

# Finance and Resources Committee

10.00am, Thursday 14 January 2016

## ICT Governance

Item number	7.16
Report number	
Executive/routine	
Wards	

### Executive summary

---

The Finance and Resources Committee on 3 August 2015 approved the appointment of CGI as the preferred bidder in the ICT contract re-procurement.

This report sets out proposed transitional and future governance arrangements for the management of ICT, based on the new contractual obligations. These arrangements will allow for the future governance arrangements to be streamlined while ensuring ICT is focused on delivering the right outcomes for the Council.

### Links

---

Coalition pledges	
Council outcomes	CO25
Single Outcome Agreement	

## ICT Governance

### Recommendations

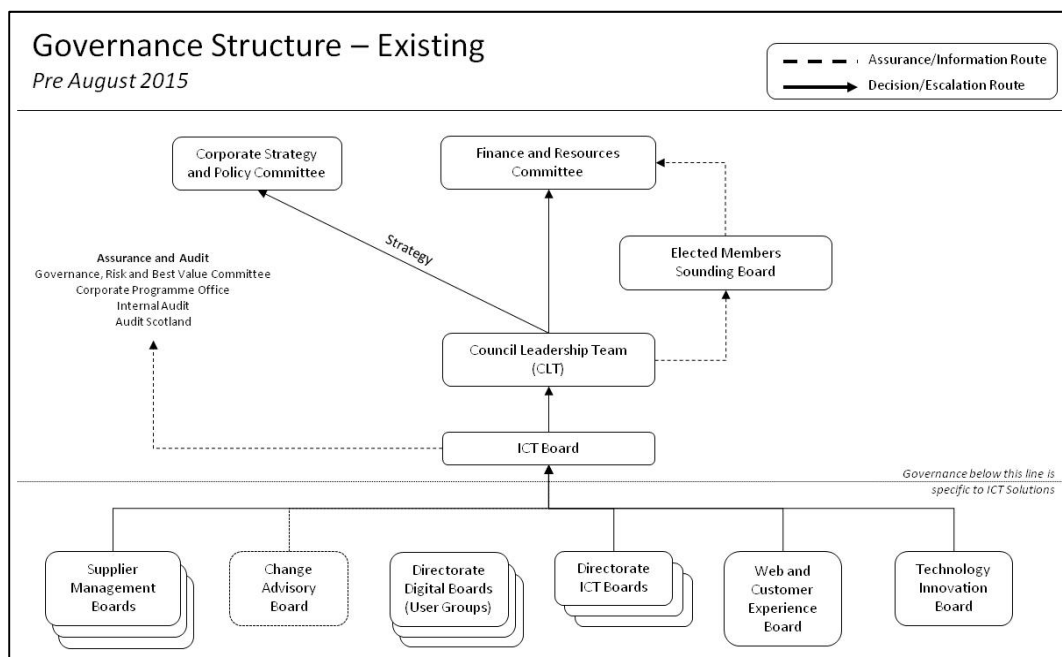
- 1.1 Agree the interim and future governance arrangements for ICT; and
- 1.2 Note the approach to management of ICT investment and expenditure outlined in paragraphs 3.16 and 3.17 of this report.

### Background

- 2.1 With the letting of the ICT contract to CGI, the Council has to manage two main ICT suppliers in the short term, before fully transitioning to CGI on 1 April 2016.
- 2.2 The current ICT governance was agreed as part of the ICT Strategy in December 2012.
- 2.3 It is now appropriate to review and propose further improvements to the Council's ICT governance arrangements in line with significant progress made.

