

<b>Agenda Item</b>	<b>13.</b>
<b>Report No</b>	<b>RES/33/19</b>

## **HIGHLAND COUNCIL**

**Committee:** Corporate Resources Committee

**Date:** 28 August 2019

**Report Title:** **ICT Transformation and Network Refresh**

**Report By:** Executive Chief Officer – Resources and Finance

### **1. Purpose/Executive Summary**

- 1.1 This report provides Members with a status update on the major ICT modernisation programmes currently underway. These programmes cover the transformation activities within the Wipro contract, the refresh of the Council's ICT networks and progress on rollout of Chromebook technology to schools.
- 1.2 At the May 2019 meeting of this Committee, Members were advised of the progress made on a formal Contract Rectification Plan, delivery of the Network and Chromebook Programmes ahead of schedule and commencement of Wipro's device refresh programme. This report provides an update on progress on all these aspects.

### **2. Recommendations**

- 2.1 Members are asked to consider the update on the ICT Transformation and Network Programmes.

### **3. Implications**

- 3.1 **Resource** – Wipro's Transformation Programme is being delivered largely on a fixed price basis with the budget variability only due to the actual numbers and prices of hardware devices that need to be purchased to enable the programme with the latter being out of Wipro's control. Contract changes have been agreed with Wipro that provide protection to the Council's budget going forward, with the strategic aim of ensuring that there is no impact to the ICT revenue or capital budgets due to the delay.

- 3.2 Three of the revised key milestones has now been missed. The Council has informed Wipro that the contractual penalties will apply. Payment to Wipro of the outstanding capital milestone has still not been made and will not be until there is evidence of delivery. Similarly, release of milestone retentions, from earlier milestones that were met, will not be made until acceptable contract performance points are met.
- 3.3 **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. That will be used to provide advice on complex contractual and commercial areas, to ensure that the Council's financial interests are protected.
- 3.4 **Community (Equality, Poverty and Rural)** - There are no implications arising from this report.
- 3.5 **Climate Change/Carbon Clever** - There are no implications arising from this report.
- 3.6 **Risk** – Overall the level of risk to the programme is reducing as deliverable plans are followed. The potential is still there for further delays to the programme either due to poor supplier performance or technical difficulties leading to these high-level risks:
- The ICT revenue budget coming under further pressure due to delays in moving to the target operating model – although this risk has largely been mitigated by the commercial agreement made with Wipro in December 2018;
  - Pressure on the ICT capital budget due to price rises for hardware – hardware prices have remained fairly static over recent months although there is no certainty of the position over the next year. Also a move away from “thin client” will mean a higher purchase cost for computers but that can be managed within the budget by reducing costs in other areas;
  - Disruption to service due to legacy ICT equipment being in use for longer – will be mitigated for users with severe issues by early supply of new hardware;
  - Loss of key Wipro and Council temporary specialist resources due to the extended delivery;
  - Late delivery of benefits impacting on Council Redesign and efficiencies necessary for the Council to meet budget challenges.

Previous reports have highlighted the strategic risk of the contract failing completely. Continuing action taken by senior Wipro leadership, particularly the response to the Rectification Plan and replacement of local management, does demonstrate a commitment to the contract and this risk is not seen as increasing.

These risks will continue to be managed through the ICT Implementation Programme Board and will be the focus of programme governance going forward.

- 3.7 **Gaelic** - There are no implications arising from this report.

## 4. ICT Transformation Programme

4.1 The agreed programme key milestone dates are:

	<b>Original Date</b>	<b>Revised Date</b>
Corporate Refresh 50% complete	30 <sup>th</sup> August 2017	15 <sup>th</sup> February 2019
Corporate Refresh 100% complete	1 <sup>st</sup> December 2017	23 <sup>rd</sup> July 2019
Curriculum Refresh 50% complete	30 <sup>th</sup> December 2018	9 <sup>th</sup> July 2019
Curriculum Refresh 100% complete	1 <sup>st</sup> December 2019	11 <sup>th</sup> June 2020
Active Directory Transformation complete	1 <sup>st</sup> April 2017	20 <sup>th</sup> June 2020

Overall the programme is still running behind schedule, but it is likely that we could see the final milestones in June 2020 being brought forward. As noted in the last report a similar position was reached in the Network Refresh programme, where early delays were experienced but later milestones were achieved ahead of schedule, so there is some evidence to show that this is possible.

