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| **THE HIGHLAND COUNCIL**<br>**Resources Committee**<br>**24 August 2016**<br><br>**ICT Projects Update**<br>**Report by the Depute Chief Executive/Director of Corporate Development** | | |
| | Report No | RES/ 62/16 |

**Summary**

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

## 1. Background

1.1 The Council's new Project Governance Policy came into effect on 1 April 2016. One element of that policy was to provide Members with a regular update of the status of projects. This report provides the update on the status of ICT projects currently underway.

## 2. ICT Project Governance

2.1 Each ICT project is governed by its own Project Board with a Project Sponsor at a senior level responsible for ensuring the governance adheres to the Council's policy. In addition, for a project to progress, it must pass a series of "Gateway Reviews" before being allowed to advance to the next stage. The Gateway Reviews are as follows:

- **Gateway 0:** Strategic Assessment – (requires a project mandate and a project sponsor);
- **Gateway 1:** Initial Business Justification (requires outline of the project and an outline business case);
- **Gateway 2:** Investment Decision (requires Project Definition and a detailed business case);
- **Gateway 3:** Project Commencement (requires Project Initiation Document);
- **Gateway 4:** Readiness for Service (the business solution goes "live");
- **Gateway 5:** Operational Review and Benefits Realisation;

For ICT projects, Gateway Reviews are carried out at the ICT Development Board, chaired by the Depute Chief Executive/Director of Corporate Development.

2.2 The Project Governance Policy states that compliance with that policy will be monitored and enforced for projects that:

- Requires significant capital or revenue investments – significant investment means having a value of £4 million or more over the lifecycle of the project and any resulting contract/s as set out in the Procurement Reform (Scotland) Act.; or
- Projects whose implementation exhibits a high level of complexity,

ambiguity, tension, uncertainty or risk as identified by the scorecard in; or

- Projects that are forecast to deliver substantial cost savings as identified by the Council's Senior Leadership Team.

However for ICT projects it is accepted that the standards and processes in the policy are best practice and they are therefore generally applied for all projects.

2.3 Projects are categorised into one of the following types, noting that in some cases more than one category may apply –

- **Infrastructure** – generally crossing across Services and initiated by ICT Services – enabling other changes to happen;

- **Compliance** – non-standard change required to comply with legislation etc;

- **Business as Usual (BAU)** – standard but large scale change, usually relating to planned system upgrades;

- **Innovation** – related to real changes in processes or systems – something new.

## 3.0 Current Projects

3.1 Appendix 1 provides the summary status for all current ICT projects. Of the 23 projects in the current portfolio, 16 are classed as Green, meaning that they are on track to deliver to plan, budget and quality. However, 7 projects are showing an Amber or Red status and further commentary is given below.

3.2 **Customer Relationship Management (CRM) – RED** – this project will replace the Council's CRM system and will deliver ongoing savings. The project is Red due to technical issues with the implementation of the replacement system (Netcall CRM) and an increase in the original budget.

Members will remember that the project delivery date was re-adjusted from 28th April 2016 to 9th May 2016 to minimise impact on any changes to the elections in May and to deal with technical issues.

Implementation activities are now completed and the Board is working towards closing Phase One and looking towards Phase Two and development of the system.

3.3 **Integrated HR and Payroll – RED** – this project forms part of the wider Business Support Programme, which to date has delivered £2.3m, with further savings expected in excess of the target. Delay to this project is due to technical issues with the new system, though this is LIVE to 97% of all staff (e.g. on-line payslips).

The Project continues to have a Red status and the project RAG status will not be re-baselined. The project has been delayed and will be later than scheduled in completing, albeit due to circumstances beyond the project's control, and will exceed its original budget.

Good progress has been made since the last reporting period. The technical issue that was delaying the rollout has now been resolved and the roll out resumed from the beginning of July 2016. With no other known technical issues, implementation will

be complete by September 2016.

3.4 **SWAN Implementation - <span style="color:red">RED</span> –** The Highland Council forms part of, and is the lead partner, the Pathfinder North Hub that is overseeing the transition from the Pathfinder North network, provided by Vodafone, to SWAN which is provided by Capita. This is part of a wider transition to the Scottish Wide Area Network (SWAN) across Scotland's public services.