### Main report

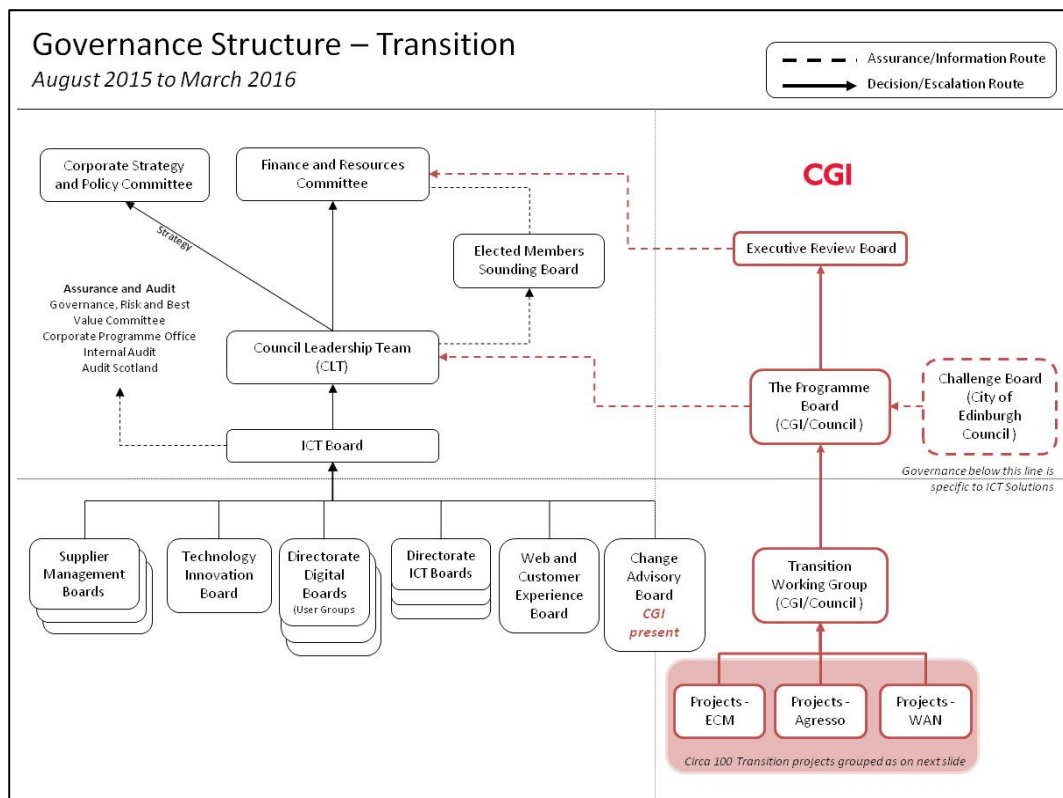
- 3.1 The current structure for the Governance of ICT is outlined below, and has been in place since Committee agreed the Council's ICT Strategy in December 2012.



- 3.2 The governance arrangements supported management of a number of ICT suppliers, and existing ICT and web boards. The Technology Innovation Board was put in place to give a focus on innovation, and to allow a single place for new suppliers to pitch solutions.
- 3.3 The ICT board included a representative from each Directorate and decisions followed the usual committee approvals with an Elected Members Sounding Board providing strategic challenge and advice.

**Governance: transition period**

- 3.4 The model that the Council will use to govern transition of service from BT to CGI UK has been designed to specifically support and add rigour to this phase of the programme. The current Governance around the management of BT will remain in place with some additional groups added in the short term. The governance arrangements include appropriate levels of executive, strategic and operational oversight with an effective challenge function as follows:



- 3.5 **Executive Review Board:** the Review Board will ensure executive oversight of transition and will meet quarterly.
  - 3.5.1 Remit: the remit of the review board is to oversee
    - 3.5.1.1 progress with transition and transformation planning and delivery, business continuity and testing;
    - 3.5.1.2 progress with the development of the exit plan;

- 3.5.1.3 performance of the service from a strategic, commercial, project and technical perspective;
  - 3.5.1.4 progress relating to exiting the incumbent contract and cut over to the new supplier;
  - 3.5.1.5 management of risk relating to the successful completion of transition, transformation and the service cut over date; and
  - 3.5.1.6 progress relating to the exit of the incumbent supplier contract and cut over to CGI.
- 3.5.2 Membership: the membership of the executive board is the Chief Executive, and Chief Information Officer from the Council. The UK vice president and senior delivery team will attend from CGI.
- 3.6 **Programme Board:** the Programme Board will ensure strategic oversight across the entire programme, and will meet monthly.
- 3.6.1 Remit: the remit of the Board is to
- 3.6.1.1 govern the transition programme;
  - 3.6.1.2 ensure the programme meets its stated objectives;
  - 3.6.1.3 report on performance against agreed objectives;
  - 3.6.1.4 resolve issues and undertake dispute resolution;
  - 3.6.1.5 ensure the programme stays within allocated budgets and meets prescribed business benefits.
- 3.6.2 Membership: the membership of the Board will be the senior ICT solutions team and CGI delivery staff. Due to the diversity of the programme, the business representation is focused at the individual project level, however, a business change champion and a senior user have been appointed to ensure business interests are effectively represented.
- 3.7 **Challenge Group:** this group will meet to challenge the programme team to ensure best practice is embedded and oversee the success of the programme. The membership of the challenge group will include key members of the ICT procurement and external, independent experts.
- 3.8 At the operational level a **Transition Working Group** will ensure appropriate levels of operational oversight and will meet weekly.
- 3.8.1 Remit: the remit of the working group is to
- 3.8.1.1 ensure real time oversight and escalation of the 100 services that will be transformed or transitioned; and
  - 3.8.1.2 manage the day to day operation of the transition programme;
  - 3.8.1.3 focus on delivery of the transition programme against agreed milestones; and

3.8.1.4 ensure effective business change management.

