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Public Audit and Post-Legislative Scrutiny Committee
Scottish Parliament
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31 May 2019

Dear Ms Mara

MAJOR IT PROJECTS – PROGRESS REPORT

I am writing to provide the next six month update on the progress of major IT projects, in follow up to the previous report of November 2018.

Firstly, I thought it would be helpful to update you on recent restructuring with regard to the assurance of IT projects. With effect from 1 April, the Directorate for Internal Audit has expanded its remit to include wider project assurance and has been renamed the Directorate for Internal Audit and Assurance. Sharon Fairweather continues to be Director for the reshaped Directorate.

The Office of the Chief Information Officer (OCIO) Assurance Team has moved to the Directorate for Internal Audit and Assurance and has been renamed the Digital Assurance Office (DAO). This reflects the ambition to achieve a more integrated and co-ordinated approach to the assurance of major projects across the corporate assurance providers. It also brings greater independence to the role of the Digital Assurance Office as it no longer sits within a delivery Directorate.

Given these changes have only recently taken effect, I am providing the update on this occasion to provide continuity. Future updates however will be provided by the Director for Internal Audit and Assurance.

There are currently 351 active projects recorded with the Office of the Chief Information Officer (OCIO), of which 26 are classed as major projects. A breakdown of the projects by estimated whole life costs is shown at **Annex A**.

I also attach a report at **Annex B** which provides an overview of the technical assurance activity conducted on each of the major projects. While the detailed outcome of each assurance activity has not been included for the reasons previously outlined to the Committee, I can advise that projects have only progressed to the next stage on successful completion of the mandatory review requirements.

Following my appearance before the Committee on 14 March, I thought it might also be useful for me to set out the criteria which informs the application of mandatory assurance to digital and IT projects.

Major projects are defined in the Scottish Public Finance Manual as those which:

- have a total anticipated whole life cost of £5m+ inclusive of fees and VAT or is above delegated authority limits; or
- could create pressures leading to a potential overspending on portfolio budgets; or
- would entail contractual commitments to significant levels of spending in future years for which plans have not been set; or
- could set a potentially expensive precedent; or
- will be challenging to deliver within existing resources and capability and/or represents a material level of expenditure and/or will have a material ongoing financial impact; or
- is novel, and/or contentious and/or complex; or
- could impact on the delivery of a Programme for Government commitment; or
- requires primary legislation.

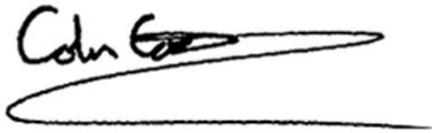
As you will see from **Annex A**, the current major projects account for 69.3% of the total investment recorded with the Digital Assurance Office. A further 21.2% is accounted for by potential new major projects and those high value projects which are either on hold or close to completion. This reflects the typical breakdown of projects over the last couple of years and is why we focus the application of mandatory assurance on the major projects.

In addition to the mandatory assurance reviews carried out on major projects, new digital public services require to be assessed for compliance with the Digital First Service Standard. Within the last year, 11 non-major services have also been assessed for compliance with the Standard which increases the coverage of overall assurance activity.

Please also note that technical assurance may be only one of the independent assurance activities carried out on a particular project or programme. For example, as a minimum, a large programme will generally be subject to internal audit and Gateway Review as well as technical assurance. Assurance providers are working closely together to develop an aligned approach with the aim of providing the right type of assurance at the right time

I hope this is helpful but I would be very happy to discuss in more detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Colin Cook', with a long, sweeping horizontal line underneath it.

Colin Cook
Director Digital

BREAKDOWN OF PROJECTS – @21 MAY 2019Table 1 – Total Number of Projects Recorded in Project Register

Total Number of Active Projects	Total Number of Active Projects with Estimated Whole Life Costs	Total Estimated Whole Life Costs
351*	259*	£1,185,878,571

* This figure includes potential projects and projects at early scoping stage. The DAO does not monitor the financial expenditure of projects and captures estimated whole life costs as a means of identifying high level projects and gauging the level of assurance which may be warranted. Whole life costs reflect the total cost of creating and maintaining an asset through to its disposal. The nature of the project register means that some estimates will include projected costs that are not related directly to the IT delivery element of the project. It should also be noted that the project register is updated regularly through a process of engagement between the DAO and organisations and therefore the nature of the information held will change over time.

