

Agenda Item	15
Report No	RES/ 46 /21

HIGHLAND COUNCIL

Committee: Corporate Resources

Date: 24 November 2021

Report Title: **Project Dòchas Progress Report**

Report By: Executive Chief Officer – Transformation

1. Purpose/Executive Summary

- 1.1 This report provides Members with an update on the progress being made with Project Dòchas – the project to transition from outsourced ICT delivery arrangements to in-house provision. Members are reminded that the Council has had out-sourced ICT arrangements for over 20 years and that has provided benefit and led us to where we are now. This new direction for ICT is expected to bring greater benefits in terms of value for money, quality of service and flexibility to meet changing business demands. It will also enable us to drive forward the use of technology to modernise and transform the way Council services are delivered and support the medium-term financial planning of the Council.
- 1.2 Approval was given at the 30 July 2020 meeting of The Highland Council to progress with the option to bring ICT services back in-house and to fast-track where possible ahead of the end of the 5-year initial outsourced contract term. Approval was also given to commence re-structuring the Council's ICT team and to commence recruitment to key posts in the new structure.
- 1.3 The report states that the Dochas programme is still at GREEN status. Green status means that the project is on track with regards to the project timescale, cost, and quality. Timescales are still tight and there are risks but these are being managed.
- 1.4 Four significant key milestones have been achieved since the last report in August 2021.
- 1st October 2021 – Go-live of in-house Field Services team
 - 1st October 2021 – TUPE of Wipro Field Services team into the Council
 - 1st November 2021 – Go-live of in-house Service Desk
 - 1st November 2021 – TUPE of Wipro Service Desk team into the Council

Transfers of Wipro staff into the Council under the Transfer of Undertakings (Protection of Employment) – TUPE – rules was only possible due to very effective joint working between Council ICT, HR and Payroll staff, Trade Union representatives, Wipro HR and the employees themselves. Although complex, the process was followed through to a successful conclusion and the efforts of all involved should be recognised. In total, 19 staff have transferred from Wipro so far.

2.

Recommendations

2.1 Members are asked to:

1. Note the report.
2. Note the Project status and that reports will continue to be provided to this Committee to deliver governance

3. Implications

3.1 **Resource** –The ICT Services revenue budget for 2021/22 is forecasting a small underspend. The 21/22 budget for ICT Services includes funding for transition activities and recruitment to new posts which will see some dual running alongside the Wipro contract to enable knowledge transfer and handover of service. The costs of Wipro staff transferring into the Council will be covered by reduction in Wipro contract charges.

A detailed financial model, looking at the next 3 years, has been produced and this is now being updated on a regular basis as assumptions about future delivery costs are verified or amended and definite start dates for new staff are agreed. Currently there are still some assumptions relating to support contract and facilities costs that need to be verified and work is ongoing with Wipro and with the Council's Estates team to clarify this.

- ### 3.2 **Legal** – Valuable input has been obtained to date from external legal advisers and that has helped to shape the working relationship we now have with Wipro. It is not envisaged that much more external legal input will be required but legal advice will be sought as required as the project progresses.
- ### 3.3 **Community (Equality, Poverty and Rural)** – Bringing services in-house will help to protect local skilled jobs. To provide support to all Council locations, technology will enable ICT support staff to be located in rural areas based at home or area offices. This is a real opportunity for the Council to act as a long-term hub for skilled ICT roles in the Highlands in a way that an outsourcing supplier working to a fixed term contract cannot do. The size of the new in-house team will increase from current 49 FTE to 120-130 FTE.
- ### 3.4 **Climate Change/Carbon Clever** – As previously reported, the use of technology such as Microsoft Teams has enabled remote working and reduced the need to travel. Some aspects of providing an ICT support service will always require travel to sites by field engineers, but this will be managed within the Council's target of reaching a carbon neutral Highland by 2025. This will be achieved by use of electric vehicles where possible, remote support tools and a simplified approach to managing laptops. Additionally, when considering award of contracts for data centre services or ICT hardware, the wider carbon costs will be factored in.
- ### 3.5 **Risk** - The key risks identified are: COVID-19; HR and Recruitment; Financial; Service Disruption; Contractual Dispute; Technical; and Digital Transformation. Each risk is discussed in detail in section 5.
- ### 3.6 **Gaelic** - There are no implications arising from this report.

4. Project Dòchas Progress

- 4.1 As a result of the excellent progress since the last report to this Committee in August 2021, the Dochas Programme Board chaired by Executive Chief Officer - Transformation has agreed that the programme status remains at GREEN, meaning that it is still on track to deliver to timescale, on budget and to required quality. This is demonstrated by the achievement of significant key milestones on 1st October and 1st November.
- 4.2 A Programme Manager is leading the project to help manage the complex workstreams within this project. With support from key project staff, they are actively planning and managing all activity until Project Dòchas is complete.
- 4.3 A full list of programme milestones is shown below.

Milestone	Date	Status
1	Approval of Project Initiation Document	Achieved
2	Network break/fix transition from Capita	Achieved
3	Agreement of Wipro Transition contract variation	Achieved
4A	TUPE – Service Desk staff	Achieved
4B	Go live Service Desk	Achieved
5A	TUPE – Field Services staff	Achieved
5B	Go live Field Services	Achieved
6	End of core contract and TUPE of remaining staff	On track
7	Go live EUC Services	On track
8	Go live Service Integration and Management	On track
9	Go live Platform Support	On track
10	Go live Data Centre Contract Extension	On track
11	Go live Network Services	On track
12	Data Centre Services transition	TBC
13	End of Wipro contract (latest possible date)	On track
14	Transition Programme closure	On track

4.4 Wipro Staff Transfer

Key to a successful transfer of service is the continuity of as many of the staff as possible who have provided service for Wipro. This is a combination of Wipro employees and contract staff employed by Kelly Services. Consultations with the staff representatives completed in September 2021 and the first two staff transfers have completed successfully with 19 staff transferring. A final group of 5 staff will transfer on 1st April 2022.

