

Finance and Resources Committee

2.00pm, Thursday 18 August 2016

ICT Services, Contract with CGI: Progress Update

Item number	7.15
Report number	
Executive/routine	
Wards	All

Executive summary

This report provides the Finance and Resources Committee with a comprehensive update on the contractual and physical transition of ICT services to CGI between April and July 2016, and an overview on how the relationship with CGI is developing, including:

- a summary of the data centre migration
- progress on the installation of the high speed Wide Area Network
- ICT transformation project updates
- partnership governance and relationship management
- SME engagement and community benefits

Links

Coalition pledges	All
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ICT Services, Contract with CGI: Progress Update

Recommendations

- 1.1 It is recommended that the Finance and Resources Committee:
 - 1.1.1 Notes the successful transition of ICT services from BT to CGI on 01 April 2016, followed by the physical move of servers and network infrastructure over two weekends in April and June 2016 to the CGI data centres;
 - 1.1.2 notes the introduction on 01 April 2016 of a new 24 x 7 ICT Service Desk;
 - 1.1.3 notes that the rollout of the first phase of the CGI / Commsworld Wide Area Network successfully completed on 30 June 2016 providing up to 100 times greater bandwidth for schools and Council offices;
 - 1.1.4 notes progress on ICT Transformation projects with certain projects such as Bulk Printing, Secure Cheque Printing and BACS Services already completed, with a further twelve projects underway;
 - 1.1.5 notes that engagement has commenced in all community benefits areas and the programme is currently on track to meet all commitments including the creation of jobs and the inclusion of SME's;
 - 1.1.6 notes that an assurance review of the ERP workstream by the Corporate Programme Office is planned over August 2016.

Background

- 2.1 The new contract with CGI will deliver an ICT solution that best meets both the current and future needs of the Council in the digital age within an overall finite resource level. The sum involved is £185.7m over seven years, resulting in a minimum saving of £45m against the current budget. Additionally, CGI has committed to a range of Community Benefits including the provision of 221 new jobs and 60 modern apprenticeships in Edinburgh.
- 2.2 Following contract signature on 21 August 2015 the project entered into the service transition phase; where CGI began undertaking activities to plan the move from the incumbent ICT supplier BT. The first stage was "Service Cutover" on 01 April 2016, whereby CGI took on responsibility for all ICT Services previously undertaken by BT. The second stage was the physical

move of servers and network infrastructure over two weekends in April and June 2016 to the CGI data centres.

- 2.3 Progress against the Transition Plan, is reported to the Finance and Resources Committee - the previous report was presented on 17 March 2016. This report mainly provides details of the transition from BT to CGI which is now complete.

Main report

Service Desk Transition

- 3.1 Work successfully completed on 01 April 2016 to deliver a new 24 x 7 ICT Service Desk (previous service hours were 8 a.m. to 6 p.m. Monday to Friday).

Data Centre Migration Preparation

- 3.2 The Council's backup and disaster recovery data centre was moved in a straightforward manner from the Sighthill facility to CGI's Waterton data centre on 09 April 2016. The Council's primary data centre was moved from BT's Capital Exchange (CapEx) Data Centre Facility to CGI's data rooms in the Celtic Technology Centre and Pulsant Data Centre on the weekend of 24 to 26 June 2016.
- 3.3 In the lead up to the data centre migrations, extensive preparatory activity was undertaken in order to validate the estate, identify and schedule the running order for tasks over the weekends, ensure all support teams and personnel were available and ready for the migration activities and communicate to the Council stakeholders the plans and processes being followed.
- 3.4 The migration plan also involved periods of rehearsal, testing and user proving over February to June to ensure that all work packages, projects, and teams had arrived at an acceptable level of readiness prior to cutover. The plan was supported by robust governance arrangements to ensure the appropriate levels of rigour, business engagement and control were applied.
- 3.5 Further planning and consultations took place with business resilience and the Council leadership teams, with the date of the CapEx data centre move finalised for the weekend of the Friday 24 to Sunday-26 June 2016

CapEx Data Migration

- 3.6 Over the migration weekend work progressed at 5pm on the Friday evening to transfer hosted systems, services, applications, external gateways and Internet access from CapEx into the CGI data centre locations including Celtic Technology Centre (CTC), Waterton and Pulsant. This involved more than 120 systems which were packaged and transported to the new data centres and made operational for initial testing. This was a major logistical exercise supported by 200 CGI personnel and closely monitored by the joint management teams.

