

Motherwell, 4 September 2019 at 2 pm.

A Meeting of the **TRANSFORMATION AND DIGITALISATION COMMITTEE**

PRESENT

Councillor Duffy, Convener; Councillor Fisher, Vice-Convener; Councillors Barclay, Cameron, Carson, Di Mascio, Douglas, Farooq, Fotheringham, Hogg, Hume, Kelly, Linden, Logue, Masterton, McCulloch, McNally, McNeil, Roarty, Shields, Stubbs and Annette Valentine.

ALSO PRESENT

C McGuire (GMB), M Scroggie (UNITE) and M Quigley (UNISON).

CHAIR

Councillor Duffy (Convener) presided.

IN ATTENDANCE

The Executive Director (Enterprise and Communities), Head of Business Solutions, Business Manager (Improvement), Chief Technology Officer, Enterprise Manager and Committee Officer.

APOLOGIES

Councillors Bonnar, Shevlin and Wilson.

DECLARATIONS OF INTEREST IN TERMS OF THE ETHICAL STANDARDS IN PUBLIC LIFE ETC. (SCOTLAND) ACT 2000

1. Councillor Douglas declared an interest in paragraph 2, by virtue of his appointment as a Member of the Transformation and Digitalisation Gateway Review Panel, but considered the interest so remote and insignificant that it did not preclude his participation in the consideration of this matter.

Councillor McNeil declared an interest in paragraph 2, by virtue of his appointment as a Member of the North Lanarkshire Municipal Bank Limited, but further declared, in accordance with paragraph 5.18 of the Councillors' Code of Conduct, that an exclusion permitted his participation in consideration of this matter.

Councillor Cameron declared an interest in paragraph 3, by virtue of a family member's employment with an organisation involved in the procurement exercise, left the meeting, and took no part in the determination of the item.

Councillor Douglas, prior to consideration of the following item of business, declared an interest by virtue of his appointment as a Member of the Transformation and Digitalisation Gateway Review Panel, but considered the interest so remote and insignificant that it did not preclude his participation in the consideration of this matter.

Councillor McNeil, prior to consideration of the following item of business, declared an interest by virtue of his appointment as a Member of North Lanarkshire Municipal Bank Limited but further declared that, in accordance with paragraph 5.18 of the Councillors' Code of Conduct, an exclusion permitted his participation in the consideration of this matter.

GATEWAY REVIEWS OF ROUTES TO WORK LIMITED AND NORTH LANARKSHIRE MUNICIPAL BANK LIMITED

2. With reference to paragraph 2 of the Minute of the meeting of the Committee held on 27 February 2019, when it was agreed to continue the inclusion of Gateway Reviews as a key component of review activity, with a single Gateway Review process adopted for both Transformation and ALEO reviews, there was submitted a report by the Head of Business Solutions (1) advising that the Convener had sought nominations for membership of the Gateway Review Panel, including substitute members; (2) confirming, in the Appendix to the report, the membership of the Transformation and Digitalisation Gateway Review Panel as at September 2019; (3) intimating that an introductory meeting of the Gateway Review Panel was held on 31 May 2019, and had undertaken a Gateway Review of Routes to Work Limited and North Lanarkshire Municipal Bank Limited; (4) highlighting that a follow-up meeting of the Gateway Review Panel was held on 20 August 2019, in order to advise members of (a) the outcomes of the separate appraisal workshops for Routes to Work Limited and North Lanarkshire Municipal Bank Limited; (b) the procedure followed, and (c) the specific recommendations in relation to each organisation, including feedback from customer consultation undertaken as part of the Bank review, and (5) indicating that, during the meeting held on 20 August 2019 (a) the top options for both organisations were noted, and (b) members also noted that the final review reports for Routes to Work Limited and North Lanarkshire Municipal Bank Limited would be submitted to the meeting of the Policy and Strategy Committee on 26 September 2019.

Decided:

- (1) that it be noted that two meetings of the Gateway Review Panel had been held since the revised membership of and extended remit for the Panel was agreed at the meeting of the Committee held on 27 February 2019;
- (2) that the membership, including provision for substitute members, as detailed in Appendix 1 to the report, be noted;
- (3) that it be noted that, at the meetings of the Gateway Review Panel held on 31 May and 20 August 2019, Panel Members received progress updates on the ALEO reviews of Routes to Work Limited and North Lanarkshire Municipal Bank Limited, and
- (4) that it be noted that the final review reports on Routes to Work Limited and North Lanarkshire Municipal Bank Limited would be submitted to the meeting of the Policy and Strategy Committee on 26 September 2019.

Councillor Cameron, prior to consideration of the following item of business, declared an interest by virtue of a family member's employment with an organisation involved in the procurement exercise, left the meeting and took no part in the determination of the item.

CONTRACT AWARD FOR DIGITALNL SYSTEMS INTEGRATOR PARTNER

3. There was submitted a report by the Head of Business Solutions (1) advising on the outcome of the procurement exercise undertaken in order to engage a specialist Systems Integrator Partner; (2) providing, in the Appendices to the report, a summary of (a) the procurement and evaluation process undertaken, and (b) the evaluation outcome, and (3) seeking approval to award the Systems Integrator Partner contract to Agilisys Limited, for a potential maximum value of £11.9m.

Decided: that the Systems Integrator Partner contract be awarded to Agilisys Limited, for a potential maximum value of £11.9m.

