

Governance, Risk and Best Value Committee

10.00am, Tuesday 29 August 2017

Status of the ICT Programme

Item number	7.2
Report number	
Executive/routine	
Wards	All

Executive Summary

The purpose of this report is to give an overview of the programme of works within ICT and of the current service delivered by the Council's ICT partner, CGI, as well as the options available to the Council regarding contractual remedies.

From January 2017, there have been some improvements in the CGI performance, service has improved with very few critical faults, down to an average of 4 per month, the change backlog has reduced by 40% and some projects have been delivered or are progressing to plan e.g. Libraries, Parent Pay, Room Bookings, and Local Area Network (LAN) upgrade. However, CGI are still underperforming in numerous areas and consequently Council staff are investing a large amount of time and effort in getting the programme back on track.

Most major programmes are at least 12 months late and there are several still in a state of re-plan which is impacting our ability to transform services. In addition, there are still some areas of delivery that require resolution, for example the service desk experience needs to dramatically improve.

Status of the ICT Programme

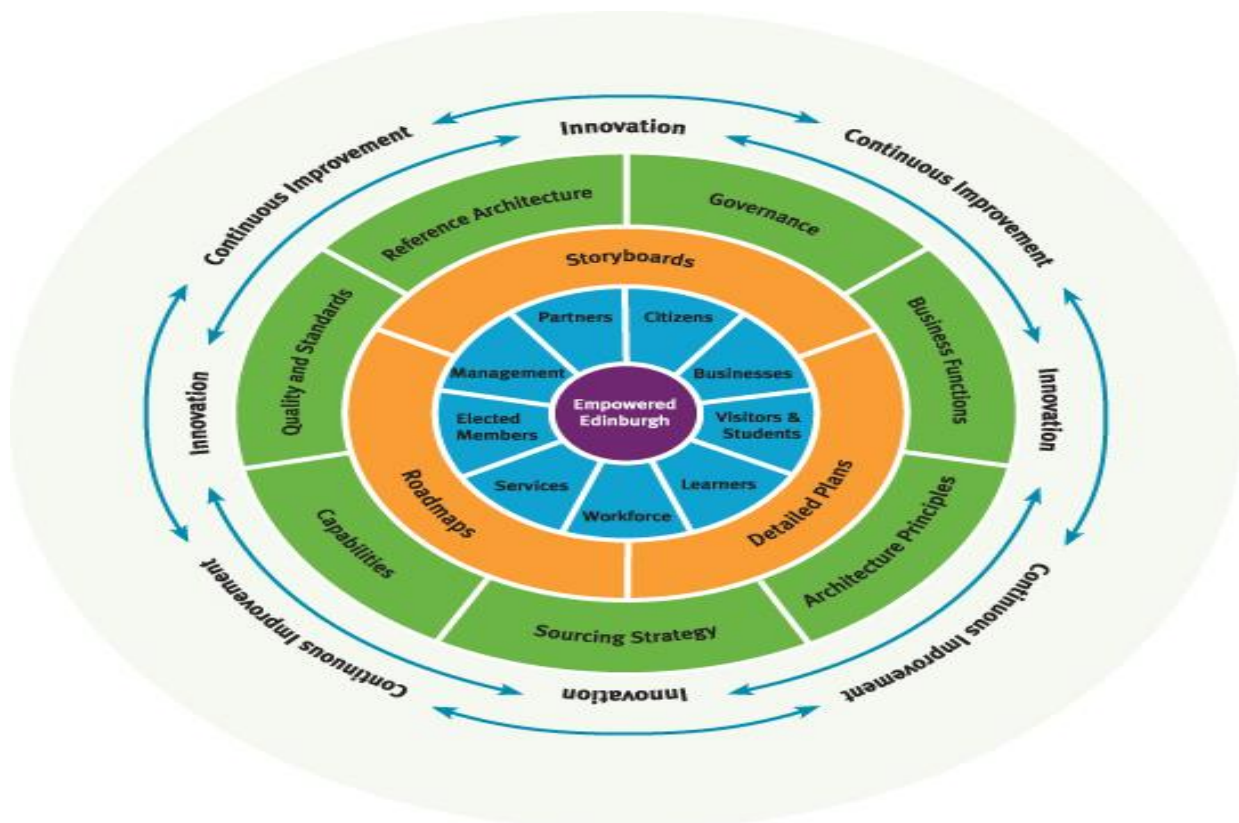
1. Recommendations

- 1.1 It is recommended that the committee notes and scrutinises the update.