3.8.2 Membership: the membership of the group will consist of CGI and ICT solutions management as well as representatives from the business leading on a range of transition projects.

3.9 **Individual project boards:** the 100 services to be transformed or transitioned by CGI have been grouped into key themes with dedicated boards as outlined in the transition governance structure diagram below.

3.9.1 Remit: to ensure the projects deliver the required business outcomes, within the agreed scope; and

3.9.2 Membership: each board includes appropriate representation from business areas.

3.10 **BT/Council Change Advisory Group:** CGI will attend this group to ensure that they are fully aware of changes to the services that they will ultimately take over from BT.

**Governance: post transition**

3.11 The governance model that ICT Solutions will operate with CGI UK following transition is one of co-delivery. This is where the operation between the client and the provider is fully aligned to deliver the right outcomes for the Council.

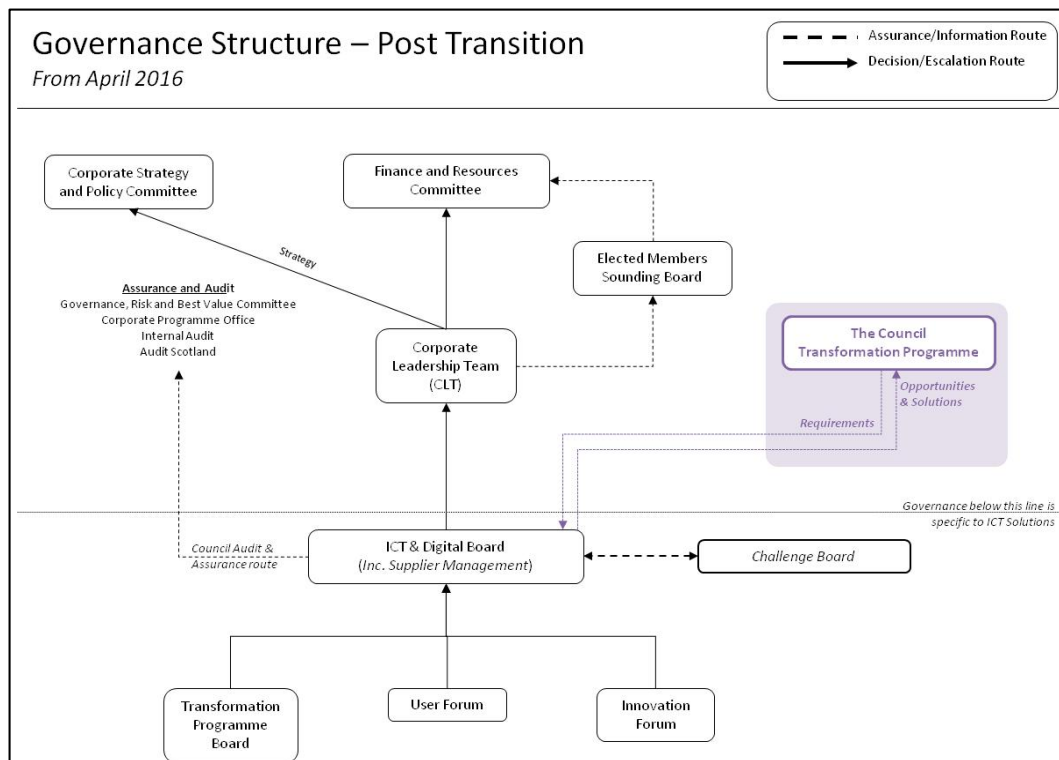
3.12 ICT Solutions will transition to become a commissioner, rather than a provider, of services with the internal team focusing on four key areas:

3.12.1 future service opportunities: understanding the business and ensuring that opportunities for the Council to maximise the benefits of technology are realised;

3.12.2 delivery: ensuring suppliers are held accountable for delivery milestones and service targets;

3.12.3 assurance: ensuring supplier solutions meet the priorities of the ICT Strategy, Council policy, legislative and security requirements; and

3.12.4 commercial: managing the ICT budget and solutions achieve best value.