Table 2 – Breakdown of Projects with an Estimated Whole Life Cost Recorded

Project	Number of Projects	Total Estimated Whole Life Costs £m	Percentage of Active Projects with Estimated Whole Life Costs
Major Projects	26*	821.4	69.3%
Potential Major Projects	4*	49.0	4.1%
>=£5m (excluding major and potential major projects)*	11	203.2	17.1%
£1m - <£5m	39	74.7	6.2%
£500k - <£1m	23	14.8	1.3%
£100k - <£500k	79	19.7	1.7%
<£100k	79	2.9	0.3%

* There is one Major Project and one Potential Major Project for which estimated costs are not currently recorded.

**These are projects which are either near completion or on hold and therefore not currently subject to mandatory assurance.

**PUBLIC AUDIT AND POST LEGISLATIVE SCRUTINY COMMITTEE
DIGITAL ASSURANCE OFFICE (DAO) - MAJOR IT AND DIGITAL PROJECT REPORT MAY 2019**

1. CURRENT MAJOR PROJECTS

Organisation	Project Name	Project Description	Estimated Whole-life Cost £m	Project Start Date	Project End Date	Current Stage	Technology Assurance Activity To Date	Technology Assurance Activity Planned	Notes
Scottish Government – Agriculture and Rural Economy Directorate	Land Parcel Identification System	To implement a replacement Land Parcel Identification System to support compliance with EC Regulation.	£4	January 2016	Quarter 4 2019	Delivery	Go-Live Gate Healthcheck	The DAO and project team are in ongoing engagement and further assurance will be planned in as appropriate.	Data Migration has been completed and a first version of the tool is in use by digitisers. The viewer has been released for Area Office use. There are further phases to be delivered within the original project scope.
Scottish Government – Constitution and Cabinet Directorate	eCounting 2022	The primary aim of the project is to procure an effective and efficient system for electronically counting votes cast under the STV voting system at the next Local Government elections in Scotland, scheduled for May 2022. The solution that is procured for those national elections will also be suitable for use in by-elections from the point at which the eCounting system is approved, expected to be in Autumn 2021, until the end of the contract. The project will also explore whether the eCounting system secured for 2022 can be used for the subsequent national Local Government elections in 2026/7.	£8.4	May 2019	May 2022	Initiation	Business Justification Gate	The DAO and project team are in ongoing engagement and assurance will be planned in as appropriate.	
Scottish Government - Digital Directorate	eRDM	Procurement of a new support and maintenance contract and implementation of the next generation Electronic Records and Document Management solution.	£9	October 2016	March 2020	Roll out to early adopters	Go-Live Gate	The DAO and the programme team are in ongoing engagement about any future assurance requirements.	The new version of the solution was deployed to early adopters for evaluation. The modernised look and feel of the system was positively received but also identified additional functionality, specifically required by users, that would optimise business benefits. The full rollout was therefore deferred to September 2019 to allow this functionality to be developed by the supplier.

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Scottish Government – Digital Directorate	Payments Transformation Project	Development of a standardised way for Scottish Government to make and take payments to and from citizens and businesses.	£0.5	September 2018	June 2019	Early Scoping	Business Justification Gate Healthcheck	The DAO is in ongoing engagement with the Project Team to build in appropriate assurance as the project evolves. A healthcheck and Pre-Procurement Gate are currently being planned.	The project is in early stages with analysis work to be conducted to inform the development of an Outline Business Case.
Scottish Government – Digital Directorate	Digital Identity Scotland (formerly Online Identity Assurance)	The Scottish Government's Digital Strategy contains the commitment to work with stakeholders, privacy interests and members of the public to develop a robust, secure and trustworthy mechanism by which an individual member of the public can demonstrate their identity online (to access public sector digital services). The aim of this programme is to deliver the commitment to develop a common public sector approach to online identity assurance, as part of digital public services.	Still to be fully costed. All options will be costed in business case due for completion June 2019.	January 2018	To be confirmed. Likely to be a 10 year programme.	Delivery - Proof of Concept	Business Justification Gate Digital First Assessment	The DAO is in ongoing engagement with the project team to plan in future assurance requirements. A Pre Procurement Gate is scheduled for June 2019.	
Scottish Government – Education, Local Government and Communities Directorate	Digital Planning Programme Transformation	Following on from the 'empowering planning' independent review, a ministerial led task force has been established to guide the digital transformation of planning. The strategy setting out the direction, programme and roadmap will be launched in Autumn 2019, with programme set up taking place Quarter 4 2019.	£5	April 2019	March 2024	Early Scoping	None	The DAO is in ongoing engagement with the Programme to scope out future assurance requirements.	Please note that this Programme subsumes the National Case Handling Transformation entry which appeared on the May 2018 report to the Committee.
Scottish Government – Education, Local Government and Communities Directorate	Digital Planning Programme Transformation	Following on from the 'empowering planning' independent review, a ministerial led task force has been established to guide the digital transformation of planning. The strategy setting out the direction, programme and roadmap will be launched early in 2019, with programme set up taking place Quarter 1 2019.	£5	April 2019	March 2024	Early Scoping	None	The DAO is in ongoing engagement with the Programme to scope out future assurance requirements.	Please note that this Programme subsumes the National Case Handling Transformation entry which appeared on the May 2018 report to the Committee.

