

Agenda Item	<b>9</b>
Report No	<b>RES/18/21</b>

## HIGHLAND COUNCIL

<b>Committee:</b>	<b>Corporate Resources Committee</b>
<b>Date:</b>	26 May 2021
<b>Report Title:</b>	<b>ICT Transformation and Contract Performance</b>
<b>Report By:</b>	Executive Chief Officer – Resources and Finance

### 1. Purpose/Executive Summary

- 1.1 This report provides Members with an update on the performance of the managed service contract with Wipro and the Wipro ICT Transformation Programme.
- 1.2 Wipro's ICT Transformation Programme was formally closed at the end of March 2021, marking a significant milestone in the ICT contract. A summary of the achievements can be found in section 4.1. The Transformation Programme was a Wipro contractual deliverable and quite separate from the wider Digital Transformation of the Council. However, the Wipro programme has refreshed our technology and put the Council in a strong position to progress with further technology-enabled transformation.
- 1.3 Overall performance against service levels continues to be generally good with all KPIs met each month this year so far.

### 2. Recommendations

- 2.1 Members are asked to:
  1. Consider the update on the Wipro ICT Transformation Programme and overall Wipro performance, noting the significant achievement in the completion of the Programme.
  2. Note that the priority for the Council now will be the successful transition of ICT services from Wipro to in-house provision (noting also that a separate report on the transition follows later in the agenda) supporting the Council's Digital Transformation project as part of the Council's Transformation Programme contained in the Health & Prosperity Strategy.

### 3. Implications

- 3.1 **Resource** – Wipro's ICT Transformation Programme has been 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 were 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. Hardware prices have not risen significantly through the course of the programme and all changes have been met from the existing capital budget using contingency built-in.

- 3.2 The ongoing contract costs are also largely based on a fixed price and the Council has contractual certainty of those costs now up to the end of the contract. The ICT Services budget is aligned to those contract costs and there is now little risk of any budget pressures in relation to the Wipro contract.
- 3.3 **Legal** - The Council must adhere to the contract provisions within 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 has been on several occasions 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**

**Wipro ICT Transformation Programme** – As the programme has now been closed, most of the programme risks are also closed. There are some follow-on actions as per section 4.3 below and there are some risks associated to these. The most serious risk at present is the very long lead times (now at least 6 months) for delivery of ICT hardware – especially laptops – due to worldwide shortages as result of the COVID pandemic. Although most devices have been fully deployed, there are still outstanding orders still required to complete all follow-on actions.

The risk of long lead times for equipment is also relevant for Chromebooks as we prepare to refresh the initial batch of devices in 2021. Although supply is likely to improve as the year progresses, the current shortages would suggest it is prudent to be placing initial orders for Chromebooks in good time to avoid delays early in 2022.

Previous reports have highlighted the strategic risk of the contract failing. Continuing action taken by Wipro leadership and recent agreements made in relation to the transition of service from Wipro back to the Council mean that this risk is now very unlikely to occur.

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

#### **4. ICT Transformation Programme Closure**

- 4.1 Although the most visible aspect of the programme has been the refresh of computers, the objectives were much wider and aimed to transform a base ICT architecture that had not changed significantly in a decade. The significant achievements were:

- Successful transition from Fujitsu on 1<sup>st</sup> April 2017;
- Over 10,000 computers refreshed;
- Whole estate upgraded to Windows 10;

- Office365 deployed – OneDrive, SharePoint, Email, MS Office, Skype/Teams;
- Data centre completely refreshed and relocated to Aberdeen;
- Local area network switches refreshed across all sites and wireless infrastructure significantly enhanced;
- Mobile phone platform upgraded to Microsoft Intune;
- Establishment of Change Network of Council managers to enable change management.

These achievements helped to deliver the high-level objectives of the programme:

- **Service Excellence** – simplifications and standardisation of hardware, systems and processes to reduce problems and increase reliability;
- **Transformation** – ICT as an enabler to deliver business benefits;
- **Affordable** – delivering an ICT infrastructure at significantly lower cost than before and also enabling better value for money for future ICT service delivery;
- **Partnership** – investment from both the Council and Wipro with a joint aim of bringing value to both organisations.

