

Agenda Item	13
Report No	RES/25/26

# The Highland Council

**Committee:** Corporate Resources

**Date:** 4 June 2026

**Report Title:** Delivery of the ICT Strategy

**Report By:** Assistant Chief Executive – Corporate

## 1. Purpose/Executive Summary

1.1 In July 2020, the Council agreed to move to in-house ICT service provision after more than two decades of outsourced ICT. The project to deliver this was given the name Project Dòchas (Gaelic for *hope, expectancy*) and a successful transition to in-house delivery took place over the next 2 years.

It was anticipated that in-house ICT would deliver the following benefits:

- Council taking back ownership of ICT strategy
- Maintain local employment
- Deliver high quality of service
- Create flexibility to innovate, transform and keep ICT up to date
- A value for money service

There is strong evidence that the expected benefits of Project Dòchas are being delivered and some detail will be provided in this report to demonstrate that.

1.2 Corporate Resources Committee in September 2022 approved the Council's ICT Strategy for the period 2022-2027. Delivery of the ICT Strategy follows on from and builds on the capabilities created by Project Dòchas with the aim of providing the overall direction for the development of the Council's ICT infrastructure and service delivery following in-sourcing.

1.3 This report provides an update on the delivery of the ICT Strategy, detailing the successes so far, and indicates the likely approach for the review of the strategy over the next year. The delivery programme is on track to deliver the key strategy outcomes, on budget and by the target of April 2027, with some less critical activities continuing through the summer of 2027. Additionally, agreed savings of £1.015m have been delivered and a more sustainable ICT financial model can be implemented as a result of the programme.

1.4 The outcomes of the ICT Strategy delivered so far have helped to position Highland Council at the forefront of local authority ICT in Scotland. Of key importance has been the transformation of the data centre infrastructure, which has been core to the Council's ICT operations for many years, moving to a modern, resilient infrastructure to support a modern council. Transformation of the data centre is also an essential pre-requisite for the final exit from the Wipro managed service contract.

- 1.5 The Council's Performance Plan 2022-2027 includes action 5.4 (ii) "Delivery of ICT and Digital Implementation Plans to be completed". This action is tracked and reported to Members at Corporate Resources Committee in the Quarterly Performance Report, split out as 2 separate performance indicators – "ICT Strategy Implemented" and "Digital Strategy Implemented". Both are targeted to be complete in Q1 2027/28, and both are on track to deliver to that timescale.

## 2. Recommendations

- 2.1 Members are asked to:

- i. **Note** the benefits delivered so far from Project Dòchas;
- ii. **Note** the validation of benefits provided by Internal Audit; and
- iii. **Note** the progress in the delivery of the ICT Strategy.

## 3. Implications

- 3.1 Resource: The ICT Strategy Delivery Programme has been funded via previously agreed ICT Revenue and Capital budgets with some use of ICT Investment Fund earmarked reserves forecast to enable the transition from Wipro in 26/27. Significant savings have been delivered through the migration to the SWAN2 contract and a move to a more sustainable financial model for ICT will be enabled by the Programme. Details of the resourcing, savings and financial benefits are detailed in sections 6 and 8 of this report.
- 3.2 Legal: There are no direct legal implications arising from this report.
- 3.3 Risk: The outcomes of the ICT Strategy implementation will actively help to mitigate Council risk, specifically:
- Corporate Risk HCR4 – Cyber Attack. Mitigating action HCR4.1 "Strategic ICT Transformation projects" due to complete by April 2027. Risk will be mitigated by eliminating hardware approaching end of life, strengthening security posture, distributing software applications across hosting platforms, reducing dependence on specific physical locations (e.g. data centre or Council HQ) and strengthening the ability to work from any location.

This action has largely been completed – nearly a year ahead of schedule. The remaining activity relating to this action is the refresh of the local wired and Wi-Fi networks which is underway.

- 3.4 Health and Safety (risks arising from changes to plant, equipment, process, or people): There are no direct Health and Safety implications arising from this report
- 3.5 Gaelic: There are no direct Gaelic implications arising from this policy.