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Scottish Government – Justice Directorate	Digital Evidence Sharing Capability	To develop a capability which will drive better information sharing across the criminal justice system.	£5+	2016	2021-2022 (estimate)	Pre-Procurement	Digital First assessment Pre-Procurement Gate	The DAO and the project are in ongoing engagement and assurance activity will be planned in as the project progresses.	
Scottish Government – Social Security Directorate	Social Security Programme (IT elements)	To enable Scottish Government control and administration of devolved welfare benefits.	£190	January 2017	tbc	Delivery	Pre-Procurement Gates for major investments Digital First assessments of services Delivery and Go-Live Gates for major releases	The DAO and the Social Security Directorate are in ongoing engagement and assurance will continue to be planned throughout the lifetime of the Social Security Programme. Current assurance under planning includes a Digital First Service Standard assessment for Disability Benefits and assurance to review the implementation of recommendations from the Best Start Grant Go-Live Gate across other Low Income Benefits.	
Childrens' Hearings Scotland/Scottish Children's Reporter Agency	Joint Digital Delivery Programme (Phase One Replacement of Core Operational Systems and creation of a modern and agile core platform to support future business needs)	The purpose of the digital transformation programme is to improve the life chances of Scotland's most vulnerable children and young people. It is intended to address three key business needs: 1. A reduction in the time taken to process cases in the system, 2. An improvement in access to information and the quality of that information to improve decision making 3. To create opportunities to research and longer term increase the effectiveness of participation of children and young people in the system. The programme will focus on technology based, user	£5.3	April 2017	March 2020	Delivery	Healthcheck Digital First Assessment	The DAO and project team are in ongoing engagement and assurance will be planned in as appropriate.	

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		centric service design and delivery. It will develop and expand on the work outlined in the Children's Hearings System digital strategy and GIRFEC which was underpinned by user research. The initial programme investment is designed to replace existing aging and inflexible core systems, creating a more agile core system environment that will support achieving the longer term digital strategy for the two organisations.							
Disclosure Scotland	Transformation Programme	Replacement of Protecting Vulnerable Groups system and transition to customer centric organisation with enhanced Digital Capabilities.	£44.1	October 2015	September 2019	Delivery	Digital First assessment. Healthcheck on police connectivity workstream. Delivery Gate.	The DAO and project are in ongoing engagement and assurance will be planned in as appropriate.	
Forestry Commission Scotland	Digital Services Transition Project	Transition of information systems from a UK based central service into Forest Enterprise Scotland (FES) as part of the devolution of Forestry.	£4.8	September 2016	September 2019	Live	Delivery Gate Go-Live Gate		
Highlands and Islands Airports Ltd (HIAL)	Air Traffic Management Strategy 2030 Programme	The Air Traffic Management Strategy 2030 Programme seeks to provide a sustainable air traffic service for the HIAL group. This includes Centralised Surveillance, Airspace Change and a Remote Tower Solution. The programme envisage a full turnkey solution from the market that involves the design, development, testing, transition and maintenance of all necessary ATS Technical infrastructure plus the construction /building modernisation of the central surveillance centre to be located In Inverness. The end result will be the provision of a non-radar approach surveillance service (sensors, processing and a centralised	£28	February 2018	April 2032	Early Scoping	None	The DAO and programme will engage as the programme progresses to plan in assurance as appropriate.	The estimated whole life costs reflect the full Programme costs. The broad estimation is that the IT element of the programme will be in the region of £10 million.