4.2 The agreed programme key milestone dates were:

	<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

On 31<sup>st</sup> March 2021, the Transformation Programme was formally closed at the ICT Implementation Board as the majority of objectives had been fully met. Although significantly delayed there is reasonable justification for the delays –

- Early prioritisation of the transition from Fujitsu to ensure stable service. This proved to be a complex and challenging transition but was successful. However, that did push out the start of Wipro’s transformation activities;
- Addition of a full refresh of the Council’s local area networks to the scope after the contract was awarded;
- The Council’s complexity in terms of number of software applications, range of services and geography. This was the first time Wipro have dealt with such a complex local government situation;
- Changes in technical solutions relating to thin client devices mid-programme to provide greater resilience and better performance;
- COVID-19 – which has caused significant disruption over the last year.

4.3 The overall status of the programme at closure was:

<b>Project</b>	<b>% Complete</b>	<b>Status</b>
Contract Transition	100%	Completed by 1 <sup>st</sup> April 2017
Project 1 – Active Directory	96%	Final clean up activity linked to completion of project 3
Project 2 – Data Centre	100%	Completed to enable transition

Project 3 – Corporate Refresh	93%	Some devices still to be refreshed – delayed by COVID-19
Project 4 – Schools Refresh	100%	
Project 5 – Application Roadmap	100%	
Project 6 – Service Automation	94%	Backend developments completed with some self-service elements now to be introduced into live service

The devices still to be refreshed are:

- 179 public access computers in libraries
- 31 school kitchen computers
- 68 High Life Highland computers in libraries and leisure centres
- 94 general user devices delayed due to shortage of stock or difficulties with access during the pandemic

There is also a continuing deployment of enhanced computers in secondary schools to support certain subjects. Although all schools have received refreshed devices, it was decided to provide enhanced capability to support art, music and computing classes due to increasing demands for specialist software. The expectation is that these follow-on actions will be completed by June 2021, assuming relaxation of COVID-19 restrictions enable that.

- 4.4 The programme was delivered within agreed ICT capital and revenue budgets. In total this represents a capital investment of £20.4m over the last 4 years.

## 5. Wipro Service Performance

- 5.1 Wipro business-as-usual contract performance is measured via a series of Key Performance Indicators (KPIs).

The table below shows the trend for the KPIs for the four months up to March 2021. The table does not go into the detail of how the KPIs are measured but simply shows as Green if target levels are met and red if not. KPI-15 is a composite measure of a further 20 Subsidiary Performance Indicators (SPIs) which are not listed in this report. It can be seen that all KPIs are now achieving target levels.

	Description	Dec-20	Jan-21	Feb-21	Mar-21
KPI-01	Severity 1 incident response	Green	Green	Green	Green
KPI-02	Severity 2 incident response	Green	Green	Green	Green
KPI-03	Severity 3 incident response	Green	Green	Green	Green
KPI-04	Severity 4 incident response	Green	Green	Green	Green
KPI-05	Rolling number of Severity 1 incidents	Green	Green	Green	Green
KPI-06	Monthly end user satisfaction	Green	Green	Green	Green
KPI-07	Help Desk contact answer	Green	Green	Green	Green
KPI-08	Infrastructure availability	Green	Green	Green	Green
KPI-09	Managed applications availability	Green	Green	Green	Green
KPI-10	Managed applications interruptions	Green	Green	Green	Green
KPI-11	First time fix	Green	Green	Green	Green
KPI-12	Catalogue implementation – moves/changes etc	Green	Green	Green	Green
KPI-13	Change request impact assessments	Green	Green	Green	Green
KPI-14	Data centre network response time	Green	Green	Green	Green
KPI-15	Composite SPI achievement	Green	Green	Green	Green

Designation: Executive Chief Officer, Finance and Resources

Date: 30<sup>th</sup> April 2021

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