## 4. Impacts

- 4.1 In Highland, all policies, strategies or service changes are subject to an integrated screening for impact for Equalities, Poverty and Human Rights, Children's Rights and Wellbeing, Climate Change, Islands and Mainland Rural Communities, and Data

Protection. Where identified as required, a full impact assessment will be undertaken.

4.2 Considering impacts is a core part of the decision-making process and needs to inform the decision-making process. When taking any decision, Members must give due regard to the findings of any assessment.

4.3 This is a monitoring and update report and therefore an impact assessment is not required.

## 5. Introduction and Background

5.1 The ICT Strategy approved in September 2022 was the first such strategy the Council has had in place following insourcing of the ICT function. It therefore represented a significant change from the previous ICT Strategy that was updated in 2018, reflecting not just the insourcing but the wider context:

- **Pandemic** – with a sudden and permanent move towards remote and hybrid working.
- **Financial challenges** – enforcing that ICT needs to demonstrate value for money and also needs to support service transformation.
- **National Strategy** – emphasising the wider public sector approach to delivering digital services.
- **Technology Trends** – especially the move to cloud computing which opens up new possibilities for delivering service.

5.2 The ICT Strategy defines a vision for ICT to –

*“Ensure that the right technology, with the right support, is in place to enable effective service delivery, enriched learning, collaboration and informed decision making for our workforce, partners, citizens, businesses and visitors”*

Overall, the key outcomes of the Strategy were defined as:

1. **Improve ICT support** – reduce ICT lead times, reduce ICT response times, increase ‘right first time’, increase ICT knowledge, increase customer satisfaction.
2. **Improve ICT resiliency** – increase availability of ICT systems, reduce volume of ICT problems, reduce volume of ICT incidents, reduce business impact during ICT problems, incidents, or major disasters e.g. cyber security incident.
3. **Improve ICT innovation** – increase ICT capability, increase ICT agility, increase ICT automation, reduce ICT risk.

5.3 The core delivery themes outlined in the ICT Strategy are:

- ICT Delivery Model and Staffing
- Training, Skills and Expertise

- ICT Contracts and Procurement
- ICT Budgets
- Technology

The projects covered in this report are largely aligned to the Technology theme but will have a positive impact on the ICT Budgets theme. Creation of the ICT Delivery Model, with the Staffing required to support that, was delivered through the first phase of Project Dòchas, with staff Training, Skills and Expertise key to enabling that. Alignment of new ICT Contracts to support the in-house service has run in parallel to other delivery activity and has been fundamental in delivering savings and a sustainable financial model.

- 5.4 Due to the large scope, high criticality for service delivery and significant budget relating to the delivery of the ICT Strategy, a formal programme and project delivery structure was set up to ensure suitable control and governance. Currently, high-level governance is via the ICT Strategy Board – a cross-Service board chaired by the Assistant Chief Executive (Corporate).

## 6. Project Dòchas Benefits

- 6.1 It was anticipated that in-house ICT would deliver the following benefits:
- Council taking back ownership of ICT strategy
  - Maintain local employment
  - Deliver high quality of service
  - Create flexibility to innovate, transform and keep ICT up to date
  - A value for money service

This section of the report provides some evidence of the delivery of these benefits.

- 6.2 **Ownership of ICT Strategy** – the initial outsourcing arrangement with ICL/Fujitsu was for a fully managed service with the supplier responsible for setting and delivering a technology strategy to deliver the Council's business outcomes. With succeeding contracts, particularly with the final Wipro contract, the Council ICT team has taken more direct responsibility for the technology strategy and now had full responsibility. With this ownership comes greater flexibility to respond to both a changing technology environment and changing Council requirements. The business case for Project Dòchas highlighted the insourcing of technical risk and commented on the evidence during the pandemic of benefits of the Council team being able to make rapid technology decisions to meet outcomes.

The data centre transformation delivered through the ICT Strategy has demonstrated how the in-house team can work with suppliers to design and deliver a modern infrastructure rapidly and more affordably than via an outsource partner.

