Agenda Item	**15**
Report No	**RES/23/19**

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 23 May 2019

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

Report By: Director of Corporate Resources

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 February 2019 meeting of this Committee, Members were advised of the commencement and progress made on a formal Contract Rectification Plan, delivery of the Network and Chromebook Programmes ahead of schedule and increased confidence in Wipro's device refresh programme. This report provides an update on progress on all these aspects of the programme.

2.   Recommendations

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

3.   ICT Transformation Programme

3.1   The agreed programme key milestone dates are:

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

3.2   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 15th February 2019 milestone was missed, and it is certain that the 2 July milestones will also be 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.

3.3   Following the successful implementation of a rectification plan, migration to Office 365 is largely complete except for a group of Elected Members. Full migration for Members was expected to take place in March/April 2019 but has been delayed until May 2019 to ensure that a better, more streamlined mobile phone solution can be rolled out at the same time.

3.4   During the period, the overall service provided by Wipro has continued to not meet contractual commitments. Wipro and ICT Services focus is therefore on the formal Rectification Plan which is progressing well to fix underlying with the service. However real improvements for staff are really only going to be seen when computers have been refreshed.

3.5   Computer refresh has passed the pre-pilot stage which saw **125** users being refreshed. In late April the next group of **101** users commenced. Good progress is also being made with the testing of core Council applications which will allow larger groups to be refreshed in due course.

3.6   Full rollout to the 2 pilot schools – Millburn Academy and Milton of Leys Primary – is due to take place in mid-May. This will see 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. If the pilots are successful, rollout will then continue for the rest of the Millburn ASG schools.

4. Network Programme

4.1 The Network Programme to refresh local wired and wireless networks in Council buildings is delivering ahead of plan with excellent progress being made. Installs completed by the end of March 2019 – 5 months ahead of the original schedule - enabling the Chromebook rollout to also complete ahead of schedule.

4.3 As of 1st February 2019, the progress against the 3 phases of the project was:

Overall status:
- 406 of 406 site surveys have taken place – 100%
- 375 of 375 site installs have taken place – 100%

Some sites have been surveyed but not refreshed at this point as they are either scheduled for closure or will be managed by NHS.

The scope of the refresh has now been extended to cover the replacement of more switches that were not end of life at the time the programme was initiated but will be in the near future. This has been achieved within the same original budget by careful management of the project costs. The benefit will be that all network switches in Council buildings will be under warranty from the same supplier and fully supported.

SWAN Bandwidth Upgrades – for a number of schools to ensure that there will be adequate bandwidth for large scale Chromebook use:
- Nairn Academy – upgrade failed and now delayed by the need to remove asbestos;
- Bandwidth utilisation at all sites is being monitored and increases are being ordered as required to support the use of Chromebooks and the new thin client devices that will be rolled out

5. Chromebook Rollout

5.1 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.

5.2 Due to the speeding up of the network refresh in schools it has been possible also to speed up the Chromebook rollout. It is now expected that all will be delivered to schools by the end of May – some 8 months ahead of the original schedule – and will be delivered on budget.

5.3 The plan and latest progress for all Associated School Groups (ASGs) is shown below:

Phase 1

ASG	Number of Chromebooks	Status
Millburn	1750	Complete
Dingwall	1600	Complete
Portree	800	Complete
Kinlochleven	250	Complete
Kingussie	650	Complete
Gairloch	200	Complete
Lochaber	1300	Complete

Wave 1

ASG	Number of Chromebooks	Status
Mallaig	175	Complete
Grantown Grammar	521	Complete
Ardnamurchan	172	Complete
Dornoch	290	Complete
Invergordon	528	Complete
Plockton	381	Complete
Wick	1100	Complete
Inverness High School	907	Complete
Fortrose	951	Complete

Wave 2

ASG	Number of Chromebooks	Status
Charleston	1104	Complete
Inverness Royal Academy	1722	Complete
Golspie	400	Complete
Thurso	1122	Complete
Ullapool	284	Complete
Alness	710	Complete

Wave 3

ASG	Number of Chromebooks	Status
Culloden	1628	Due May 2019
Nairn	1016	Due May 2019
Farr	120	Due May 2019
Tain	760	Due May 2019
Glenurquhart	300	Due May 2019
Kinlochbervie	65	Due May 2019
Kilchuimen	82	Due May 2019

In total, 22 ASGs have been completed. This is circa 17,000 Chromebooks that have been deployed to schools which equates to over 80% of the overall rollout. The rollout is still within budget as Chromebook prices have stabilised.

6. Implications

6.1 **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.

6.2 One 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 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.

6.3 **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.

6.3   **Community (Equality, Poverty and Rural)** - There are no implications arising from this report.

6.4   **Climate Change/Carbon Clever** - There are no implications arising from this report.

6.5   **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;
- 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. Recent action taken by senior Wipro leadership, particularly the response to the Rectification Plan and replacement of local management, does demonstrate a continuing 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.

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

Designation: Depute Director / Director of Corporate Resources

Date: 1 May 2019

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