- 4.2 The Council has in place commercial protections against the agreed contractual milestones with financial remedies applicable if dates are missed. As per formal notification from Wipro the 15<sup>th</sup> February 2019, 9<sup>th</sup> July 2019 and 23<sup>rd</sup> July 2019 milestones were missed. Additionally, the Council has agreed with Wipro commercial protection against ongoing service charges which were scheduled to reduce as new technology was rolled out. Therefore, delays in the programme will not result in any increased cost to the Council, although the effects of a delay to refresh of computers will have an operational impact for staff; delivery of device refresh is first priority in terms of programme activity and every effort is being made to expedite the delivery of the device refresh.
- 4.3 Migration of Elected Members and consequent refresh of laptops and smart phones has been progressing well through June and July and the joint Council/Wipro team has received some very positive feedback. With completion of the Members refresh, everyone will have been migrated over to Office 365 and the old email infrastructure can be decommissioned.
- 4.4 During the period, the overall service provided by Wipro has continued to not meet the full contractual commitments but performance as measured by the contract Key Performance Indicators has significantly improved over the last few months, however real improvements for staff are only going to be seen when computers have been refreshed.
- 4.5 Corporate computer refresh has passed the pre-pilot and pilot stages which saw 226 users being refreshed. Although good progress has been made with the testing of core Council applications this has also highlighted a number of concerns with certain aspects of the refresh project. In particular, the plan to replace of desktop computers with “thin clients” has now changed with the decision to rollout significantly more laptops than originally planned. Although this may lead to higher initial cost for device purchase there will be significant long-term benefits by having a simpler solution to manage and enabling a more mobile and flexible workforce. This decision will allow the full-scale rollout to ramp up.
- 4.6 Curriculum rollout has completed in the 2 pilot schools – Millburn Academy and Milton of Leys Primary. This saw both schools moving completely to the target operating model – Chromebooks for pupils, laptops for all teachers and suites of “thin client” devices for

technical and business subjects. Although there were some snagging problems to resolve, generally both the pilot rollouts were very successful. Evaluation is ongoing, and lessons being taken on board for rollout to the rest of the curriculum estate which should be ramping up now that schools have returned from the summer break. As for the corporate rollout, referred to above, a key decision will also be made on whether “thin client” devices will be deployed or whether a simpler “thick client” solution will be deployed. Currently the expectation is that the rollout order will follow the same plan as the rollout of Chromebooks although this may be amended to deal with any particular issues that schools are facing with old equipment.

## **5. Network Programme**

- 5.1 The Network Programme to refresh local wired and wireless networks in Council buildings is now largely complete ahead of plan with only some small scale mopping up activities remaining. An end of project report will follow for the next meeting of this Committee.

## **6. Chromebook Rollout**

- 6.1 The rollout of Chromebooks to schools is being managed for the Council by the Care and Learning Service. Wipro involvement in this project is limited to the provision of the refreshed networks in schools and ordering of the Chromebooks.
- 6.2 Due to the speeding up of the network refresh in schools it has been possible also to speed up the Chromebook rollout. All schools have now had their Chromebooks delivered and most pupils have now received them. This project was completed 7 months ahead of the original schedule and on budget.
- 6.3 Work is now underway to assess the future requirements for ongoing support and refresh of the Chromebook estate with several options being considered.

Designation: Executive Chief Officer – Resources and Finance

Date: 26<sup>th</sup> July 2019

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