

Agenda Item	16
Report No	RES/13/18

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 28 February 2018

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

Report By: Depute Chief Executive/Director of Corporate Resources

1. Purpose/Executive Summary

- 1.1 This report provides Members with a status update on the major ICT modernisation programmes now underway. These programmes cover the transformation activities within the Wipro contract and the refresh of the Council's ICT networks. There was some progress made on the Transformation Programme in the last quarter of 2017, including network refresh in 3 associated school groups and a pilot of Microsoft Office 365.
- 1.2 Issues with both the technical implementation of the Wipro solution and the overall programme management have meant the programme has not progress as planned. The Council has raised these matters at the highest levels in Wipro and they are now putting in place a recovery plan. Priority is being given to confirming that Wipro's recovery plan is achievable, will deliver the benefits required by the Council and will be delivered at no additional cost to the Council. New contract key milestones have been put in place, with associated delay payments in the event of late delivery.

2. Recommendations

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

3. ICT Transformation Programme

- 3.1 As reported to Members on 14 June 2017, the ICT Transformation Programme consists of 6 core projects which cover migration to a new data centre, self-service ICT tools and the refresh of computers across all offices and schools.
- 3.2 Members were informed in the November 2017 meeting of this Committee that there had been slippage to the ICT Transformation Programme, that there was a key risk of further slippage but that the Supplier, Wipro, was working hard to meet the revised dates.
- 3.3 The contractual approach taken with Wipro for the first 6 months of the contract was one of building a new partnership with a new supplier. Exit from the previous Fujitsu contract went to plan and the overall transition process worked well. However, it has become clear that the quality of service provided did deteriorate significantly after transition and the Council is now taking a firmer contractual stance. There remains every expectation that the partnership will be effective and that the transformation programme will continue with a similar level of success to Transition.
- 3.4 One of the critical activities carried out in late 2017 was a pilot of the new “office” solution – based around Microsoft Office 365 – with a small group of users. The purpose of this pilot was to test the solution in a live Council environment to give confidence that a wider rollout would be successful. The pilot identified several serious technical issues and, regrettably, the recommendation from ICT Services to the ICT Implementation Programme Board was that the rollout could not start in January 2018 as planned.
- 3.5 Additionally, ICT Services reported growing concerns about the poor standard of overall Wipro programme management and the management of the individual transformation projects. Performance in this area did not meet with the Council’s usual expectations to ensure compliance with the Project Management Governance Policy. Considerable effort from the ICT Services team has been required to ensure that the correct standards of management are applied to this significant programme.
- 3.6 The recommendation that was agreed by the ICT Implementation Programme Board in November 2017 was that Wipro should produce a recovery plan to bring the programme back on track and implement structural changes to ensure the necessary programme management was in place. This position was accepted by Wipro and the Council has started to see a change in overall leadership and programme management resources. Trust in Wipro’s local delivery team and their ability to deliver the programme has been growing since November 2017 as a result.
- 3.7 As part of the recovery plan, the Supplier has reviewed the resources required to deliver the programme. This has led to an increase in their locally based programme and project management team and overall a more controlled and joined-up approach to planning and running the programme. There has also been a change of approach for the delivery of the Network Programme with that now being managed as an integral part of the ICT Transformation Programme due to the inter-dependencies.
- 3.8 Throughout, the Council has maintained a high level of governance and scrutiny over the Supplier with overall control sitting with the ICT Implementation Board consisting of Service Directors and chaired by the Director of Corporate Resources/Depute Chief Executive. A robust approach has been taken with the Supplier and in response there has been a high level of engagement from very senior Wipro management.

- 3.9 At the time of writing this report the Council has not yet been provided with an end to end recovery plan for delivery of the programme. Although this is disappointing, we are reassured that Wipro are carrying out an in-depth review of all aspects of the programme before committing to new delivery dates. The indicative timescales are for a delay in the completion of the corporate PC refresh by approximately 1 year (to January 2019) and for the curriculum PC refresh by approximately 6 months (to June 2020). Wipro have stated that by early March 2018 there should be a clear and acceptable plan for delivery of the programme that the Council will be able to agree to.
- 3.10 Rollout of Chromebooks to schools is dependent on the network refresh element of the programme and the revised dates for that have not yet been supplied by Wipro. Chromebooks have now been delivered to all schools in the Millburn and Dingwall Associated School Groups (ASGs). They have also been delivered to Portree High School and will go out to the Portree ASG primary schools shortly. It is not yet known whether there will be a delay to rollout in the next ASGs and, if so, whether the Care and Learning team can catch up any lost time within the rollout schedule.

4. Network Programme

- 4.1 As reported to the June 2017 meeting of this Committee the scope of the Network Programme covers the following 5 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);
- 4.2 As referred to above, the Network Programme is now being managed as an integral part of the ICT Transformation Programme. Therefore, going forward, rather than separately reporting on Networks, it will be included in the overall programme progress report. For this report, an update is provided following the same format as previously.
- 4.3 Members will be aware that the Council has been pursuing a claim with Capita for some months regarding costs related to the overall delays in the SWAN Programme. A separate report is presented to this Committee providing more detail on this matter.
- 4.4 Progress has been made in all aspects of the programme, but the focus currently is on production of the recovery plan.
- **SWAN Transition** – all sites have now transitioned to the SWAN network. There are a small number of sites on an interim SWAN solution that are still to be upgraded.
 - **ICT Network Redesign** – is complete.
 - **ICT Network Refresh** – All the sites surveys for Wave 1 and Phase 1 (160 sites) of the Network Refresh have been completed.
- 36 school sites and 74 corporate offices have now had new wired and wireless network equipment installed. Reconfiguration work is still to be scheduled for all sites once the technical design reviews have completed.

- **ICT in Learning Bandwidth requirements** – SWAN bandwidth upgrades have been ordered for the following secondary schools to support the use of Chromebooks – Dingwall, Inverness Royal Academy, Thurso, Lochaber, Nairn and Charleston. All schools will be monitored as use of Chromebooks increases.
- **Transfer of non-SWAN connections** – is complete.

5. Implications

- 5.1 **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.
- 5.2 Several new key milestones have been set and failure to meet them will result in delay payments due to the Council. Payment to Wipro of the outstanding capital milestone has 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 future contract performance points are met.
- 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. That support is still being called on regularly to advise on complex contractual and commercial areas, to ensure that the Council’s interests are protected.
- 5.3 **Community (Equality, Poverty and Rural)** - There are no implications arising from this report.
- 5.4 **Climate Change/Carbon Clever** - There are no implications arising from this report.
- 5.5 **Risk** – The key risks to the Council in relation to this programme are:

The potential for further delays to the programme either due to poor supplier performance or technical difficulties leads to these high-level risks:

- The ICT revenue budget coming under further pressure due to delays in moving to the target operating model;
- Pressure on the ICT capital budget due to price rises for hardware;
- Disruption to service due to legacy ICT equipment being in use for longer;
- 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.

In addition, there is an overall risk of the deterioration of the partnership with Wipro threatening future relationship and contract performance.

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

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

Designation: Director of Corporate Resources

Date: 15 February 2017

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