

Agenda Item	17a.
Report No	RES/28/17

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 14th June 2017

Report Title: **ICT Transition and Transformation**

Report By: Depute Chief Executive/Director of Corporate Development

1. Purpose/Executive Summary

- 1.1 This report provides Members with an update on the status and governance arrangements of the major ICT modernisation programme now underway. This programme covers the exit and transition of ICT Services from Fujitsu to Wipro and the subsequent transformation activities that follow with planned completion in 2019. Exit from the Fujitsu contract is now complete with the final contract billing being processed. Transition to Wipro took place by the 1 April 2017 deadline with only minor service disruption.

The Transformation Programme is currently Amber due to the need for Wipro to confirm the programme plan and the pressure on the ICT Transition and Capital budgets. Re-planning has not been completed yet but the expected overall timescales are for corporate device refresh to commence in September 2017 and complete in March 2018. The curriculum refresh and the rollout of Chromebooks is forecast to commence in August 2017 and complete, as originally planned, in December 2019.

2. Recommendations

2.1 Members are asked to:

- (i) Note the successful Exit and Transition of ICT Services.
- (ii) Note the funding pressure on the ICT Transition budget and Capital Budget as a result of exchange rate changes, that will impact over the refresh period, and the increased scope of the Network Refresh.
- (iii) Consider the update on the ICT Transformation Programme which is currently at Amber status.

3. ICT Transition

- 3.1 As of 1st April 2017, Wipro Holdings assumed full responsibility for the management of Core ICT Services having successfully exited and transitioned from Fujitsu Services. This included the migration of computer servers (302) from Fujitsu's Data Centres in England to the replacement Brightsolid Data Centre in Aberdeen; transfer of staff (65) from Fujitsu in two phases (TUPE); establishment of a new Wipro office in Inverness and delivery of a new support service and Service Desk. ICT staff working collaboratively in a tripartite arrangement supported this complex programme of Exit arrangements from the Fujitsu contract and the establishment of the new Wipro contract.
- 3.2 The initial target objectives as highlighted to this Committee on 8th February 2017 have been met: - successful Transition; service Exit and business continuity during this period of significant change. Servers were migrated on a weekly basis from 3rd of February 2017 until 27th March 2017 with Wipro assuming responsibility for services on a partial basis from 1st March 2017 and final transfer occurring on the 31st March 2017.
- 3.3 Some minor disruptions to business services were observed following migration weekends, these were resolved swiftly and user testing over migration weekends mitigated against further disruption. The collaborative approach, detailed analysis and planning ensured that the scale of migration and tight timescales were successfully achieved.
- 3.4 The estimated transition budget of £987,000 initially set by the Reprovision Board in June 2016 for transition has been exceeded by £267,000 through the requirement to compress the Transition timeline; early commencement of service from Wipro and the need to re-plan elements of the Transformation programme that were impacted by the necessary focus and resources required to deliver and support Transition and Exit activities.
- 3.5 Although the Wipro Transition of Services has been effectively completed there remains some activities that still require to be further developed and delivered, particularly in relation to Service Management functions and processes. In the overall plan some of these were captured within the Transformation Programme and as such will continue to be managed in the overall programme delivery.
- 3.6 There was also a further transition of managed printing services from Fujitsu to Xerotec commencing on 1st April 2017. This service was previously delivered as part of the Fujitsu contract but is now a direct award by the Council through a Scottish Government Framework agreement. This contract will significantly reduce the cost of print services and will include the refresh of much of the existing printer estate.

4. ICT Transformation

- 4.1 The Transformation programme is an extensive and wide reaching piece of work covering 6 significant projects that aim to update much of the Council's core ICT infrastructure. Some elements of the programme have already been completed, such as the setup of the new data centre, as they were required

before transition could take place. The individual projects are complex and there are inter-dependencies between them and the planned ICT Network Refresh project which is covered in a separate report to this Committee.

- 4.2 As part of Transition and as reported in 3.4 some re-planning of the Transformation Programme timelines was required. This has mainly affected Transformation Project 3 (TP 3) - the Corporate refresh and Office 365 rollout. The final end date of the programme remains unaffected. The table below provides an update and overview of project.