- 6.3 **Maintain Local Employment** – through insourcing, the majority of locally-based Wipro staff transferred into the Council team under TUPE - 25 people. The overall Business Solutions team now numbers over 160 posts, all based in the Highlands – an increase in skilled technical posts with the creation of entry-level and Modern Apprentice posts to ensure a route for local young people to enter into an ICT career. This has been achieved whilst delivering overall budget savings.

6.4 **Deliver High Quality Service** – multiple measures are used to assess the performance of the ICT service, and these are reported regularly to Corporate Resources Committee. On an annual basis, results of a user satisfaction survey are reported, and these show an increase in overall satisfaction from 71% in 2022/23 to 80% in 2025/26. On a quarterly basis, more detailed information is presented with some highlights shown below:

- % satisfied customers – averaged 97% over the 6 months July-December 2025 compared to 91% in the month of service transfer (October 2021). Before transfer, this measure was not presented by Wipro.
- Service Desk call answer time – averaged 46 seconds for July-December 2025. For the 2 months prior to service transfer (August and September 2021), less than 50% of calls to the Service Desk were answered within 60 seconds.

6.5 **Flexibility to Innovate and Transform** – since insourcing, the in-house team has been able to support the Operational Delivery Plan, alongside delivery of more routine changes and requests from Council Services. In parallel to this, delivery of the ICT Strategy has been possible using core team resources. In the outsourced environment, our supplier would have been able to flex and bring in additional dedicated resources to deliver change but at a significant extra cost.

6.6 **Value for Money Service** – work is underway to look at combining performance and finance data sets to obtain better business intelligence about service value for money across the Council and this will be used to assess the ICT service in due course. The table below shows the overall change in the makeup of the ICT/Business Solutions budgets.

	2020/21	2025/26
Wipro contract	£5.7m	£1.2m
SWAN contract	£2.2m	£1.5m
Software/systems contracts	£2.3m	£4.6m
Staffing	£2.0m	£7.5m
Other costs	£0.9m	£0.1m
Income/recharges/CSS	£-2.0m	-£2.3m
Staffing funded by Services	n/a	-£1.4m
<b>TOTAL</b>	<b>£11.1m</b>	<b>£11.2m</b>

Staffing costs do not include temporary project staff funded from earmarked reserves for the Operational Delivery Plan. The line “staffing funded by Services” covers the transfer of staff into the central ICT team who were previously located within Service teams, mainly staff supporting corporate performance, revenues and payroll systems. The other factor to consider is that Council Services were spending an average additional £0.5m per year with Wipro for the delivery of projects. This work is now largely absorbed within the core in-house team. Therefore, the ICT service is in cash terms costing only approximately £0.1m more than it was in 2020/21, whilst taking into account rises in pay, contract cost inflation of 5-10% and the delivery of savings. In real terms, this is equivalent to a cost reduction in the region of £3m.

6.7 **Internal Audit** – an audit was carried out in Q3 2025/26 covering “ICT & Digital Services – Review of Service Desk Support and Performance”. This audit was reported to the May 2026 meeting of the Audit Committee. The audit recognised positive work and quality services being delivered and also identified some improvement actions that are being taken forward. Regarding the delivery of benefits from in-sourcing, the report provided the statement below:

*The anticipated benefits of bringing the ICT Service Desk, Field Services and 3rd line support functions in house had been achieved. Clear expected outcomes were documented in the Project Dòchas Project Initiation Document, and delivery against these was evidenced in the Programme Closure Report and subsequent KPI performance data. All key benefit areas, including ownership of ICT functions, growth in local employment, value for money, improved customer experience, and the development of in-house technical capability, were reported as demonstrably met.*

*Performance metrics since transition showed improvement across customer satisfaction, call handling, and SLA compliance, although customer satisfaction response rates were low. No indicators were identified that suggested deterioration relative to the early period post transition. While some KPIs fluctuated month to month, the long-term trend reflected strengthened service performance and increased organisational control.*

Based on the evidence, the initial benefits of in-sourcing have been delivered as planned.

