Governance, Risk and Best Value Committee

10.00am, Tuesday 8 May 2018

Status of the ICT Programme

Item number	7.7
Report number	
Executive/routine	
Wards	All
Council commitments	

Executive Summary

The purpose of this report is to give an overview of the Council's ICT programme of work.

The Council and CGI continue to work in partnership to deliver a stable, secure and sustainable ICT service, which effectively enables and enhances citizen facing services and the internal business operations of the Council.

Since the last update to Committee there has been a detailed review of performance across the whole of the programme, which has shown positive progress in a number of areas. Additionally, there has been an enhanced and joint focus to drive improvement in those parts of the programme that have not fully delivered improvements or anticipated benefits to date.

Report

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 current strategy to deliver the vision for ICT services is to focus on understanding citizen and colleague needs to deliver the outcomes that matter to them. The current ICT and Digital 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 the Council's approach around the benefit that citizens and colleagues will receive, through enablement by ICT and Digital, we will maximise the value that can be delivered from our reducing resource base. This will help us to deliver a 'One Council' focus to designing and sourcing our ICT and Digital provision whilst enabling citizen and colleague-centric delivery, i.e. what the Council needs to deliver the services where service users need it.

CGI – External ICT Partner

2.3 The Council has operated an outsourced ICT arrangement since 2001. A contract for ICT services was entered into in 2016, with a CGI as new partner, 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').

2.4 The current contract is intended to save the Council at least £6m per annum against the 2015/16 ICT baseline spend, £45m over the first seven years, which based on recent reports our partnership is on track to achieve. ICT Services, under this contract, are provided through 40 percent of the defined Output Based Specifications (OBSs) being on a utility basis or flexible "pay as you go" terms and the remainder of the OBS requirements are delivered on a fixed price basis. The contract is also structured to achieve 25 percent of the value of ICT services through engaging Small to Medium Enterprises to create community benefit, including jobs in Edinburgh and supporting the wider economy.

2.5 The term of the contract awarded was for "up to nineteen 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 contractually responsible for providing to the Council: service transition, service transformation and operational ICT services delivery, initially comprised of 93 OBSs, these include base services, utility services, and business case development services.

3. Main report

3.1 Since the last update to the Governance, Risk and Best Value Committee (GRBV), there have been a number of improvements, including fewer priority one (P1) incidents and some major change programme successes. However, the Council remains focussed upon ensuring that the pace and delivery of change and benefit realisation continues to improve, working with CGI.

3.2 Senior CGI colleagues will be attending the GRBV meeting, including the CGI UK President. This will provide an opportunity for discussion on the delivery the ICT programme with both Council officers and CGI representatives.

Service Performance

3.3 Service performance is currently driven through a set of 25 key contractual measures which, in turn translate to a set of key performance indicators (KPIs). In the last quarter 85 percent of all KPIs were met or exceeded and 6 percent were missed. Of the 6 percent of missed KPIs, 3 related to the time it took to issue incident reports in each of the 3 months, 1 related to resolving a Local Area Network issue outside of the service level agreement and the final missed KPI related to the ICT service catalogue.

3.4 Service incidents are categorised into four different classes, with the most severe, classified as P1 or critical service incidents, an example of a P1 incident would be a significant network failure, through to Priority 4 (P4) or less significant incidents.

3.5 P1 and P2 incidents reduced in December 2017 and in January 2018. However, there was an increase in February 2018 of the number of critical service incidents, which caused a significant impact on the Council's services. During March 2018 there has been a continued increase in the number of P2 incidents, although the number of P1 incidents has showed a

reduction. The monthly service review meetings between the Council and CGI review the findings of every P1 and P2 in detail to understand the root causes of these critical problems.

3.6   The graph below shows the trend for P1 and P2 incidents, which have occurred monthly since October 2017. Whilst the volume of incidents, particularly P1s, may be considered low, the impact upon Council operations and services of a single P1 incident can be significant.