2. Background

ICT strategy

- 2.1 The City of Edinburgh Council's Strategy to deliver the vision for ICT & Digital (ICT &D) services is to focus on understanding our customer needs to deliver the outcomes that matter to them. Our ICT&D Strategy is business driven and action orientated. The diagram below summarises our operating model to support the empowering of Edinburgh through the use of ICT and Digital.



- 2.2 By defining our approach around the benefit that citizens and customers will gain, through the use of ICT and Digital, we will maximise the value that can be delivered by our reducing resources. This will help us to deliver a 'One Council' focus to designing and sourcing our ICT and Digital whilst allowing customer-driven delivery,

i.e. what the Council needs to deliver the services where the citizens and service users need it.

ICT Partner

- 2.3 The Council has operated an outsourced ICT arrangement since 2001. We entered a new contract for ICT services in 2016 to continue with a prime supplier model but in a non-exclusive contract to transform the existing ICT service into a flexible, scalable service and to implement an output based contract(s) ('what' we get rather than 'how'). The new contract will save the Council at least £6m per annum against the 2015/16 ICT spend, £45m over the first seven years. ICT Services are procured on a utility basis (flexible "pay as you go" terms). The contract is also structured to deliver 25% of the value of ICT services over the term of the contract through subject matter expert's.
- 2.4 The term of the contract awarded was for "up to 19 years" to CGI, with periods awarded as 7 years initially, with the option for the Council to extend by 5 years, a further 5 years and a final 2 years. CGI are providing; Transition Service, Transformation Services and Operational Services initially comprising of 93 Output Based Specifications including base services, utility services, and business case development services.

Major Change Programmes

- 2.5 Wide Area Network: To deliver a high bandwidth, fibre-based wide area network delivering improvements in operational efficiency, productivity, reliability and scalability to enable the next generation of digital learning opportunities in city schools and to improve commercial and cultural opportunities for live event streaming, webcasting and conferencing in the city's cultural venues.
- 2.6 LAN and Voice: to reduce infrastructure costs and complexity, to implement flexible 'find me/follow me' call routing allowing remote and mobile working and to create opportunities for further innovations and savings through evolving work practices.
- 2.7 End User Compute: to allow anytime, anywhere access to email, important documents, contacts, and calendar across devices, to share large, hard-to-email files both inside and outside the Council.
- 2.8 Enterprise Resource Planning (ERP) / Business World: A single repository for all financial and HR transactions, providing one trusted source of all financial information, to reduce printed invoices by utilising electronic invoicing and manual payment plan maintenance enabling a reduction in staffing and an enabling platform to deliver wider savings.
- 2.9 Customer Digital Enablement (Channel Shift): to improve citizen engagement with real time, online transactions across Council services, to increase operating efficiencies and cost reduction with end-to-end transactions and to improve citizen insight and enabling agile and rapid development of future online services.
- 2.10 Web: to deliver a best in class web platform for citizen transactions, enabling and accelerating channel shift and reduce operating costs.

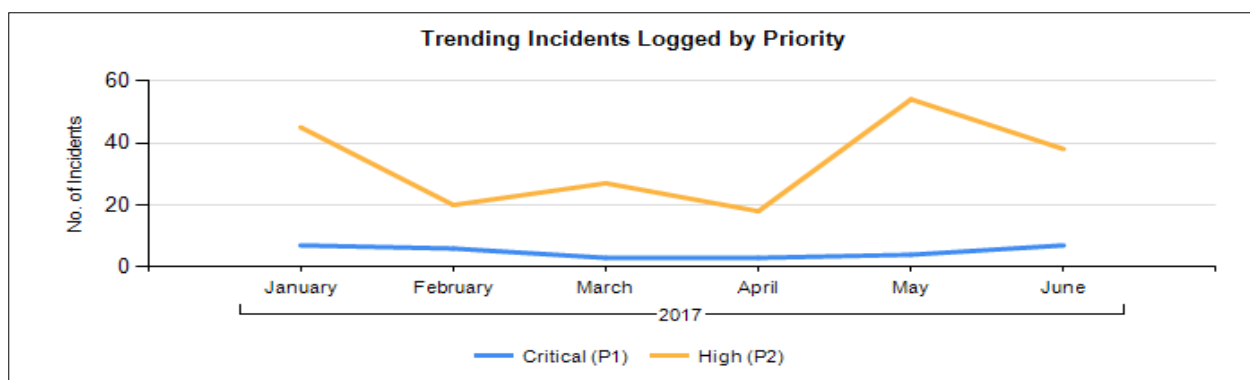
2.11 Libraries: to improve the user experience of the library system to better engage citizens and increase adoption through improved user interface, to reduce operating costs through lower cost software and increased device support, and to become a single library management system.

