



Date: Thursday, 30 November 2017

Time: 1.30 pm

Venue: Shrewsbury Room, Shirehall, Abbey Foregate, Shrewsbury, Shropshire,  
SY2 6ND

Contact: Michelle Dulson, Committee Officer  
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## AUDIT COMMITTEE

### TO FOLLOW REPORT (S)

#### **7 Management Report: Digital Transformation Programme update (Pages 1 - 6)**

The report of the Head of Human Resources and Development is to follow.  
Contact: Michele Leith (01743) 254402

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Committee and date  
Audit Committee  
  
30.11.2017

Item No

## Digital Transformation Update

Contact: Michele Leith  
Email: Michele.leith@shropshire.gov.uk

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### 1.0 Summary

1.1 The purpose of this report is to provide Audit Committee with an update on the progress of digital transformation programme. It provides the most recent position for each project in the programme and the overarching programme as a whole.

### 2.0 Social Care Project

2.1 The LiquidLogic deadline for logging further configuration specifications, defects from testing has recently expired. I am pleased to confirm that a significant and important proportion of the core configuration and build information has been successfully completed and received by LiquidLogic. In addition, 15 of the core assessment functions and other forms have been designed and submitted for build.

2.2 This represents a great achievement and is a much better position than we had expected a few weeks ago. It means that when the next version of the build is released back to us for testing in December, we will have the key assessment forms and workflows in place, so we can further build on our design and testing. This is an iterative process and we will have more work to develop the final design but we will now have a much better foundation for the next round.

2.3 The whole team have really pulled out the stops and worked together to make this possible, so I would like to thank everyone involved for their hard work, commitment and perseverance.

### 3.0 ERP

3.1 Contract was signed in mid-August this was after a protracted negotiations with the supplier. The issues were about limits of liability and data storage.

3.2 The design phase of ERP is well underway. We have found it necessary to elongate this phase. This was necessary because of the capacity within the operational teams to dedicate enough time to both the design of the system, gather the 'as is' information for the supplier and deliver business as usual. The impact on the time line is being worked out, it is hoped that we can gain some contingency but we could see implementation slippage. We are developing a strong relationship with the supplier, our feedback and participation in design workshops has influenced their development road map, which means they will be bringing forward some of their planned system improvements and have added in some functionality that they had previously not planned to develop.

#### **4.0 Customer Experience (Telephony and Customer Relationship Management System)**

4.1 The new telephony and contact centre technology software implementation is going well and should be in place after Christmas.

4.2 CRM – After completion of the tender process we had a preferred supplier but we encountered similar issues with the contract negotiation that were experienced with the ERP contract.

4.3 The issues being agreeing suitable limits of liability for our assets and for the new obligations and liabilities for GDPR (Data protection legislation) which will be in force from 1 April 2018. Also data storage which we are required to be processed including uk 2 uk backup.

4.4 We were not able to reach agreement with the preferred provider and that provider withdraw. I am pleased to say that we had a plan B, because Microsoft has significantly improved its 'dynamics cloud solution' we will be able to upgrade our existing platform to the cloud and via procuring a new implementation partner, we will still be able to deliver a fully functioning CRM platform. This option was not available to us 6 months ago.

#### **5.0 Infrastructure and Architecture**

5.1 The Infrastructure and Architecture Board is up and running it has put together a data migration strategy and continues to work on the legacy systems to prioritise the transfer of these systems on to new platform(s). We are also engaging with Veolia about an interface with their new ECHO system. New Project Manager (employee) for this project started on 27<sup>th</sup> November 17. She brings with her experience of UNIT 4 Business World implementation. The development of BI (Business Intelligence) and Data Strategies are underway, which will be key to data integrity and single view of the customer moving forward.

## **6.0 Programme Assurance**

6.1 The assurance team made up of Risk, Audit and Information Governance representative continues to meet and attend MST meetings. The most recent RAG report has seen a shift from red to amber for customer experience project and Social Care project. ERP is remaining on red because of on-going resource issues, the change of Programme Support from the supplier and the fact that we are still working through the implications of a longer design phase.

## **7.0 Budgets**

7.1 Remains on track, projections on spend continue to indicate all projects will be delivered under budget even given the possible staged implementations to full functionality. Work is continuing around formalising the cashable and non-cashable savings predicted in the business plan, the outcome of this will be sufficiently robust to incorporate in the financial strategy. It must be noted that benefits realisation is predicated on process changes, fewer roles in certain areas better connectivity and productivity.

## **8.0 Programme Management**

8.1 New overarching programme manager (an internal employed resource) is in place that person is pulling together a complete overarching plan to map the key milestones in the projects with culture change, Org development, process change, training and implementation.

