

Agenda Item	14
Report No	RES/46/19

HIGHLAND COUNCIL

Committee: Corporate Resources Committee

Date: 20 November 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 August 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. ICT Transformation Programme

3.1 The agreed programme key milestone dates are:

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

Overall the programme is still running behind schedule, but now some concrete progress is being made with the computer refresh project.

- 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, 9th July 2019 and 23rd 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 still first priority in terms of programme activity and every effort is being made to expedite the delivery of the device refresh.
- 3.3 The overall levels of service from Wipro have improved. In July and August 2019 all KPIs were achieved. In September 2019 all but one of the KPIs were achieved – the KPI relating to call times at the Service Desk. It is, however, usual for the Service Desk to experience significant call volumes in the first couple of weeks of the new school term.
- 3.4 Migration of Elected Members to Office 365 and consequent refresh of laptops and smart phones progressed well through the summer and the joint Council/Wipro team received some very positive feedback. The migration over to Office 365 is now complete for all users and the old email infrastructure can be decommissioned.
- 3.5 As reported to the August meeting of this Committee, the decision was made to rollout significantly more laptops than originally planned, replacing all the “thin client” devices in the corporate environment. This decision, plus the implementation of lessons learned from pilots, has enabled Wipro to commence the full corporate computer refresh as of the first week in October. Although significantly later than originally planned, it is very positive to see this activity finally commence and the feedback from staff who have been refreshed is largely positive. As of the end of October 2019, just over 1,000 corporate devices have been refreshed – roughly 20%. Clearly there is still much to be done and efforts are now focussed on increasing the rollout rate.
- 3.6 Curriculum rollout continues for the Millburn ASG following completion in the 2 pilot schools – Millburn Academy and Milton of Leys Primary. There are greater challenges in schools due to holidays and exam periods. Also, the change from “thin client” to workstations for technical subjects in secondary schools has resulted in further delay as suitable hardware is sourced and tested. The plan, however, is still for school refresh to be completed by the end of the current school session as originally planned.

4. Network Programme

- 4.1 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 is being prepared.

5. Chromebook Rollout

- 5.1 Due to the speeding up of the network refresh in schools it was possible also to speed up the Chromebook rollout. All schools have now had their Chromebooks delivered and all pupils have now received them. This project was completed 7 months ahead of the original schedule and on budget. There are now approximately 25,000 Chromebooks in use across Highland schools.
- 5.2 A decision has been made to provide additional technical support for schools by ICT Services to reduce the amount of time that headteachers, in particular, were spending dealing with device failures and warranty issues. This support is in the process of being introduced.
- 5.3 Work is also underway to assess the ongoing requirements for provision of Chromebooks to support schools with increasing numbers of pupils and for the future refresh of the Chromebook estate with several options being considered.

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. Although hardware devices continue to be stable, there will be increased cost due to the move from thin to thick client devices. This can be met from the existing capital budget using contingency built-in.
- 6.2 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 will now be partially paid as most of the requirements included in that milestone have now been delivered. The balance, and release of milestone retentions, from earlier milestones that were met, will not be made until acceptable contract performance points are fully 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 and a further commercial agreement made in September 2019;
 - 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.

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

Designation: Director of Corporate Resources

Date: 29th October 2019

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