## 7. **Strategy Delivery**

7.1 Delivery of the ICT Strategy has been via a structured programme consisting of a number of projects, split into 5 tranches, with tranches 1-4 now closed. A high-level summary of the projects that have completed is given below:

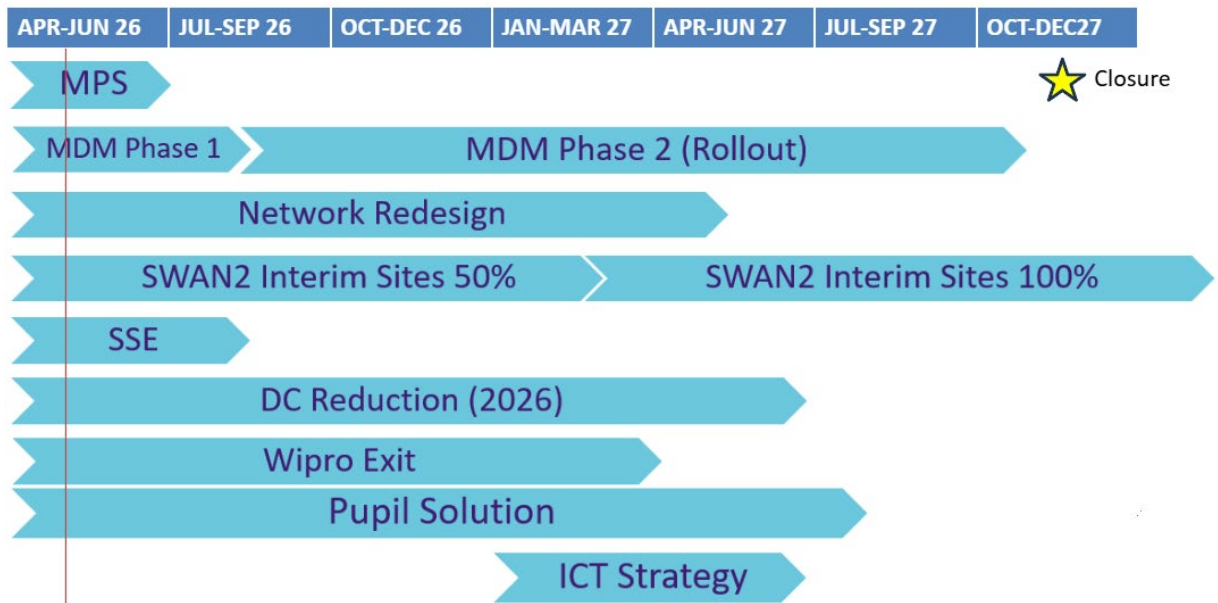
- Service Delivery – a range of deliverables to stabilise the operational ICT service during and following the transfer from Wipro to the Council. This project is complete.
- Technical Delivery – infrastructure projects transforming and updating the Council’s ICT infrastructure, including –
  - Data Centre migration
  - Data Centre rationalisation and reduction phase 1
  - SWAN2 wide area network migration
  - Implementation of new security measures
  - Cloud telephony implementation
  - Managed Print Service
  - HQ Chamber and committee room ICT refresh
  - Corporate VC replacement
  - Modern device management phase 1
  - Migration of file shares to SharePoint
  - Removal of legacy Citrix infrastructure

