

Appendix 3 - ICT DIGITAL TRANSFORMATION

1. Background

- 1.1. This appendix provides an update on Digital Transformation and is reported via the Financial Strategy given the level of financial investment and expectation of savings delivery built into the programme.
- 1.2. The Council aspires to deliver services to the highest quality and lowest cost compared to other authorities in everything that it does. The Economic Growth and Commercialism strategies rely upon the delivery of the Digital Transformation Programme, which in itself covers the following individual projects:
 - ERP (Enterprise Resource Planning for Finance, HR and Payroll systems),
 - Customer Experience including a Contact Centre solution and a CRM (Customer Relationship Management solution)
 - Social Care (including both Adults and Children's integrated solutions),
 - Infrastructure & Architecture, this Project has a number of work streams including supporting the hosting and integration of new solutions and implementing initiatives such as Wi-Fi to technologically facilitate mobile working in key Council buildings,

2. Project Progress

- 2.1. The four distinct project elements of ERP, Customer Experience, Social Care and Infrastructure & Architecture sit clearly within a framework comprising project assurance, project support, overarching programme management and project delivery.
- 2.2. Once the tender has been awarded and contract signature is achieved each project will go through the three stages of Design, Build and Implementation. The paragraphs which follow provide an update on each project element.

Enterprise Resource Planner (ERP):

- 2.2.1. The ERP contract has been awarded to Methods Business & Digital Technology Ltd. who are a delivery partner of Unit4 supplying their market leading solution Business World On!. The project is currently in the first stage i.e. Design. The Design stage is in three phases which will see involvement from both the business project team and wider business stakeholders. Firstly the project teams will run through the Value Accelerator (the name given to the public sector template version of the system) and then spend time aligning this to the Council's requirements, documenting any differences. The second phase will then work through any differences in further detail and the

final design phase will wrap up any remaining issues. Working closely with the supplier, workshops involving key Council staff are continuing, whilst addressing challenges associated with maintaining BAU (Business As Usual) activities.

- 2.2.2. Once the proposed solution is approved and signed off the project will move into the Build stage. Most of the work in this stage will be carried out by the supplier. Finally the project will move to Implementation stage when testing, data migration and training will take place. Again key Council staff will be heavily involved in this testing phase which is an iterative process resulting in a robust, fully tested and documented system ready for use.
- 2.2.3. A number of Council staff have been identified as Business Champions and work has commenced to guide these staff to be able to promote engagement with the proposed new ways of working.
- 2.2.4. Directors were recently engaged in a presentation to consider the key cultural changes which will be brought about by the ERP. These changes include directing greater control of budgets and recruitment processes to those best placed to do so, i.e. the relevant budget holder and also introducing a 'no purchase order, no pay' approach to provide better oversight and control of procurement activity. These cultural changes were approved by Directors, resulting in greater control exercised at decision points and more work undertaken within the system.

Infrastructure and Architecture (I&A):

- 2.2.5. The I&A stream of work had its overarching project definition document and Terms of Reference (ToR) agreed by main programme board in late July. This element of the digital transformation programme is primarily being managed and delivered by the in house IT team and a Project Manager has been appointed. Since agreeing the ToR, the I&A project group has commissioned a specific piece of work to support the data and business intelligence needs of the organisation. A corporate approach to change management and reporting has also been documented and agreed.
- 2.2.6. In terms of changes to the Council's IT Infrastructure. The WiFi tenders have been evaluated and the contract awarded to Pinac Solutions UK Ltd, with the aim of delivering phase one (Shirehall) by the end of 2017. The next elements of the I&A stream to be worked on will focus on programme wide communications and support, the overall infrastructure and integrations, the single logon and "MyAccount" features.

The Customer Experience Project:

- 2.2.7. This element of the programme will deliver a new Customer Relationship Management system (CRM) and a new Contact Centre solution. The contract for the new contact centre solution was

awarded to 4Net utilising software by Enghouse and Teleopti. Following a phased delivery approach phase 1, the IT Helpdesk and ICT Applications teams are scheduled to Go-Live in December 2017, with Theatre Severn following in January 2018, followed by Revenues and Benefits in early February 2018 and Customer Services in early March 2018. This will facilitate the decommissioning of the current BT NGCC contract.

