relate to the overall programme of ICT transition and transformation outlined in this document. The main risk on the Council side is the need to ensure that we are ready and able to transition across both corporate and curriculum ICT estate and we have the necessary staff and resources available to support an effective migration from Fujitsu to Wipro. On the supplier side the headline risk is not being able to deliver the technical plan to migrate services to Wipro and therefore not meet the transition date. In terms of the ICT Networks Programme the Council is currently scoping the networks requirement and assessing both capital and revenue funding streams. Initial indications have

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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.

6. RECOMMENDATIONS

6.1 Members are asked to:

- i. Note the report and the risks being managed
- ii. Note the pressure created by the delay of the SWAN migration of £645,000 and that action will be taken to recover costs from Capita
- iii. Note the funding required to meet the cost of transition to the new ICT contract.

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