- 7.2 Service delivery changes were required for us to provide a stable customer-focused service after taking on responsibility from Wipro. Those changes have completed and the regular reporting on ICT performance indicators provided to Corporate Resources Committee show that the service is generally now very stable and performing well.
- 7.3 Significant aspects of the technical implementation are now also complete. The main emphasis of the technical deliverables was the reduction/elimination of single points of failure and the move to an infrastructure that will increase resilience and reduce the likelihood and impact of an outage, whether caused by a cyberattack or some other factor.
- 7.4 A key driver was the need to have a solution in place to enable operations to continue and be managed by the Council team after the end of the Wipro contract. The final contract end date is 31<sup>st</sup> March 2027, but it is expected that effective exit will take place sometime before that date.
- 7.5 Some highlights of deliverables from the technology projects listed in section 7.1 are provided below:
- Award of a contract to Brightsolid Ltd for a much reduced “private cloud” data centre to support legacy applications and enable the exit from Wipro. The Council does not own the servers and other components required to deliver this service. Instead, it is a “consumption model” where we pay for what we use, giving the ability to reduce usage and costs as legacy applications are either replaced or moved to vendor-hosted true cloud arrangements.
  - Decommissioning of old servers which were becoming increasingly difficult and expensive to support.
  - Migration of key applications to vendor-hosted cloud environments. Examples include the WDM roads management system and the PRMS system used to manage corporate performance.
  - Implementation of secure cloud backup to protect Council data.
  - Implementation of security solutions to provide greater protection for hybrid working.
  - Microsoft Teams systems in HQ and Area chambers, committee rooms and meeting rooms to enable hybrid meetings.
  - RingCentral cloud telephony rolled out across the Council – more resilient, flexible and cheaper than the previous telephony system. Also, a new contact centre telephony solution installed in the Alness Service Centre.
  - Secure Microsoft user authentication in the cloud, providing Single-Sign-On for key applications and removing the data centre as a single point of failure.
  - Migration to the second generation Scottish Wide Area Network (SWAN2) providing greater bandwidth and capacity to expand at a greatly reduced cost.

7.6 The programme is currently in tranche 5 which consists of the projects shown below:

- Network Redesign and Refresh – complete refresh of the Council’s local wired and Wi-Fi networks, replacing aging hardware, reducing potential points of failure, increasing resilience and moving to a more sustainable support model.
- Data Centre Reduction phase 2 – further rationalisation of servers to reduce the footprint as more applications move to the cloud.
- Completion of Modern Device Management phase 1 – enabling ICT Services to manage Windows devices more efficiently and effectively.
- Modern Device Management phase 2 – enabling faster refresh of laptops. This is a complex technical deliverable and exact timescales for delivery are being investigated.
- Completion of Managed Print Service – final refresh of printers with all moved to cloud printing.
- Final exit from Wipro contract – transfer of remaining data centre management responsibilities.
- SWAN2 project closure - including implementation of full fibre for interim sites. A number of Council sites were moved to a temporary broadband solution by BT to enable the project to complete on time. Although the temporary solutions provide an improvement on the previous SWAN network connections, they now need to be moved to the contractual full fibre solution to provide future-proofing. We are very dependent on BT to deliver the full solutions for sites and will assess their plan over the next few months.
- Secondary School Pupil IT Solution – covering computer suites in schools and making them more resilient and supportable for the future. This deliverable will most likely be completed to align with the start of the new school year in August 2027.
- Refresh of ICT Strategy – ensuring that the Council has a clear direction for continuing ICT development. This is likely to be closely integrated with a refresh of the Digital Strategy.

7.7 The diagram below shows the indicative timelines for delivery of this final tranche of the programme. The Network Redesign and Refresh project is not shown on the diagram as it was already underway and runs across tranches 4 and 5 of the programme.



## 8. Programme Finances

8.1 Strategy implementation has been funded from a combination of the ICT capital budget and earmarked reserves with detail shown in section 7.2. Staff resources have been provided from the core ICT Services team and funded from the core staffing revenue budget. To date, all delivery has been within the overall budget and agreed savings have been delivered.