Trending Incidents Logged by Priority
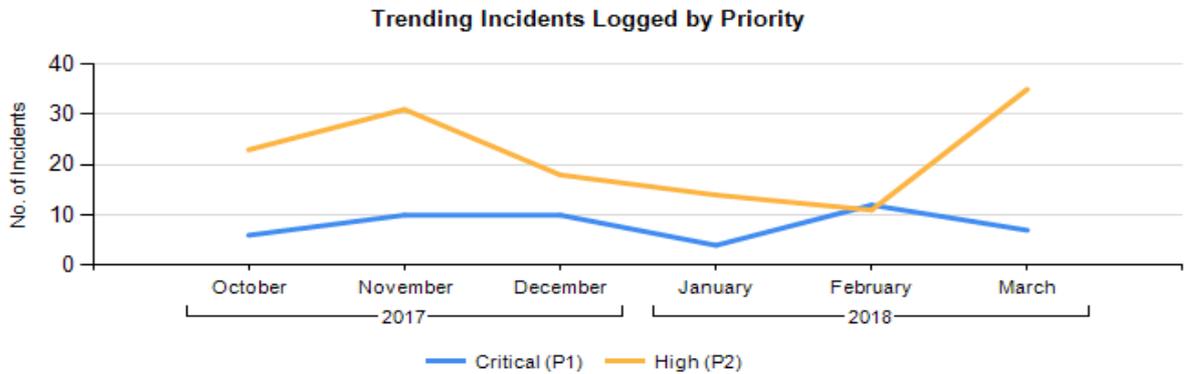
3.7   The volume of P3 and P4 incidents are detailed in the graph below. The impact of these incidents is unlikely to be as significant as a P1 or P2 with more than 75 percent of these incidents being fixed at the time of them being reported to the helpdesk. The cumulative impact of issues logged is considered as a key part of contract delivery by CGI.

Trending Incidents Logged by Priority
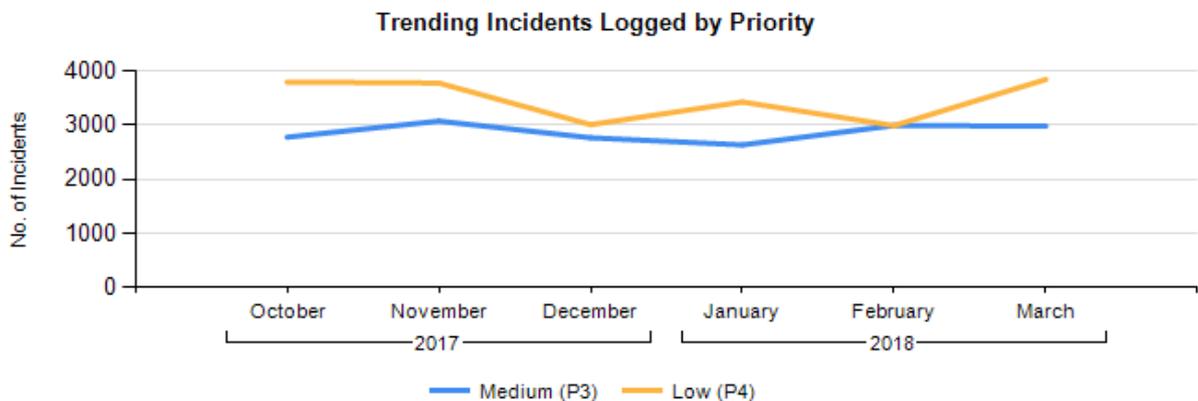
3.8   GRBV are advised that the trends for both P3 and P4 incidents have been consistently high since December 2017. The Council needs to see continued improvements in respect of the most critical incidents, P1 and P2, and a reduction in the continued high volumes of both P3 and P4 incidents.

Major Change Programmes

3.9   The portfolio of major change programmes that CGI is responsible for delivering, in partnership with the Council, includes a series of critical service developments and improvements. Some of these major change programmes are outlined as follows:

3.9.1   Wide Area Network (WAN): 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.

3.9.2 LAN (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 agile working practices.

3.9.3 End User Compute (EUC): to allow anytime, anywhere access to e-mail, important documents, contacts, and electronic calendars across devices, to share large, hard-to-email files both inside and outside the Council. The delivery of this programme has been mutually delayed due the Council increasing the scope of the original OBS, to encompass the full Learning and Teaching ICT estate, with the corresponding contractual change principles now agreed with CGI.

3.9.4 Enterprise Resource Planning (ERP): A single integrated platform supporting all financial and human resources transactions, including payroll. This programme remains delayed for a number of reasons, including CGI's key subcontractor leaving the programme and development of the Council's business requirements.

3.9.5 Customer Digital Enablement ('Channel Shift'): to improve citizen engagement with real time, online transactions across Council services, to increase operating efficiencies and significantly reduce the cost of end-to-end transactions and to improve citizen insight and enabling agile and rapid development of future online services.

3.9.6 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.

3.10 The current status of the key major change projects, as assessed by the Council, is as follows:

Project	Current Status	Target completion date	Status update
Enterprise Resource Planning (ERP)		Quarter 4 2018/19 (Revised date subject to agreement)	This project remains delayed and overdue. Delays initially occurred as a result of CGI's key subcontractor leaving the programme, and subsequent challenges around development and business readiness and acceptance.
Customer Digital Enablement (Channel Shift)		Initial Phase completion date 30/04/2018	The initial phase rollout of the Customer Relationship Management (CRM) functionalities of Web Chat; Knowledge base, and E-mail Integration and Web Chat functionality has now been successfully completed. Whilst the delivery status remains red, at present, the trend has improved rather than remained static or worse. This project is benefitting from effective joint working between the Council and CGI.