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		suite of approach positions) and Remote or “digital” aerodrome service at 7 Airports.							
Marine Scotland	IT Replacement	Marine Scotland has a number of disparate and ageing IT applications which need to be replaced to ensure the future operations of fisheries business processes and in line with contractual expirations. The project delivered a core live system as of March 2017 which continues to be enhanced and augmented with major and minor releases.	£7.8	April 2016	April 2020	Delivery	Healthcheck	The DAO and Marine Scotland are in ongoing engagement about future assurance will be planned as appropriate.	
National Records of Scotland	Census 2021	The programme of work, including IT to support Scotland’s Census 2021, which will be primarily online.	£110	October 2015	December 2023	Delivery	Four Pre-Procurement Gates Digital First Checkpoint	The DAO, Census Programme Team and other corporate assurance providers are in ongoing engagement and future assurance activity is under planning.	The estimated whole life costs reflect the whole costs for the Programme not just the IT costs.
National Records of Scotland	Digital Preservation Programme	To develop a solution to preserve in perpetuity, born digital records created by Scottish public authorities archived under The Public Records Scotland Act 2011 and other relevant legislation.	£8.1	March 2016	December 2022	Delivery	None	The DAO and programme team are in ongoing engagement about assurance requirements which will be planned in as appropriate.	The programme has already delivered a web archiving service, including a web continuity capability for participating organisations, and has undertaken preliminary design work to replace NRS’ current basic digital archiving capability to receive digital material with a more flexible and scaleable solution. Following a Gateway Review in May 2018, the Programme is undergoing a rebaselining exercise.
Police Scotland	Digital, Data and ICT Strategy	Transformational technical changes necessary to make Police Scotland a fit for purpose 21st century policing service.	£298	2017	2026 (subject to rephrasing)	Initiation (some projects are in the Delivery phase)	Business Justification Gate	Due to budget constraints, Police Scotland have reprioritised the programmes and projects that will be delivered in 2019 and DAO and the programme teams are in ongoing engagement about	The replan is currently underway and will be presented to SPA Resources Committee mid-June 2019. It is a re-phasing of the costs, to take account of the actual funding awarded in Financial Year 2019/2020 (less than Police Scotland had asked for).

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								assurance requirements which will be planned in as appropriate.	The underlying planning assumptions remain the same for each individual initiative.
Revenue Scotland	SETS2	Design, implementation and transition of tax administration and management solution and associated service redesign.	£9	July 2017	January 2020	Delivery	Business Justification Gate Pre-Procurement Gates Delivery Gate Digital First Assessments Delivery Healthcheck	Go-live Gate scheduled for June.	Programme has agreed a two-phased go-live with the supplier, first deployment in July 2019, and a second deployment in December 2019.
Scottish Courts and Tribunals Service	Integrated Case Management System	To facilitate a modern digitally enabled civil justice system, with the case management system providing a reusable civil courts application on a scalable platform for future expansion to Office of the Public Guardian in Scotland and Tribunals.	£12.8	March 2015	September 2019	Case management platform and sheriff court application was delivered October 2016. Civil online, fully paperless end to end digital service for civil simple procedure claims was implemented in 2 phases between March 2018 and April 2019.	Phase 1 and Phase 2 Go-Live Gates		The project has progressively incorporated business as usual development to meet the needs of the Scottish Civil Justice Council and enhanced digital service delivery since October 2016. The spend to date at the end of financial year 2019/20 was £11,237,006 with a projected spend to September 2019 of £12,877,958
Scottish Enterprise	Digital Transformation Programme 2017-2020	Transformation Programme to connect more business across Scotland with the support Scottish Enterprise can offer; build capacity across our operations to ensure face to face time is spent on the most complex challenges and opportunities to stimulate growth and; make it simpler and easier for customers to do business with Scottish Enterprise.	£5.5	January 2017	January 2020	Delivery	None	The DAO and Scottish Enterprise are in ongoing engagement and a Healthcheck on the programme is planned for mid-June.	