- 4.5 The TUPE process was facilitated jointly by the Council and Wipro HR teams with critical support from the Trade Unions throughout the process. Agreement was made on all terms and conditions for all affected staff in September 2021 opening the way to all three transfers to take place.

4.6 Recruitment and Restructure

Recruitment to post in the new ICT Services structure continues and the team size is now around 90FTE – more than double what it was in April 2021. Key areas where new recruits have joined the team recently have been in the field and service desk teams as the numbers of staff transferring in from Wipro were lower than originally expected. Positively, we have been able to recruit/fill posts relatively easy supporting the biggest change in the delivery of ICT at the Council for over 20 years. The focus now is on recruiting to some more specialist roles with the aim of having most of the structure in place by April 2022.

- 4.7 Alongside the recruitment to new posts, a restructure of the ICT Services team has taken place, with all existing staff either matched into equivalent new roles, as of 1st October 2021, or successful in competing for promoted posts. Of particular note is the internal promotions for staff moving into team leader roles for example through that process demonstrating the benefits of “growing your own”.
- 4.8 Work is now also underway to bring in another 5 Modern Apprentices as part of our commitment to the Council’s Modern Apprenticeship scheme. Several of the existing team have also signed up to Graduate Apprenticeships in either Data Science or Cybersecurity.
- 4.9 **Facilities, Toolsets, Systems and Other Requirements**
Work continues on the non-staffing aspects required to deliver the ICT service. The ICT Service Desk is now located in HQ along with some of the field engineers and other support staff, with others based across the Highlands.

5. Project Dòchas Risks

5.1 The key risks are detailed below:

- **COVID-19** – risk against the programme timeline from the pandemic is now very unlikely with all key dates achieved so far. The following points are still relevant:
 - Any increased requirement for self-isolation of staff, or another full lockdown, will have an impact on building a new team and on operations;
 - Uncertainties about physical access to buildings to bring together a new team. Currently this is not causing any big problems but could do if the situation deteriorates again.
- **HR and Recruitment** – bringing onboard new specialist staff is critical to delivering the new service. This was one of the highest areas of concern earlier in the project. Recent progress with recruitment, restructure, and preparation for TUPE means that this risk has significantly reduced, and future milestones are not currently threatened;
- **Financial** – As referred to in paragraph 3.1, a detailed financial model has been produced. There is still a risk that costs will exceed budget as we transition services, but this is being actively managed with reporting to the Dochas Programme Board. Costs are currently within budget, albeit there are still assumptions about future costs that need further analysis. The agreed approach will lead to contract charges continuing for a longer period due to partial contract extension. The exact cost of that is fixed in a formal contract change.

While the aim will be to operate within the current ICT budget, there is still potential for additional short-term costs to cover transition arrangements, particularly in 2022/23 at the end of the 5-year contract term. Overall, however, the financial modelling indicates that the proposed approach is still affordable within budget. This model has a number of assumptions about future delivery costs, particularly in areas such as facilities and supporting contracts to enable service delivery. As knowledge transfer continues with Wipro, these assumptions will move towards confirmed costs;

- **Service Disruption** – ICT is a critical function for delivery of Council services. Key priority in the transition is to mitigate against any break or disruption. there is a risk of a break in service at point of transfer which will affect users and services. There are a number of ways this risk has been and will be mitigated:
 - Phased transfer from existing suppliers to in-house provision. This has been mostly successful so far in reducing disruption to service. There has been a reduced performance of the Service Desk in the months leading up to the transfer into the Council, largely due to reductions in staff numbers.
 - Transferring local staff from Wipro into the Council to retain much of the local knowledge required to maintain operations. Engagement with local staff has been key through the TUPE process to provide reassurances that they have a future in the Council.
 - Work is continuing with the outsourced provider to ensure that all support documentation is up to date so that there is no knowledge gap at point of transfer.
 - The commercial agreements made with Wipro significantly reduce this risk as will the continuity of staff transferring to the Council;

- **Contractual Dispute** – a successful transition depends on Wipro co-operation. This risk has now been largely mitigated by commercial agreement reached with Wipro and we have a good working relationship;

- **Technical** – the main areas of technical risk would relate to the data centre. a phased approach is being followed in this area – with migration of key applications to the cloud and a steady building up of technical skills in the team. In addition, use of specialist niche suppliers will be used as appropriate to assist with areas outside of the in-house expertise. Extending the data centre arrangements is a key element in reducing technical risk. The data centre is complex and a high-risk area to manage as failures affect large numbers of people and services. Any change to the data centre arrangements needs to be carefully assessed and planned and should be completely separated from the transition of other elements of the Wipro contract. The agreed extension to that part of the contract will help to mitigate against technical failure and give us time to consider the best value option for data centre services in the future;

- **Digital Transformation** - as reported within the Health & Prosperity Strategy 21/22, Digital Transformation is one of the 9 key projects in the Council's Transformation Programme. The immediate priority for the ICT Team is to deliver the significant changes for Project Dochas. Although the ambition for the new ICT Team from 22/23 includes strong capability to undertake this sort of strategic work itself, the approved investment of £0.198m over 12 months from the Transformation Fund allows progress on Digital Transformation. Further information on the Digital Transformation project is also reported in today's agenda. An effective working relationship has been developed between ICT and the Digital Transformation resources who are now all working under the same Transformation Service.

Designation: Executive Chief Officer - Transformation
 Date: 3 November 2021
 Author: Jon Shepherd, Interim Head of ICT & Digital Transformation