3. Main report

3.1 Since the contract commenced CGI have underperformed on the contractual commitments. Transformation programmes have missed the original delivery dates, and in some cases the revised delivery date and this has meant that Council has been unable to realise the benefits and/or savings envisaged.

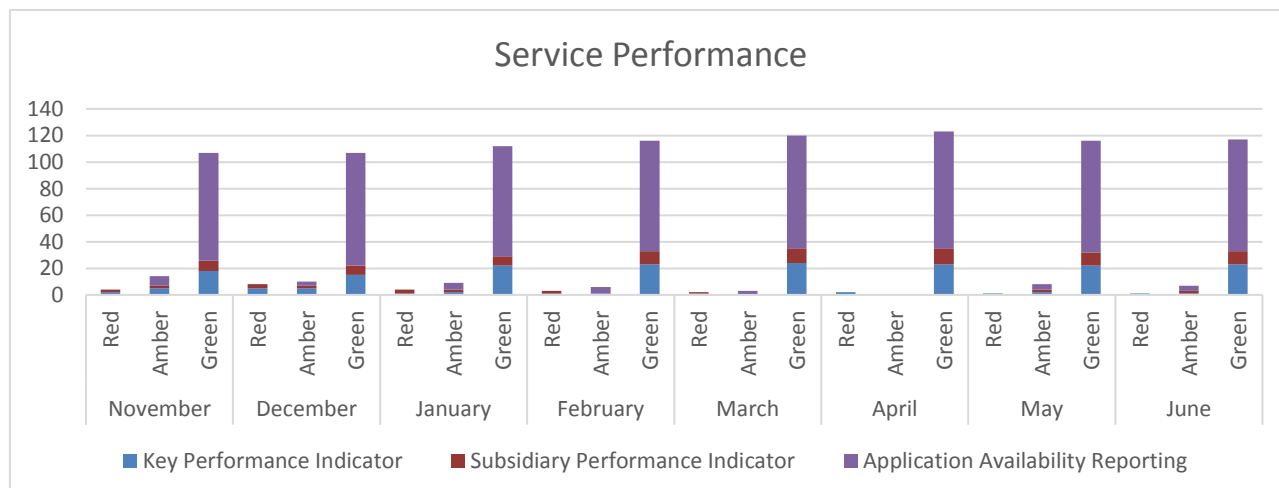
3.2 There have been numerous senior management meetings with CGI regarding their overall performance and there have been several legal letters on the same subject. On every occasion, CGI, have committed to improve their overall performance and there have been some improvements but not at the pace the contract specifies or the Council requires.

3.3 Service Performance - The chart below shows the trend for Critical and High incidents:



3.4 Although it needs to be noted that the volumes are relatively stable the critical faults that did happen had a significant impact on the Council's email system.

3.5 Across Key Performance Indicators, subsidiary performance indicators and Application performance the overall trend is an improving picture:



3.6 Programme Performance - The status of the major programmes is as follows:

Project	Contract RAG	RAG This Week	RAG Last week	Target completion date	Status update
ERP / Business World	Red	Red	Red	Q1 18/19	Revised Programme plan being developed, Previous subcontractor has been replaced and the original solution is still viable.
Customer Digital enablement	Red	Red	Red	Phased throughout 2018	This programme is currently being re-planned and the focus will be on the top 20 transactions.
Wide Area Network	Red	Green	Green	28/09/17	294 out of 306 sites upgraded to date as part of this programme.
Local Area Network	Red	Yellow	Yellow	03/11/17	171 out of 306 sites upgraded to date as part of this programme.
Voice	Red	Yellow	Yellow	20/10/17	83 out of 296 sites upgraded to date as part of this programme.
End User Compute	Green	Green	Green	30/07/18	Anti-Virus, Office 2016, and Skype for business have been delivered. The next phase is to refresh the end user devices.
Libraries	Green	Blue	Blue	Completed	Phase 1 programme completed.
Room Booking's	Green	Blue	Blue	Completed	Phase 1 programme completed.
Parent Pay	Green	Green	Green	31/08/17	12 schools still to join, the uptake across the other schools is over 50% so far.
Cashless Catering	Green	Green	Green	30/09/17	This programme is progressing well.