The original scheduled transition period for the Highland Council was January 2016 through to 20th September 2016 when the existing Vodafone contract was due to end. On 25th November 2015 Capita issued a Relief Notice citing up to a 6 month delay of fibre and copper Highland Council sites. Pathfinder North (PfN) have maintained that this Relief Notice is not valid and recent progress has been made with Capita to reduce the impact to the PfN partners. Full details are provided in a separate report to this Committee.

To date 34% of Highland sites have been connected and the Transition is progressing steadily. However, the delays to the commencement of the Transition have not yet been recovered and the programme will be subject to an overrun of six months, as per the report to Resources on 25 May 2016.

3.5 **Curriculum Chromebook Pilot - <span style="color:red">RED</span> -** below:

The Chromebook pilot at Kingussie High School is effectively complete and the final pilot report is due at the beginning of the new school year, however during the course of the pilot it became obvious that there were two main technical limitations that impacted pilot activity.

- Bandwidth into Kingussie High School – The current Pathfinder link provides 30mb bandwidth. The SWAN circuit will provide 100mb to be implemented during SWAN rollout by end March 2017. Schools experiencing bandwidth problems, such as Kingussie High School, will be prioritised as far as possible within the rollout.

- Network capacity within school – The wireless capability in school was designed for overall coverage and not a 1:1 device scenario. We are working with Capita to understand the cost to improve capacity of the wireless network to accommodate the new delivery model.

3.6 **eDevelopment (Building Standards and Planning) – <span style="color:orange">AMBER</span> –** The Scottish Government has initiated a project to refresh the current e-Planning Portal and add additional functionality to enable an e-Building Standards service nationally (eDevelopment.scot). This project seeks to implement a renewed e-Planning service and a new e-Building Standards service for Highland Council service users. In addition mobile working for Development Management and Building Standards staff is to be introduced.

The Project is reported as Amber by the Project Board due to challenges with identifying a viable technical solution for the e-building aspect of the project there is some uncertainty around timescale and quality. Progress on identifying a solution is

continuing and a solution is being tested.

3.7    **SEEMIS – AMBER –** The SEEMIS project replaced the old Schools Management Information System (e1). SEEMIS is a School Management System created by a consortium of Scottish Local Government Authorities to support the administration and delivery of key statutory reporting for schools.

The project has been completed; however the decommissioning of the previous Phoenix e1 system has an outstanding legal clarification, which is being addressed by Aberdeen City Council.

**4.0    Re-baselined Projects**

4.1    The Project Management Governance Policy recognise that remedial action can be applied to a RED status project to bring it back on track, - for example when the delivery timescale is changed to account for a revised implementation date or if there is an authorised project cost increase with agreed budget increase. Such projects are said to be "re-baselined".

The following projects were re-baselined within this reporting period.

4.2    **Members ICT Service** – **RED** to **GREEN** – this project will introduce, where required, new tablets and laptops to replace existing laptops being used by Elected Members. The project is now Green, from its' previous status of Red, as it was re-baselined on 25th May 2016 and a new Project Initiation Document has been approved. The need for re-baselining was due to initial delays in confirming devices and getting commercial information from Fujitsu.

On 11 May 2016 it was agreed between the Council and Fujitsu that the Windows 7 Laptop U745 Lifebook and the Windows 10 Surface Pro 4 tablet were the preferred devices.  Elected Members have now selected, where required, their new devices and the build and testing of the laptops and the tablets are on plan and progressing well.

Planning is complete to identify when and where each device will be rolled out to the Elected Members that have ordered their new devices. Rollout, through home visits and collection from HQ will continue through late August and early September.
Rollout to the Members for their new smartphones has also been successfully completed under the Enterprise Mobility Management project.

**5    Implications**

5.1    Resource Implications: Project Sponsors will have to ensure the required resources are in place to meet the requirements of their projects. This is the case for all projects detailed above in this report. Specific financial implications for projects that have gone over budget are listed below:

- **CRM Replacement** - total expenditure for the CRM project will be £213,746. The original budget for the project was £180,000. Therefore the project is costing £33,746 (19%) more than originally forecast due to an extended timescale to accommodate elections and technical changes.