### 8.2 Investments

SWAN2					
	Approved Investment	Actuals to Date (M13)	Forecast to Complete	Total for Year	Variance
FY24/25	£1,096,427	£1,096,427		£1,096,427	£0
FY25/26	£1,329,946	£1,329,946		£1,329,946	£0
<b>Overall</b>	<b>£2,426,373</b>	<b>£2,426,373</b>	<b>£0</b>	<b>£2,426,373</b>	<b>£0</b>
Network Redesign					
	Approved Investment	Actuals to Date (M13)	Forecast to Complete	Total for Year	Variance
FY25/26	£1,622,775	£1,622,775		£1,622,775	£0
FY26/27	£1,081,223	£0	£1,081,223	£1,081,223	£0
FY27/28	£296,002	£0	£296,002	£296,002	£0
<b>Overall</b>	<b>£3,000,000</b>	<b>£1,622,775</b>	<b>£1,377,225</b>	<b>£3,000,000</b>	<b>£0</b>
New DC Footprint					
	Approved Investment	Actuals to Date (M13)	Forecast to Complete	Total for Year	Variance
FY25/26	£844,031	£844,031		£844,031	£0
<b>Overall</b>	<b>£844,031</b>	<b>£844,031</b>	<b>£0</b>	<b>£844,031</b>	<b>£0</b>
Overall					
	Approved Investment	Actuals to Date (M13)	Forecast to Complete	Total for Year	Variance
FY24/25	£1,096,427	£1,096,427	£0	£1,096,427	£0
FY25/26	£3,796,752	£3,796,752	£0	£3,796,752	£0
FY26/27	£1,081,223	£0	£1,081,223	£1,081,223	£0
FY27/28	£296,002	£0	£296,002	£296,002	£0
<b>Overall</b>	<b>£6,270,404</b>	<b>£4,893,179</b>	<b>£1,377,225</b>	<b>£6,270,404</b>	<b>£0</b>

### 8.3 Savings

A 3-year savings target against the SWAN budget was agreed as part of the budget setting in 2024. That target has been fully met.

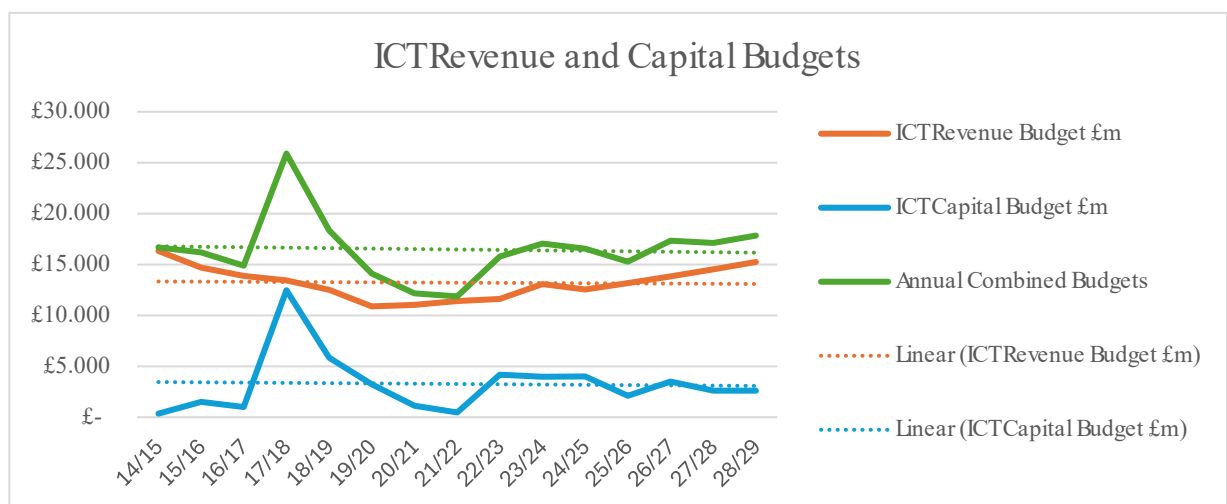
SWAN2			
	Approved Saving	Delivered/Forecast Saving	Variance
FY24/25	£573,000	£573,000	£0
FY25/26	-£151,000	-£151,000	£0
FY26/27	£593,000	£593,000	£0
Overall	£1,015,000	£1,015,000	£0

Additional savings totalling £0.225m were also agreed for 2026/27 relating to management of the data centre and the data centre contract costs. These are on track to be delivered as a result of the data centre reduction and early transfer of responsibilities from Wipro to the Council.