- 2.2.8. The CRM (Customer Relationship Management) solution encountered a number of issues during the procurement phase which resulted in the preferred supplier withdrawing from the tender process. Following this a further review was undertaken and alternative options considered. This resulted in a decision to upgrade the Council's current MS Dynamics platform to a cloud hosted solution through the Council's existing Enterprise Licence Agreement with Microsoft. An implementation partner is currently being sought to deliver the initial configuration and following this will train an in-house team to further develop other work streams.

The Social Care Project

- 2.2.9. Design work on the Liquidlogic solution has progressed to the sign off stage for the new Social Care Adults solution. Design work on the new children's system is progressing well and plans for the testing and implementation activities for both are being finalised with Liquidlogic to establish go live dates and more detailed project steps.
- 2.2.10. The Business Champions workshop held recently was well received, with around 40 champions now engaged with the project team. "As is" and "To be" business process workshops are nearing completion and service manager walkthroughs have been arranged prior to full service sign off. The preparation of test systems has been progressing and Liquidlogic will be releasing an initial set of system environments imminently.

- 2.3. Each of the projects listed above are either in stages of contract award or in design phases. As a result it is not possible to quantify the final overall cost of delivering the solutions as additional work may be required or additional modules purchased in order to tailor the solutions to meet Shropshire's needs. This has an impact on how the financial position of the project is presented and the level of assumptions that are required to be made.

3. Financial Position

- 3.1. The detailed financial position will be shown in future reports. The total approved budget for the programme, which has not been changed since last reported, is £26.2m and has been allocated across the projects as shown in Table 1.0. below. The budget is a mix of both capital and revenue funding. Following progress in respect of procurement and contract award, some indicative outturn projections can start to be seen but with the caveat that not

all potential project costs have been identified and so these may be subject to change.

Table 1.0

Project Stream	Approved Budget £m	Projected Outturn £m
ERP	£6.894	£4.497
Social Care	£4.908	£4.522
Customer Experience	£5.579	£2.009
Infrastructure & Architecture	£3.819	£3.119
Overall Programme Management	£5.032	£4.210
Total	£26.232	£18.357
Potential Reduction in Borrowing Requirement		£7.875

NB: The programme management element comprises costs arising from the pre-procurement engagement activities, implementation and final sign off. Elements include costs for matters such as Programme Discovery and Business Case Augmentation, Data and Enterprise Augmentation, Data Migration Scope Definition and Roadmap, Infrastructure Migration Project, Programme Manager and Support, costs associated with Change Management and a Programme Contingency.

- 3.2. Initial project costs were based on assumptions prior to the procurement phase and after detailed pre-market engagement. As the project elements achieve contract award and contract signature and then move through the project phases it is possible to start to firm up cost and savings estimations.
- 3.3. Early projections suggest that costs will outturn well below the approved budget. This will reduce the borrowing requirement for the project overall and may result in a small additional saving within revenue.
- 3.4. Within the December financial strategy a revenue saving of £10m is attributed to the Digital Transformation Programme. The detail of this proposal is in development but will likely include targeted voluntary and compulsory redundancies, savings arising from efficient working practices and income generation.

4. Go Live dates

- 4.1. As the elements of the project have progressed through the procurement and design phases the launch dates for the various deliverable modules are being firmed up. The following potential launch dates are being planned for the key individual projects. Factors taken into account when determining these dates include the inter-dependencies between the Projects and timing considerations.
 - Contact Centre phased from December 2017
 - Infrastructure & Architecture - Varying dates according to Project streams
 - Adult Social Care August 2018
 - ERP October 2018

- Children's Social Care November 2018
- CRM not finalised yet

4.2. These key dates are kept under constant review and will be refined as the Programme progresses to ensure the best products are delivered in the most timely fashion and under budget.