- **Enterprise Mobility Management** – total expenditure for the EMM project is estimated to be £70,000, an increase from £20,400. This is due to a significant change in scope of the project, which saw the change from new smartphones for Members, to new smartphones for Members, Corporate and Curriculum staff as part of this refresh.

- **Integrated HR and Payroll** - total expenditure for the Integrated HR and Payroll project will be £546,000. The original budget for the project was £455,000. Therefore the project is costing £91,000 (20%) more than originally forecast.

- **SWAN Implementation Project** – potential dual running cost across a number of sites and additional 6 months staff cost for the project team will increase the final cost of the project. Discussions are on-going within the Project Board to quantify and manage any variation within existing budgets.

The additional costs highlighted above have been met by either additional Service contributions or from the ICT Development Fund. Whilst additional funding ensures that the overall Budget is managed, cost overruns means that other projects are delayed.

5.3 <u>Other Changes from last reporting period</u>

**New schools project –** The project management costs for this project were agreed with Fujitsu for all the new school sites at an early stage. It was agreed at this time that school specific requirements and costs would be managed separately in a distinct project stage.

Appendix 1 splits out these phases for reporting purposes. Currently the entries for Caol and Wick detail the Fujitsu project management costs. Any additional costs for networks will be added into Appendix 1 when received.

**Curriculum Guest Access –** This project was intended to explore the roll out of wireless guest access across schools, and will now be incorporated into the ICT Network Programme.

5.2 <u>Legal Implications:</u> There are no immediate legal implications arising from this report but, as noted in 3.8 above, there are ongoing discussions regarding the decommissioning of the Phoenix e1 system and the outcome of those discussions is not currently known.

5.3 <u>Equality Implications:</u> There are no equality implications arising from this report.

5.4 <u>Climate Change/Carbon Clever Implications:</u> There are no climate change implications arising from this report.

5.5 <u>Gaelic Implications:</u> There are no Gaelic implications arising from this report.

5.6 <u>Rural Implications:</u> There are no rural implications arising from this report.

5.7    <u>Risk Implications:</u> There are no risk implications arising from this report.

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**RECOMMENDATIONS**

Members are asked to:

- Note the report;
- Note the Projects in Paragraph 3 that are Red and Amber status.
- Note that Curriculum Guest Access is now being progressed through the Network Programme and can be removed from this report.
- Note the content of the table in Appendix 1
- Note the re-baselined Members' ICT Service project has been updated from Red to Green status in Paragraph 4.

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Designation:     Depute Chief Executive
Authors:          Karen Chisholm McIntosh, Jon Shepherd
Date:              5 August 2016