Project	Description	Status & Timeline
TP1 - Active Directory	Update the technical infrastructure that controls and manages access to systems. This will also bring in automation for setting up new users and removing users who are leaving.	Initially planned to be done alongside transition the technical Infrastructure has now been completed but work remains outstanding on the automation process. This is expected to be completed by 31 st August 2017.
TP2 – Data Centre	Move and replace servers from Fujitsu Data Centre to Wipro Data Centre and remove distributed servers across THC locations (mainly Schools)	The migration from Fujitsu Data Centres has been completed as part of Transition. Detailed planning has identified that migration of school servers will be more effectively delivered alongside TP4 and completion of network refresh.
TP3 – End User Computing (EUC) Corporate and Office 365	Move to Office 365 and SharePoint online. Refresh and redesign of devices exploiting “thin client” technology	Office 365 to be completed by December 2017 and device refresh by March 2018.
TP4 – End User Computing (EUC) Schools; Office 365 (Teaching & admin) and LMD (Locally Managed Devices – Chromebooks) roll out	Move to Office365 and SharePoint online. Refresh and redesign of devices and LMD roll out exploiting “thin client” technology.	Office 365 to be completed by December 2017, LMD roll out to commence in August 2017 followed by other device refresh commencing in November 2017 on an Associated School Group (ASG) basis, programme to complete by November 2019.

TP5 – Application review	Review of Business Applications	This has commenced and is to be completed by December 2019
TP6 – Application Self Service	Application portal for self-service installation and request Information.	To be completed by 31 st August 2017.

4.3 The RAG status of the programme is currently Amber due to:

- the need to agree the final Programme Plan to ensure management of inter-dependencies between projects;
- the current Red Status of the Network refresh that underpins much of the programme's roll out of new devices – in particular the start of the Chromebook rollout (reported separately on this agenda);
- internal resource challenges to support the programme;
- increase in costs of computer equipment due to the impact of the exchange rate value of the pound against the dollar.

4.4 The ICT Project Team, through the agreed governance arrangements, are actively working to manage and mitigate these risks.

4.5 A key element of the Transformation Programme is the process of engagement with all Council Services and preparing for the business change. To facilitate this, an Organisational Change Management Network has been established involving all managers and a number of key contacts in Services with specific areas of knowledge and expertise. A series of "virtual" briefing sessions, using technology to avoid travel, has taken place to introduce managers to the programme and to discuss their role. These sessions have been well received. Similar briefing sessions have been held with Head Teachers along with attendance at the regular Head Teacher meetings to provide updates and answer questions.

4.6 Also included within the Transformation Programme is the transitioning of bulk print and mail Services from Critiqom to the Royal Mail. The contract with Royal Mail is a direct award through a Scottish Government Framework agreement due to be in place by August 2017 and will produce savings over the former service provide through Fujitsu.

5. Implications

5.1 **Resource** – As referred to in paragraph 2.4 above, the transition budget has been exceeded by £267k. Funding for the excess cost will come from the earmarked balance requested as part of the corporate revenue outturn report earlier on this committee agenda. As outlined in that report there is a call on balances to fund investment in the first 2 years of the contract but the resulting efficiencies will lead to a net saving over the life of the contract.

5.2 The Transformation Programme revenue budget, predominantly covering project team costs, is currently on target. There are potential pressures on the capital budget arising from an increase in device costs, as referred to in paragraph 3.3 above, and the additional investment required for the network

refresh in schools. These projects are currently being reviewed to see if they can be brought back within the agreed budget level. Any requirement for additional funding would need to be considered as part of the ongoing review of the Capital Programme.

- 5.3 **Legal** - 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. Legal support was budgeted for to cover the exit from Fujitsu and the transition to Wipro. Some of that support has been called on, particularly in relation to TUPE and the early take-on of service by Wipro, but the legal risks are now seen as low following the completion of exit.
- 5.4 **Community (Equality, Poverty and Rural)** - There are no implications arising from this report.
- 5.5 **Climate Change/Carbon Clever** - There are no implications arising from this report
- 5.6 **Risk** – There are a number of risks which relate to the Transformation Programme which are outlined in paragraph 3.3 above.
- 5.7 **Gaelic** - There are no implications arising from this report.

Designation: Depute Chief Executive/Director of Corporate Development

Date: 2 June 2017

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