### 8.4 Impact on ICT Financial Model

- 8.4.1 The significant shift in the delivery model for data centre hosting from “on-premise” to “cloud” has also resulted in a fundamental change in the ICT financial model from capital to revenue funding. This has been a change seen across the ICT sector. Over the past 20 years, we have owned the assets in the data centre and have gone through a regular cycle of asset refresh as required. This has been delivered through capital projects by our outsourced providers on a roughly 5-7-year cycle at a capital cost in the region of £5m each time, but also with significant programme management, migration and testing overheads met from the revenue budget.
- 8.4.2 Following data centre transformation, the Council now owns a very small data centre hardware footprint and, instead, buys hosting services charged for on a usage basis, flexible to meet demand and funded from revenue. Through careful design, specification and management of the transformation and effective procurement, it will be possible to deliver a data centre service for 2026/27 from the ICT revenue budget whilst avoiding a significant future capital expenditure of £several millions to replace data centre hardware. A relatively small revenue budget pressure feed of £0.195m was agreed as part of the Council’s 26/27 revenue budget and this reflects a combination of inflationary pressures relating to software contracts and some additional supplier hosting costs for cloud hosting of applications.
- 8.4.3 As this is a new model, the likely future revenue costs will be assessed further through the year to understand the level of usage and the effort required by the in-house team to support. However, it is clear that future capital demands will be much lower and future revenue demands may be fairly modest.
- 8.4.4 The chart below shows the trend in ICT revenue and capital budgets since 2014/15 with a forecast for future years based on a 5% inflation. Points to note from this chart are:

- The significant peak in capital in 2017/18 demonstrates the impact of a data centre hardware refresh combined with a “big bang” refresh of Windows laptops.
- The increase in capital in 2022/23 demonstrates a major refresh of Chromebooks in schools.
- In future years, the capital line is expected to stay relatively constant, avoiding such large spikes, as we move away owning data centre hardware and implement steady rolling refresh of all devices (Windows and Chrome).
- Although the revenue budget has grown, largely due to inflation, between 2019/20 and 2026/27, it is still lower than it was in 2014/15 at the mid-point of the final outsourced contract with Fujitsu.



## 9. ICT Strategy Review

- 9.1 The Council's ICT and Digital Strategies were written to cover the period 2022-2027 and so will both be requiring a review this year. As detailed in this report, much of the ICT Strategy has now been delivered. A future report to this committee will provide details of the delivery of the Digital Strategy.
- 9.2 Groundwork for the review of the Digital Strategy is already underway with the Biannual Digital Maturity Assessment carried out at the end of 2025. Members will recall previous assessments which were carried out in conjunction with the Local Government Digital Office who guide and support all 32 Scottish Local Authorities about Digital Transformation. The Digital Maturity Assessment (DMA) allows us to understand how well we are using digital, data and technology to deliver services and where we can improve. As was the case for the development of the current Digital Strategy the results of the DMA and the National Digital Strategy will inform the development of a revised Digital Strategy.
- 9.3 The current ICT & Digital Strategies are aligned alongside the current Information & Data Strategy; it is critical that a review of these strategies is carried out simultaneously to ensure continued alignment with opportunities considered to align them more fully. A report will be taken to this Committee later in the year covering this review.

## 10. Conclusion

- 10.1 This report confirms that the Council's decision to insource ICT through Project Dòchas, and the subsequent delivery of the ICT Strategy agreed in September 2022, is delivering the intended benefits. The Council has regained ownership of its ICT direction, strengthened local employment, improved service quality and established a more flexible and resilient ICT capability to support modern service delivery.
- 10.2 Delivery of the ICT Strategy is well advanced, with the majority of the programme completed and the remaining activity on track to be delivered within agreed timescales, budgets and governance arrangements. Significant infrastructure transformation, particularly in relation to data centre modernisation and network resilience, has materially reduced organisational risk, strengthened cyber security and supported the final exit from the outsourced ICT contract. Independent internal audit assurance confirms that the anticipated benefits of insourcing have been achieved and sustained.
- 10.3 As the current strategy enters its final delivery phase, work will now progress on the planned review of the ICT Strategy alongside the Digital Strategy. This will ensure that the Council maintains a clear, coherent and future-focused approach to ICT, digital and data capability, aligned to service reform priorities and emerging technological opportunities. A further report will be brought to Members to set out the proposed approach to that review.

Designation: Assistant Chief Executive – Corporate

Date: 12 May 2026

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