- 3.7 Internal testing with ICT Solutions began on Saturday night and application proving began on schedule on Sunday morning. This involved more than 100 Council staff called in from each business area to test access key and areas of functionality.
- 3.8 At 10pm on Sunday a post migration report was received from CGI to indicate that the core migration had concluded successfully and major business applications were available for Monday morning including:
- Oracle e-Finance
 - PPSL
 - iWorld
 - Corporate email
 - AS400
 - iTrent
 - Swift
 - Telephony
- 3.9 In summary, applications which operate directly from the CGI data centres were transitioned in a highly successful manner but applications which rely on a dedicated external gateway (such as Wi-Fi) were not transitioned as successfully on 24 – 26 June.
- 3.10 In the 3 weeks following the CapEx migration, CGI set up a dedicated task force to work through the successful transition of all applications impacted by slow performance and the gateway issues in the inherited network such as: - Internet and Wi-Fi, card payments, NHS integration and SEEMIS.

Wide Area Network (WAN) Update

- 3.11 The rollout of the first phase of the CGI / Commsworld Wide Area Network successfully completed on the 30 June 2016. This involved installation of network connections to 317 new sites supported by a new 150 kilometre city-wide gigabit fibre network. The network, which has been delivered by the local SME, Commsworld in conjunction with CityFibre offers up to 100 times greater bandwidth for schools and Council offices.
- 3.12 The final sections of the CityFibre network will be installed over Summer and Autumn 2016 and all sites where an interim non-fibre circuit was installed for 30 June will have that replaced by a fibre circuit.

Service Desk Update

- 3.13 The final element of the CGI transition programme is the new online portal providing a single entry point for all customer ICT requests, ensuring that Council users have a much better view of service status and performance which forms the basis for service improvements. This is expected to go live in September 2016.

Transformation Programme Updates

- 3.14 ICT Transformation projects commenced in October 2015 with certain projects such as Bulk Printing, Secure Cheque Printing and BACS Service already completed. There are twelve remaining ICT Transformation projects which are to be delivered through the CGI contract, listed in the table below.

Business Intelligence	End user computing transformation – device refresh
Enterprise Content Management	Enterprise Integration Transformation (Channel Shift)
ERP (Enterprise Resource Planning) – replacement for Finance, Procurement, HR and Payroll	Housing Repairs
Libraries	Networking - LAN, telephony and Contact Centre
Revenues & Benefits EDRMS	Room Booking
Web – Internet (Website)	Web – Intranet (ORB)

- 3.15 Through these ICT Transformation projects CGI will deliver new / improved replacement solutions during 2016 and 2017. For example, end user computing will enable the first of two tranches of device refresh included in the contract, and the transformation of ERP will replace PPSL, Oracle e-Business Suite, Frontier and iTrent, and all associated interfaces with a single, completely integrated system, Business World.

In addition, there are a further 30 “added value services” identified in the contract to be taken forward as business cases by the relationship management team.

- 3.16 Each of the ICT Transformation projects above is controlled through its own workstream with joint governance between the Council and CGI and its supply chain partners. Most of the projects are already well under way but progress is slower than planned. Unforeseen technical and resource challenges are impacting the intended speed of project delivery. ICT Solutions is working hard with CGI senior management to bring projects such as Enterprise Integration back on track.

Partnership Governance and Relationship Management

- 3.17 Since the completion of the Transition phase, new governance for contract delivery is in place. A “Joint Management Board” governs business-as-usual service from CGI. This is predicated on the Service Reporting agreed in the contract.
- 3.18 Further recruitment has taken place to the Joint Council and CGI ICT Solutions relationship management team; a dedicated relationship manager is allocated to each department across the Council.

- 3.19 Over the reporting period the team has been closely involved in 'Embedding Transformation' workshops, identifying tangible actions and ICT opportunities to progress the ideas surfaced in the workshops and to understand ways to support departments in further transformation activities. These include:
- Developing final proposal for city-wide online school payments system to enable parents to pay online for a range of school services such as meals, trips and milk
 - Working closely with Edinburgh Leisure to identify opportunities to extend the benefits of the Council's city-wide fibre network and best support Edinburgh Leisure's management of secondary school sports facilities
 - Utilising CGI community benefits investments to develop a digital strategy for Edinburgh's Museums and Galleries, due for delivery in the Autumn

Community Benefits and SME Engagement

- 3.20 Work has commenced in all of the contracted Community Benefits areas and the programme is on track to deliver planned commitments and investments. Highlights over the reporting period include:

- Employment Target ahead of target, with 89 permanent jobs created
 - 11 Modern Apprentices now hired
 - Further Community Benefits investments including
 - Economic Development – Seed funding for start ups via First Port and Creative Exchange
 - Social Value Lab to develop socio-economic impact assessments of CGI's Community Benefits programme
 - Planned CGI's volunteering Initiative to be rolled out across the localities
 - 3 sponsored degrees for Looked After Children
- 3.21 A second SME Networking event was held on June 30th 2016, with a further 'meet the buyer' event planned for October which will with focus on opening up the CGI UK Supply Chain. Planning is currently underway to further define how CGI will meet the SME engagement target of 25% of CEC contract spend by December 2018.