DIGITALNL - INFRASTRUCTURE

4. There was submitted a report by the Head of Business Solutions (1) setting out the case for the Council to invest in a world-class network infrastructure, in order to provide universal connectivity across North Lanarkshire, with a view to driving forward economic growth and tackling areas of digital exclusion; (2) providing details in relation to (a) the current Council infrastructure; (b) the wider North Lanarkshire digital infrastructure; (c) the vision and key outcomes from universal connectivity across North Lanarkshire; (d) the technical solution; (e) the options analysis; (f) the economic and final case for investment, and (g) procurement of the infrastructure solution; (3) intimating that, with the outcome of the business case as its basis, it was proposed to proceed with delivery through a partnership model, with an indicative cost to the Council of £17.7m, over a ten-year period; (4) highlighting that the economic impact assessment for the preferred option was anticipated to result in a gross economic benefit to North Lanarkshire of circa £61.7m over the ten-year period; (5) detailing that the proposed partnership model achieved the highest benefit cost ratio, with results indicating that, for every £1 spent by the Council, there would be £3.70 of benefits to North Lanarkshire as a whole, and (6) seeking approval to commence formal market engagement, under a partnership model, to secure a network connectivity partner, who would jointly invest, through a competitive dialogue process in order to develop a world-class digital infrastructure in North Lanarkshire.

Decided:

- (1) that the content of the report, and the benefit to North Lanarkshire arising from this investment, be noted, and
- (2) that the commencement of formal market engagement to engage a connectivity partner through a competitive dialogue process, as outlined in paragraphs 2.30 and 2.31 of the report, be approved.

PROGRESS REPORT ON THE DIGITALNL TRANSFORMATION PROGRAMME

5. There was submitted a report by the Head of Business Solutions (1) providing an update, in Appendix 1 to the report, in relation to the work packages undertaken in year one of the DigitalNL Programme; (2) highlighting the achievements and progress realised from the work packages in year one, and (3) detailing the actions taken and those planned in order to involve employees and residents in designing services which were responsive to people's needs.

Decided:

- (1) that the progress to date, and the delivery of year one of the DigitalNL Transformation Programme, be noted, and
- (2) that the engagement activities underway in order to involve stakeholders in designing services which were responsive to people's needs be noted.

ICT SERVICE DELIVERY OPTIONS

6. With reference to paragraph 2 of the Minute of the meeting of the former Policy and Resources (Finance and Customer Services) Sub-Committee held on 24 August 2016, when it was agreed to award the ICT Service Delivery contract to Wipro Holdings (UK) Limited, for a minimum three year period, there was submitted a report by the Head of Business Solutions (1) advising that the existing ICT Service Delivery contract was due to terminate on 31 March 2020, although there was scope for the contract to be extended for a further four years, with two two-year extension options available; (2) highlighting that the Council had changed considerably since the award of the ICT Service Delivery contract, and that a number of factors required to be considered when determining the future direction of the Council's ICT support requirements; (3) summarising (a) the three options in relation

to available delivery options, and (b) the strengths, weaknesses, opportunities and risks in relation to each of these options; (4) providing (a) in Appendix 1 to the report, the option appraisal outcomes, and (b) in Appendices 2(a) to (c), the risk assessment details for each of the three options, and (5) seeking approval for option One, as detailed in the report, which would invoke the initial two-year contract extension with Wipro Holdings (UK) Limited, on the terms of the contract variation, as proposed by Wipro Holdings (UK) Limited.

Decided:

- (1) that the available delivery options, as outlined in the report, be noted, and
- (2) that option One, to invoke the initial two year contract extension, as outlined in the report, be approved, and officers be authorised to progress the contract variation as proposed by Wipro Holdings (UK) Limited.

CONTACT CENTRE ACD SOLUTION CONTRACT EXPENDITURE

7. With reference to paragraph 21 of the Minute of the meeting of the Policy and Resources (Finance and Customer Services) Sub-Committee held on 23 January 2013, when it was agreed to procure a Contact Centre Automatic Call Distribution (ACD) Telephony System from the Government Procurement Service Collaborative National Framework, there was submitted a report by the Head of Business Solutions (1) advising that the contract for the Contact Centre ACD System had been awarded to Unify Enterprise Communications Limited in 2014; (2) intimating that, as a result of the benefits offered by the system in terms of improved functionality and flexibility, more services within the Council had requested access to the system, which had resulted in additional costs being incurred, and (3) highlighting that the final adjustment to the contract sum amounted to £523,425, which was £43,425 more than the original contract amount; (4) informing that the original Maintenance and Support contract was for a period of five years, with an option to extend for a further two years, although the contractor had chosen to terminate the contract after the initial five-year period, and (5) detailing that, through the Council's DigitalNL agenda, the tender process for a digital platform, digital workplace and cloud services, via a Systems Integrator, was underway, and it was anticipated that this platform would accommodate many of the aspects of the ACD requirements, whilst incorporating additional operational and customer interaction functionality.

Decided: that the overspend in relation to the Contact Centre ACD System contract, as detailed in section two of the report, be noted.

CONTRACTS AWARDED BELOW COMMITTEE APPROVAL THRESHOLD

8. There was submitted a report by the Head of Asset and Procurement Solutions providing, in the Appendix to the report, details of contracts which had been awarded by him, under delegated authority, during the period from 1 April to 30 June 2019.

Decided: that the content of the report and the Appendix be noted.