| Appendix 1 – Current Projects List | | | | | | | | | | | Overall Project Status | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Before Gateway 0** | **Service** | **PM** | **Project Sponsor** | **Cost Original** | **Cost Baseline** | **Cost Forecast** | **Go-Live Original** | **Go-Live Baseline** | **Go-Live Forecast / Actual** | **Reba selin ed** | **Current** | **Previous Report (May 2016)** |
| ICH IT Provision | C&L | THC | TBC | | | | | | | | N/A | N/A |
| Legal Case Management System | CD | THC | TBC | | | | | | | | N/A | N/A |
| Decriminalised Parking Enforcement | CD | TBC | TBC | | | | | | | | N/A | N/A |
| Network Programme – Redesign and Refresh | CD | THC | Vicki Nairn | | | | | | | | N/A | N/A |
| New School Project – Next Stage | CD | FJS | Brian Porter | | | | | | | | N/A | N/A |
| **Between Gateway 0 and Gateway 1** | | | | | | | | | | | | |
| Curriculum Guest Access | C&L | TBC | Brian Porter | | | | | | | | N/A | **Green** |
| Electronic Records Management System | CD | THC | Vicki Nairn | | | | | | | | **Green** | **Green** |
| **Between Gateway 1 and Gateway 2 – Project Definition** | | | | | | | | | | | | |
| New School Project Caol | C&L | FJS | Brian Porter | Brian Porter | £115,729 | N/A | N/A | 29/09/16 | N/A | | N/A | N/A |
| New School Project – Wick | C&L | FJS | Brian Porter | Brian Porter | £360,018 | N/A | N/A | 16/09/16 | N/A | | N/A | N/A |
| GIS Refresh Project | CD | THC | Jon Shepherd | £71000 | £71000 | £71000 | Aug 2017 | Aug 2017 | Aug 2017 | NO | **Green** | **Green** |
| Webcasting | CD | THC | Allan Gunn | £30,000 | £30,000 | £30,000 | July 2016 | July 2016 | July 2016 | NO | **Green** | **Green** |
| Construction Information Management System | D&I | THC | Finlay MacDonald | £60,000 | £60,000 | £60,000 | Aug 2016 | Aug 2016 | Aug 2016 | NO | **Green** | **Green** |
| Inverness City Wi-Fi | D&I | THC | Stuart Black | £1,250,000 | £1,250,000 | £1,250,000 | Oct 2016 | Oct 2016 | Oct 2016 | NO | **Green** | **Green** |
| Category F Schools Refresh Phase 1 | C&L | FJS | Brian Porter | £630,018 | £630,018 | £630,018 | Aug 2016 | Aug 2016 | Aug 2016 | NO | **Green** | **Green** |
| e-Development (Building | D&I | THC | Malcolm | £60,000 | £60,000 | £60,000 | Aug 2016 | Aug 2016 | Aug 2016 | NO | **Amber** | **Green** |

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| Standards and Planning) | | | Macleod | | | | | | | | |
| **Between Gateway 2 and Gateway 3 – Project Initiation** | | | | | | | | | | | |
| Members ICT Service | CD | FJS | Vicki Nairn | £120,000 | £154,209 | £154,209 | Dec 2015 | Sep 2016 | Sep 2016 | **YES** | **Green** / **Red** |
| Unified Communications | CD | THC | Steve Walsh | £1,514,590 | £1,287,000 | £1,287,000 | Dec 2015 | Mar 2018 | Mar 2018 | **YES** | **Green** / **Green** |
| Local Taxation e-Services | FIN | THC | Allan Gunn | £65,000 | £65,000 | £65,000 | Nov 2015 | Jan 2016 | Dec 2016 | **YES** | **Green** / **Green** |
| **Between Gateway 3 and Gateway 4 – Project Delivery** | | | | | | | | | | | |
| Enterprise Mobility Management | CD | THC | Jon Shepherd | £20,400 | £20,400 | £70,000 | Dec 2015 | Dec 2015 | July 2016 | **YES** | **Green** / **Green** |
| Mobile Service Delivery | CD | THC | Caroline Campbell | £341,500 | £341,500 | £291,500 | Apr 2016 | Apr 2016 | Oct 2016 | **NO** | **Green** / **Green** |
| CRM Replacement (Phase 1) | CD | THC | Vicki Nairn | £180,000 | £180,000 | £ 213,746 | Jan 2016 | Jan 2016 | Aug 2016 | **YES** | **Red** / **Red** |
| SWAN Implementation | CD | THC | Jon Shepherd | £1,400,000 | £1,400,000 | £1,150,000 | Sep 2016 | Sep 2016 | Dec 2016 | **NO** | **Red** / **Amber** |
| Curriculum Chromebook Pilot | C&L | THC | Brian Porter | £40,000 | £40,000 | £40,000 | Sep 2015 | Sep 2015 | Sep 2016 | **NO** | **Red** / **Green** |
| SEEMiS | C&L | THC | Brian Porter | £400,000 | £400,000 | £408,000 | Dec 2015 | Dec 2015 | Sep 2016 | **NO** | **Amber** / **Amber** |
| Integrated HR and Payroll | CD | THC | Derek Yule | £455,000 | £455,000 | £546,000 | Apr 2014 | Jan 2015 | Feb 2016 | **NO** | **Red** / **Red** |