Project	Status	Completion	Comments
End User Compute (EUC)		Revised completion date of 30/6/2019	EUC scoping and commercial approvals have been ongoing for some time. The Council and CGI have been working in partnership to incorporate the full technical refresh within the existing budget envelope; which has now been achieved, but required a variation to the contract. Therefore, whilst this means this project has been slightly delayed, the programme is underway and has a revised end date of June 2019.
Local Area Network (LAN)		03/11/2017	All sites have had the network upgraded and some outstanding remedial work is being finalised as business as usual activity.
Enterprise Content Management and Intranet		Under Review	This project is currently delayed and is being jointly reviewed by the Council and CGI.
Wide Area Network (WAN)		Complete	Closed, but not delivered against contractual milestones.
Libraries Phase I		Complete	Closed and delivered to contract.
Room Bookings		Complete	Closed and delivered to contract.
Parent Pay		Complete	Closed and delivered to contract.
Cashless Catering		Complete	Closed and delivered to contract.
BACS		Complete	Closed and delivered to contract.
Bulk Printing		Complete	Closed and delivered to contract.
Contact Centre		Complete	Closed and delivered to contract.
Telephony (Voice)		Complete	Closed and delivered to contract.
Fleet Telematics		Complete	Closed and delivered to contract.

3.11 In addition to the major projects detailed above, which is not an exhaustive list, there is also a large volume of small and complex changes. The delivery of these other changes has seen a significant focus by CGI, since the Executive Review meeting in December 2017. The backlog of Change Requests in these categories has reduced from a total of 373 to 203 minor Change Requests, with the average age of requests in 2018 being 44 days. This represents a real improvement on both the minor Change backlog and on the age of outstanding minor Change Requests. However, a stabilised business as usual position is still to be achieved.

Governance and Contract Management

3.12 The Council and CGI now have the full governance model in working order and there are various boards and governance meetings used to manage the entire ICT programme and contract as follows:

- Executive Review

- Programme and Service Review Meeting

- ICT Partnership Board

- Supplier Management Board

- Programme Boards

- Innovation Forum

- User Group

3.13 The programme and service review meetings are held on a weekly basis and at this forum the major programmes, the change projects, new proposals, security issues and any service escalations are reviewed.

3.14 The role of the Governance, Risk and Best Value Committee remains a key element of the Council and the relationship between the ICT team and CGI as its external and their combined delivery and success being evaluated is welcomed.

4. Measures of success

4.1 There are a series of detailed contractual success measures, including a suite of key performance indicators. However, the main measure of success is to deliver an effective and efficient ICT programme of works on time and within budget which improves citizen and user experience.

5. Financial impact

5.1 There are two key mechanisms to recover monies based on CGI's performance:

- Service Credits: – Service Credits are a remedy available to the Council for CGI not meeting its contractual KPIs. Failing a KPI does not in itself mean that performance is poor, it means that a particular element of the service is below the contracted level, and this occurrence was anticipated by the contract through the inclusion of a Service Credit regime.

- Delay Payments: Where a major programme of work is delayed, and the contract includes a specific Delay Payment in relation to that programme, the Council can claim a Delay Payment where circumstances are appropriate.

5.2 The Council is implementing these remedies from a financial perspective, where appropriate.

6. Risk, policy, compliance and governance impact

6.1 Since the contract commenced the Council and CGI have experienced a number of challenges. Some transformation programmes have missed the original delivery dates, and in some cases also missed the revised delivery dates and this has meant that Council has been unable to fully realise the benefits and/or savings as originally envisaged.

6.2 The Council has assessed the contractual remedies available to it in respect of the non-delivery of elements of the contact by CGI to date. A CGI improvement plan was implemented

following a December 2017 Executive Review meeting and both partners remain committed to improvement and success.

6.3 The Council's Corporate Leadership Team (CLT) risk register formally identifies the risks associated with delayed-delivery of the ICT Programme, ensuring that sufficient mitigations and active management of these risks continue to be undertaken.

6.4 The Council's internal audit plan for 2017/18 includes provision for an ICT contract management audit, during quarter 4 of the financial year. This audit, whilst not reviewing the entirety of the contract term, is considered an important part of the assurance and testing of the Council's contract management arrangements for the ICT service provision in the future and will be completed and reported to a future meeting of the Committee.

7. Equalities impact

7.1 There are no specific equalities impacts identified by this report.

8. Sustainability impact

8.1 There are no specific sustainability impacts identified by this report.

9. Consultation and engagement

9.1 Whilst there are no formal consultation and engagement implications arising from this report in April 2018.

10. Background reading/external references

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

10.2 Status of the ICT programme – report to Governance, Risk and Best Value Committee, 29 August 2017

10.3 Status of the ICT programme – report to Governance, Risk and Best Value Committee – 16 January 2018

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11. Appendices

11.1 None.