8.2 There is a massive amount of activity happening and it is difficult to articulate it all, in the work that we are doing with staff they describe it as trying to board a fast moving train. We are looking to build in picture form a map of everything!!! – which should be available to share at the next meeting. It should also be possible at a future meeting to demonstrate some of the new technology to give you a flavour of what is happening.

8.3 A Cabinet Directors away day earlier this week was dedicated to Transformation, from that cabinet have agreed to a further session to on culture change.

8.4 Appendix 1 gives an overview of the budget position and projections.

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**Digital Transformation Programme - Over-Archiving Project**

As at 30.11.17

Whole Project								
	Budget	Spend in Previous Financial Year(s)	Spend to Date (Current Financial Year)	Budget Remaining	Committed Spend (Note 1)	Variance	Estimated Future Spend (Note 2)	Variance (Currently Uncommitted)
Resources - External	115,230	115,230	0	0	0	0	0	0
Resources - Internal	158,913	0	10,024	148,889	0	148,889	103,286	45,603
Software / Licences	0	0	0	0	0	0	0	0
Implementation Costs	4,758,090	999,267	0	3,758,823	0	3,758,823	2,982,000	776,823
Interfaces	0	0	0	0	0	0	0	0
Sundries	0	0	0	0	0	0	0	0
Training Costs	0	0	0	0	0	0	0	0
<b>TOTAL One-Off Costs</b>	<b>5,032,233</b>	<b>1,114,497</b>	<b>10,024</b>	<b>3,907,712</b>	<b>0</b>	<b>3,907,712</b>	<b>3,085,286</b>	<b>822,426</b>

	Total remaining Budget Available	Current Year (to 30 November 2017)					Future Years		
		Project Budget for 2017.18	Actual Spend (Note 3)	Variance	Committed Spend	Variance (2017.18 Budget less Spend and Committed)	Project Budget for Future Years	Committed Spend	Variance (2018.19 Budget less Spend and Committed)
Resources - External	0	0	0	0	0	0	0	0	0
Resources - Internal	158,913	96,127	10,024	86,103	0	86,103	62,786	0	62,786
Software / Licences	0	0	0	0	0	0	0	0	0
Implementation Costs	3,758,823	2,559,000	0	2,559,000	0	2,559,000	2,199,000	0	2,199,000
Interfaces	0	0	0	0	0	0	0	0	0
Sundries	0	0	0	0	0	0	0	0	0
Training Costs	0	0	0	0	0	0	0	0	0
<b>TOTAL One-Off Costs</b>	<b>3,917,736</b>	<b>2,655,127</b>	<b>10,024</b>	<b>2,645,103</b>	<b>0</b>	<b>2,645,103</b>	<b>2,261,786</b>	<b>0</b>	<b>2,261,786</b>

Spend 2016/17 (to 31 March 2017)					
	2016.17 Budget	Actual Spend	Variance	Funding Carried Forward	Funding Released
Resources - External	115,230	115,230	0	0	0
Resources - Internal	158,913		158,913	158,913	0
Software / Licences	0		0	0	0
Implementation Costs	4,758,090	999,267	3,758,823	3,758,823	0
Interfaces	0		0	0	0
Sundries	0		0	0	0
Training Costs	0		0	0	0
<b>TOTAL One-Off Costs</b>	<b>5,032,233</b>	<b>1,114,497</b>	<b>3,917,736</b>	<b>3,917,736</b>	<b>0</b>

NOTES:

- 1. Committed Spend                      0 Existing staff for the remainder of 2017.18 - none appointed yet
  
- 2. Estimated Future Spend              103,286 Internal resources business case, positions not recruited yet  
    2,982,000 These Implementation Costs arise from the Arcus pre-procurement engagement activities which may yet be required:
  - 180,000 Programme Discovery                      Possibly Not
  - 270,000 Programme Target Operating Model definition              Possibly Not
  - 60,000 Business Case Augmentation                      Possibly Not
  - 150,000 Data and Enterprise Augmentation
  - 150,000 Data Migration Scope, Definition and Roadmap
  - 750,000 Infrastructure Migration Project (overall project scope estimate)
  - 474,092 Programme Director and PMO Support                      Possibly Not
  - 732,000 Programme Contingency
  - 792,000 3rd Party Expenses                      Possibly Not
  - 1,200,000 Annual Scope Change Management (£300k pa x 4 years)
  
- 3. Actual Spend to Date                  10,024 Pension Lump Sum Charges + Central telephone recharge

Variation from last month:	999,267 Pre-Project implementation & planning costs, IT Infrastructure Upgrade (KIC01)
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