3.7 In addition to the above major programmes, the ICT service is overseeing more than 500 other small, medium and large projects and change requests.

3.8 Public Internet Access for pupils (Wi-Fi): There is currently a Local Area Network (LAN) upgrade project being implemented and this will deliver new hardware – Routers, Wi-Fi access points and telephony. Once the new infrastructure has been implemented we will then consider additional services that can be delivered across this infrastructure e.g. Public Internet Access. The LAN project is due to complete in November 2017 and at that point a project can be set up to trial Public Internet Access to schools.

Governance

3.9 There are multiple different boards and collateral used to manage the entire ICT programme:

- Executive Review Board
- ICT & Digital Board
- Supplier Management Board
- Programme Boards
- Innovation Forum
- User Group

- 3.10 The programme board is held on a weekly basis and at this forum the major programmes, change projects, new proposals, security issues and service escalations are reviewed in detail.
- 3.11 Technology / ICT Audits completed in 16/17 – we completed 3 ICT related audits in the 16/17 plan: Cyber – External Vulnerability, IT Disaster Recover, and ICT: Monitoring of contract payments. These audits were completed post 31 March and were with Management for comment mid-April 2017 (details were included in Appendix 4 of the Internal Audit Opinion and Annual Report paper that was provided to Committee). Completion of the 11 findings raised from these reviews will be tracked through 2017/18. A further 3 audits are included in the 2017/18 plan: Cyber Maturity Analysis; Phishing Resilience and CGI Contract Management. This Internal Audit reviews are in addition to the ICT audit coverage provided by Scott Moncrieff, which ensures adequate coverage of all ICT related risks.

4. Measures of success

- 4.1 The main measure of success is to deliver the revised programme of works as per the project plan.
- 4.2 The outcomes are clearly defined and these will be measured as part of any sign off process i.e. Milestone acceptance certificates.

5. Financial impact

- 5.1 The ICT budget is on forecast to deliver against the business plan.
- 5.2 There are two key mechanisms to recover monies based on CGI's performance:
- Service Credits: Due to poor performance CGI are liable to pay service credits.
 - Delay Deductions: Due to the failure to deliver the Major Programmes of work CGI are liable to pay delay deductions to the Council.
- 5.3 We have not claimed these sanctions yet as we are using these as lever to keep CGI focussed on delivery.

6. Risk, policy, compliance and governance impact

- 6.1 Since the contract commenced CGI have underperformed on the contractual commitments. Transformation programmes have missed the original delivery date, and in some cases the revised delivery date and this has meant that Council has been unable to realise the benefits and/or savings as originally envisaged.
- 6.2 CGI have made progress in delivering upon the Community Benefit outcomes included as part of the contract. Over the initial term, the Community Benefits aspect of the contract provides an obligation to create 220 jobs, 60 Modern Apprenticeships as well as investing in Community outcomes such as volunteering, and funding under privileged children into Higher Education. CGI have also pledged

to channel 25% of all contract spend via locally based small to medium enterprises (SMEs) and to provide funding for Edinburgh based new business start-ups and digital inclusion programmes.

- 6.3 To date, CGI have created c118 Jobs and 22 Modern Apprenticeships, as well as sponsoring two students through degree courses with more funding being provided for a new cohort in 2017/18. Spend with Edinburgh based SMEs is on track at currently c18%. CGI have also provided funding to the Lord Provost's One City Trust, a 'Computational Thinking' initiative supporting the training of Primary School teachers to become advocates of digital communication and IT literacy, as well as initiatives to improve digital inclusion via Tap Into IT, ACE IT and the Digital Skills Academy.

7. Equalities impact

- 7.1 Not Applicable.

8. Sustainability impact

- 8.1 Not Applicable.

9. Consultation and engagement

- 9.1 Not Applicable.

10. Background reading/external references

- 10.1 ICT and Digital Strategy: <http://ictanddigitalstrategy.org.uk/>

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