3.13 Post transition governance arrangements have been streamlined and refined to reflect the contractual arrangements with CGI and experience of the previous model. The key change is the introduction of a joint Council and CGI **ICT and Digital Board** with strategic oversight of all the services provided under the partnership. This will be established and in place by January 2016.

- 3.13.1 Remit: the remit of the ICT and Digital Board will be to
- 3.13.1.1 review the Council's ICT and Digital strategy and alignment of services;
  - 3.13.1.2 assess performance of services from a strategic, commercial, project and technical perspective;
  - 3.13.1.3 monitor all performance against the Partnership Charter with a focus on performance against outcomes and benefits;
  - 3.13.1.4 undertake future planning, including reviews and service usage forecasting;
  - 3.13.1.5 consider savings project proposals and approve CGI related business cases;
  - 3.13.1.6 review and manage strategic risks and issues;
  - 3.13.1.7 act as the point of escalation and resolution from the supplier management and programme boards;
  - 3.13.1.8 report on contract take up by other agencies and the reduction in volume costs;
  - 3.13.1.9 quarterly reporting and review of attainment, actual and forecast, against the prescribed SME involvement target and record of payment history to SMEs; and

3.13.1.10 track progress of creation of new jobs and other community benefits.

3.14 Oversight and monitoring at operational level will be delegated and undertaken by three forums and boards as follows:

3.14.1 **Innovation forum:** a cross Council board to identify potential improvements or innovation in process or technology to deliver business benefits;

3.14.2 **User forum:** this is a new approach that introduces an informal forum to engage directly with the business supporting any member of Council staff to advise on operational issues or potential improvements; and

3.14.3 **Directorate ICT Boards:** dedicated relationship managers will work with directorates to plan solutions based on specific outcomes identified and required by the business.

3.15 **External Challenge Board:** the aim is to implement arrangements to set up an external challenge board with representatives from the private and business sectors in Edinburgh. This will challenge both CGI and the Council to ensure the partnership remains innovative, customer focused and best in class.

#### **ICT investment and expenditure**

3.16 A review of the budgeting and financial approach to ICT investment and expenditure has been undertaken to ensure arrangements are fit for purpose and support the new contract. The council-wide ICT financial allocations will now be overseen and managed by the Chief Executive with delegation to the Chief Information Officer to approve expenditure up to £2m across the life of the contract to ensure all future ICT investment:

3.16.1 meets the principles of the ICT strategy;

3.16.2 achieves best value;

3.16.3 is within approved budgets;

3.16.4 meets equality, sustainability and related statutory provisions;

3.16.5 is appropriately procured and licensed; and

3.16.6 has an achievable business case.

3.17 If a proposed investment does not meet these criteria it shall be escalated to the Chief Executive for further consideration.

## Measures of success

---

- 4.1 The progress against the ICT transition will be reported quarterly throughout transition. The cost and performance of the contract will be reported six monthly from service commencement in April 2016.

## Financial impact

---

- 5.1 This Governance model will ensure that the savings stated in the report to approve CGTI as preferred bidder are managed and met. Further, a streamlined governance model will improve efficiency and a clear approval process with all ICT spend being agreed by ICT solutions will reduce wastage and duplication.

## Risk, policy, compliance and governance impact

---

- 6.1 A risk register has been developed and is reported monthly to the programme board.

## Equalities impact

---

- 7.1 None.

## Sustainability impact

---

- 8.1 None.

## Consultation and engagement

---

- 9.1 An extensive programme of engagement has taken place across all Service Areas and with CLG, Departmental Management Teams (DMT's) and Elected Members during the procurement of the new ICT contract. Nominated representatives across Service Areas have been identified for the various Project Boards.

## Background reading/external references

---

[ICT Strategy Development, Corporate Policy and Strategy Committee, 4 December 2012](#)

[Review of Contract Procedures relating to the Council ICT Procurement process, report to Finance and Resources, 30 October 2014](#) This report was referred to [GRBV](#) on 13 November 2014



## Andrew Kerr

Chief Executive

Contact: Claudette Jones, Chief Information Officer

E-mail: [claudette.jones@edinburgh.gov.uk](mailto:claudette.jones@edinburgh.gov.uk) | Tel: 0131 529 7847

## Links

---

### Coalition pledges

**Council outcomes** CO25 - The Council has efficient and effective services that deliver on objectives

**Single Outcome Agreement**

**Appendices**