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Scottish Enterprise	Business Support Partnership Programme	The development and delivery of a coherent, collaborative and streamlined business support environment for Scotland.	tbc	October 2018	April 2023	Initiation	Digital First Assessments for Shared Entry Point	The programme is in the early stages of Outline Business Case development. The DAO is in ongoing engagement with the Programme Team to plan in assurance requirements.	
Scottish Fire and Rescue Service	Replacement Command and Control System	Rationalisation of control rooms and implementation of single system.	£12.4	June 2014	March 2020	Implementation	None	The DAO is in ongoing engagement with the project to plan in future assurance requirements. A Delivery Gate is currently under planning for Summer 2019.	The rationalisation of control rooms element of this has been complete for some time.
Scottish Public Pensions Agency	Altair Programme (called Service Extension Project on May 2018 report)	Preparation of variation(s) to existing contract(s) to protect service continuity and progress improvements to services.	£10.5	June 2018	March 2024	Delivery	Business Justification Gate Digital First self-assessment Healthcheck and assurance of action plan	The DAO and SPPA are in ongoing engagement and future assurance activity will be planned as appropriate.	
Scottish Public Pensions Agency	Pension Administration System	Procurement and implementation of pension administration system	£10	August 2019 (estimated to start market engagement)	February 2024	Early Scoping	An early healthcheck was conducted alongside the Altair healthcheck above,	The DAO and SPPA are in ongoing engagement and future assurance activity will be planned in as the project progresses.	
Scottish Qualifications Authority	Enabling Functions Programme	The Enabling Functions Programme aims to address the inherent risk and constraints in the organisation's legacy systems by delivering modern enabling technology and application platforms. This will enable the organisation to continue to deliver its core remit now and in the future and lay the foundation for any future change.	£10.7	April 2018	March 2023	Delivery	Business Justification Gate	The DAO and programme team are in ongoing engagement and assurance will be planned as appropriate.	
Transport Scotland	Booking and Reservations Ticketing Solution	A booking system for CalMac Ferries Ltd to increase replace and enhance their current system adding an	£20	August 2016	October 2021	Pre-Procurement	Digital First Discovery Assessment	Commencement of the procurement has been delayed. A healthcheck and Pre-Procurement Gate	

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		ITSO capacity for passenger bookings.					Pre-Procurement Gate	are intended prior to commencement of the procurement.	
Transport Scotland	Fareshare TABO 2 (Transport Back Office Application)	Replacement and enhancement of the current TABO system that calculates payments to transport operators for the National Concessionary Schemes. Enhancements include improved management of operator data and the integration of the BSOG (Bus Services Operators' Grant) scheme.	£3 over 4 year life of contract. £4.6 million over 8 years with extensions.	February 2016	December 2020 (tbc for full system sign off)	Delivery	Delivery Gate Go-Live Gate	The DAO and project team are engaging to plan out the assurance requirements for Phase 2.	Phase 1 was delivered February 2019. Phase 2 will have an external facing Bus Operator Portal, BSOG payment facility and an intelligence logging system. Planning for this commenced in May 2019 for completion by December 2019. Phase 3 dates still to be agreed but will investigate Fareshare being able to record bus operator fleet information with regard to Low Emissions Zone reporting. Phase 3 will also allow budget forecasting to be incorporated into the system.

2. MAJOR PROJECTS REPORTED TO THE COMMITTEE IN MAY WHICH ARE NO LONGER CLASSIFIED AS MAJOR PROJECTS

Organisation	Project Name	Project Description	Estimated Whole-life cost* £m	Project start date	Project end date	Current stage	Technology Assurance Activity To Date	Technology Assurance Activity planned	Notes
Scottish Government – Digital Directorate	Cloud First Hosting	To provide public sector data cloud hosting environment wherever this is appropriate in terms of security and efficiency.	£30	October 2018	March 2023	Discovery	None		The first phase explored the most appropriate, secure and efficient hosting solutions for the Scottish Government, and aimed to understand the costs and challenges public sector organisations faced when making decisions on their hosting options. Work completed at the end of financial year included providing 4 partner organisations/services with cloud migration plans and roads maps. The project scope was refined during this time as it was established that the wholesale migration of Scottish Government assets is not practical or financially advantageous. The project is now focussed on communicating the

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									benefits of a cloud first approach and providing support to individual organisations to move to a cloud environment, wherever this is appropriate, in terms of security and efficiency. As such this is no longer considered to be a major IT project.
Scottish Government – Agriculture and Rural Economy Directorate	Scottish Customer Account and Scheme Management System	To develop a new payment mechanism to improve the efficiency of rural payments.	£7.6	August 2015	March 2019	On Hold	None	The OCIO and project team are in ongoing engagement and assurance will be planned in as appropriate.	The scope of this project has been reviewed in the light of Brexit implications. Those aspects which directly relate to EU requirements are currently on hold until the implications are further understood. Meanwhile, a sub-set of functionality that is necessary managing payments (e.g. Debt Management) has been developed.
Scottish Government – Agriculture and Rural Economy Directorate	Delivery Partner to support Common Agricultural Policy Payments	To procure a new IT delivery partner to deliver and support the Common Agriculture Policy systems.	£9.8	November 2017	March 2019	Under Closure	None		The procurement strategy has been changed in the light of Brexit implications and the Scottish Government’s Stability and Simplicity Plan. New contracts (but reduced in scope and value) have been put in place with existing suppliers. Any future needs will be considered as a new project.