Measures of success

- 4.1 The success of the new service will be measured against the objectives developed to support the ICT strategy and the future delivery of services. The outcomes with respect to each of the objectives set out above, and others, are set out in the A agenda report relating to this procurement presented to the Finance and Resources Committee on 03 August 2015.
- 4.2 The success of this programme will be measured on delivery against the transition and transformation plans.

Financial impact

- 5.1 There will be an average of £6.4m saving per annum, post March 2016. This supports an important assumption of a £6m pa saving included within the Council's Long Term Financial Plan.
- 5.2 The essential improvements and enhancements included within the ICT contract are critical to the Council future operation and would have cost the Council an estimated £46m over seven years delivering significant value in addition to the substantial cashable savings noted above.

Risk, policy, compliance and governance impact

- 6.1 Below is a summary of the potential impacts of the proposed programme and the anticipated mechanisms to mitigate them. These impacts are potential unintended consequences which will require managing.

Theme	Potential impact	Comments / mitigating action
Citizens & service users	Positive	The new service will provide an enhanced experience for citizens and service users.
Small & Medium-Sized Business	Positive	SMEs will be used as part of the overall supply chain.
Council staff	Positive	It is fully expected that there will be an improvement in the service quality and functionality of the ICT service.
The environment	Positive	CGI is committed to reducing and preventing pollution through energy, waste and resource management best practices and seeks to minimise travel by promoting tele-working, or alternative commuting options, where possible to reduce energy consumption. From a technology perspective, CGI is recognised as an industry leader in power usage effectiveness.

- 6.2 With respect to risk management, the Council's Corporate Programme Office (CPO) conducted an Assurance Review of the Transition Stage and reported an Amber-Green outcome on 23 March 2016 with 6 recommendation areas. These areas were all acted upon.
- 6.3 CGI continues to maintain the Risk Register, using its RiskIT tool, for the ICT Transformation projects and the reporting of risk, workstream by workstream, is an integral component of regular governance meetings. Highlight reports containing the latest risks and issues are compiled on a weekly basis by CGI for all workstreams.

- 6.4 The CPO is conducting an Assurance Review of the ERP workstream during August 2016. The go live date of this important workstream, which is used by thousands of Council users, has been changed twice to a later date. This separate risk assessment is regarded as a prudent activity by the Project Board.

Equalities impact

- 7.1 CGI has a strong and well-established policy for Equality and Diversity. The presence and application of these policies was an important aspect of the Pre-Qualification Questionnaire stage of the process. The Corporate Policy and Strategy Manager has conducted dialogue with CGI.
- 7.2 CGI supports the principle of equality in all its employment practices, policies and procedures and fully complies with The Equality Act 2010. CGI regards diversity as a priceless resource and is committed to achieving and maintaining a workforce which broadly reflects the relevant local or national catchment area within which it operates.

Sustainability impact

- 8.1 CGI has strong and well-established corporate social responsibility policies in key sustainability areas such as travel, waste and procurement. The CGI policy of sustainable procurement extends to its partners and suppliers and takes into account the environmental impact of the products and services procured. It selects only partners/suppliers that comply with internationally recognised human rights standards and applicable legislation; it selects local suppliers where possible, leveraging its SME Accelerate programme which assesses and promotes the use of SMEs in its supply chain.

Consultation and engagement

- 9.1 To ensure the success of the transition programme a partnership business change manager has been appointed to lead service area engagement and communication activities. Additionally local change champions have been nominated from each directorate and service area representatives appointed to key workstream project boards.

Background reading/external references

Relevant internal references include:

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

[ICT Update, The City of Edinburgh Council, 13 December 2012](#)

[ICT & Digital Transformation Programme Update, Finance and Budget Committee, 19 September 2013](#)

[Review of Contract Procedures relating to the Council ICT Procurement process, report to Finance and Resources, 30 October 2014](#)

[Review of contract procedures relating to the Council ICT procurement process, report to Finance and Resources Committee, 15 January 2015](#)

[Review of Contract Procedures relating to the Council ICT Procurement process, report to Finance and Resources 13 May 2015](#)

ICT Procurement Project – Capital Funding (B agenda item), Finance and Resources Committee, 4 June 2015

ICT Services and Transformation Procurement – Final Stage Report – Confidential Commercial Information, 3 August 2015

[ICT Services Procurement: Transition Progress Update, Finance and Resources Committee, 16 November 2015](#)

[ICT Services Procurement: Transition Progress Update, Finance and Resources Committee, 17 March 2016](#)

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Links

Coalition pledges	P7 - Further develop the Edinburgh Guarantee to improve work prospects for school leavers P15 - Work with public organisations, the private sector and social enterprise to promote Edinburgh to investors P16 - Examine ways to source new funding to support small businesses P28 - Further strengthen our links with the business community by developing and implementing strategies to promote and protect the economic well being of the city
Council outcomes	CO8 - Edinburgh's economy creates and sustains job opportunities CO25 - The Council has efficient and effective services that deliver on objectives
Single Outcome Agreement	SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential