Directorate of Internal Audit and Assurance

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Anas Sarwar MSP
Convenor
Public Audit and Post-Legislative Scrutiny
Committee
Scottish Parliament
Edinburgh
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3 June 2020

Dear Mr Sarwar

MAJOR IT PROJECTS – PROGRESS REPORT

I am writing to provide the latest six month update on the progress of major IT projects.

As you can imagine, the Covid-19 crisis has required many projects to review their plans. While the majority of major IT projects are continuing to progress delivery, in some cases this is to a rescheduled plan both in terms of delivery timescales and priorities. It is a relatively positive picture at the moment, in light of the current circumstances, however there is a general recognition that plans could be further impacted if project resources are diverted to support the Covid-19 response and economic recovery or if suppliers to the projects are adversely affected.

There continues to be good availability of Cabinet Office approved major project reviewers with reviews being carried out remotely rather than on site.

The availability of Digital First assessors is significantly reduced as the majority of assessors are Scottish Government staff who have been diverted to support the Covid-19 response. The Digital Assurance Office is adapting its approach and taking a risk based approach to services which are due a Digital First assessment. Alternative approaches include submission of self assessments to the DAO for low risk services. There is also the option to procure assessor resource for higher risk projects.

There are currently 424 active projects recorded with the Digital Assurance Office, of which 24 are classed as major projects and a further 18 are potential new major projects. These account for almost 75% of the total costs recorded and are the areas we continue to prioritise for mandatory assurance. A full 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.

As noted in previous updates, technical assurance may be only one of the independent assurance activities carried out on a particular project or programme.

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. Since the last report in November, 5 non-major services have been assessed for compliance with the Standard.

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

Yours sincerely

Sharon Fairweather
Director for Internal Audit and Assurance

BREAKDOWN OF PROJECTS – @27 MAY 2020

Table 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
424*	329*	£1,269,448,805

* 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 (rounded)	Percentage of Active Projects with Estimated Whole Life Costs
Major Projects	24	690	54.3%
Potential Major Projects	18*	269	21.2%
>=£5m (excluding major and potential major projects)**	11**	161	12.7%
£1m - <£5m	52	106	8.3%
£500k - <£1m	25	17	1.3%
£100k - <£500k	90	22	1.8%
<£100k	111	4	0.4%

* There are two Potential Major Projects for which estimated costs are not currently recorded.
**These are projects which are not currently subject to mandatory assurance e.g. because they are on hold or because the solution is delivered and the ongoing costs are for licensing or support.

PUBLIC AUDIT AND POST LEGISLATIVE SCRUTINY COMMITTEE
DIGITAL ASSURANCE OFFICE (DAO) - MAJOR IT AND DIGITAL PROJECT REPORT MAY 2020

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	August 2020	Delivery	Go-Live Gate (November 2017) Healthcheck Go-Live Gate (February 2020)		The first phase of the final product was successfully launched in May. The remaining functionality will be launched in July 2020 – the timing of this is intended to maximise the benefit to customers.
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.	£8.4	May 2019	May 2022	Initiation	Business Justification Gate Pre-Procurement 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	Closed	Go-Live Gate	The DAO continues to work with the project to ensure action is taken on the recommendations of the Go Live Gate, which included post-rollout recommendations to ensure wider business benefits are realised.	
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.	£11.1* * this does not include Optimism Bias. Inclusive of	September 2018	September 2022	Delivery – Alpha and Full Business Case 2 year Beta phase expected to commence	Business Justification Gate Healthcheck Pre-Procurement Gate	The DAO is in ongoing engagement with the Project Team to build in appropriate assurance as the project evolves. A Full Business Case	The full-life cycle costs are estimated to be £25.6m over a 10 year period based on outline business case findings.

			the Optimism Bias figure for Beta the total would be £13.6m			September 2020.	Digital First Assessments	review is currently underway and a Pre-Procurement Gate for the Beta phase is scheduled for June.	There is presently no further funding in place beyond the current financial year.
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.	£60	January 2018	December 2028	Delivery - Technical options appraisal and industry pre-market engagement	Business Justification Gate Pre Procurement Gate Digital First Assessment	The DAO is in ongoing engagement with the project team to plan in future assurance requirements.	The estimated Whole Life Cost includes anticipated revenue spend by those service providers which will use the service. The full cost model will be developed over time as part of the full business case. Following completion of a proof of concept, an independent review of the approach was commissioned. The review recommended an attribute based approach to identity services. The project has accepted the recommendation and the business case is being revised to reflect this approach.
Scottish Government – Education, Local Government and Communities Directorate	Digital Planning Transformation Programme	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/Winter 2020, with programme set up taking place Quarter 4 2020/21.	£10	October 2020	March 2025	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 – Justice Directorate	Digital Evidence Sharing Capability	To develop a capability which will drive better information sharing across the criminal justice system.	£25	January 2016	March 2026	On Hold	Digital First assessment Pre-Procurement Gate and follow up Healthcheck		As a consequence of Covid-19 related reprioritisation of work, the project is currently on hold. The DAO and project will resume engagement when the project restarts.

| Scottish Government – Learning Directorate | National Standardised Assessments Reprocurement | The Scottish Government requires to procure a replacement provider for the delivery of Scottish National Standardised Assessment (online literacy and numeracy assessments made available to children in receipt of publicly funded education in Scotland since August 2017), to provide phase two of the assessment service upon cessation of the current contract. Consideration is being given to whether the service to be procured should be extended to cover the provision of an equivalent assessment system (via a single platform) for the Gaelic Medium Education sector. Gaelic national standardised assessments have been available since December 2018. There is an expectation that transition to a new provider would take up to 12 months. It is envisaged (though not yet confirmed) that the contract will be let on the basis of a 3 year core duration with the option to extend by two separate years, though alternative pricing models whereby the implementation phase and associated costs are separated out from the core contract are also being explored. Whole life costs are estimated inclusive of maximum extension potential. The current aim is to issue an ITT by end October 2020 with a view to awarding a contract by early March 2021 though timelines are currently being finalised. | £17 | January 2020 | July 2026 | Initiation | Combined Business Justification and Pre-Procurement Gate | The DAO and project team are in ongoing engagement and assurance will be planned in as appropriate. | Procurement timescales have been delayed by COVID-19 and a recognition of the impact of lockdown on market capacity. The final date for issuing the Invitation to Tender is currently being finalised by Procurement colleagues. |
| Scottish Government - 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 | £7.5 | April 2016 | January 2020 | Closed | Healthcheck

Review of Healthcheck Recommendations | | While the project has delivered the majority of capabilities, it is now under closure to enable future needs to be considered as part of the wider strategic review of Marine Scotland's IT. |

		expirations. The project delivered a core live system as of March 2017 which continues to be enhanced and augmented with major and minor releases.							
Scottish Government – Social Security Directorate	Social Security Programme (IT elements)	To enable Scottish Government control and administration of devolved welfare benefits.	£212	January 2017	tbc	Delivery	Pre-Procurement Gates for major investments Digital First assessments of services Delivery and Go-Live Gates for major releases Healthcheck	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.	The published Programme Business Case was updated in February 2020 and the figure was increased from £190m to £212m. The change is driven by: • £18m of technical debt within the overall technology forecasts; and • £4m of other movements, the most material item was adding in Scottish Child Payment implementation costs which include further development work on SPM. The DAO and Programme are liaising closely regarding the changed dates of delivery for benefits as a result of COVID-19 as per Cabinet Secretary statement on 1 April 2020.
Children's 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 centric service design and	£9.89	April 2017	September 2020	Transition to business as usual.	Healthcheck Digital First Assessments Delivery Gate Go-Live Gate		The project will be delivered to the previously estimated costs of £5.3m. The increase in whole life costs reflects the ongoing running costs over 10 years, enhancements to the Minimum Viable Product and maintenance of the technology roadmap.

		delivery. It will develop and expand on the work outlined in the Children's Hearings System digital strategy and GIRFEC which was under pinned 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.	£78.2	October 2015	December 2019	Closed	Digital First Assessment. Police Connectivity Healthcheck Delivery Gate		Disclosure Scotland is now operating a live service that has maintained safeguarding. A future product roadmap has been put in place to deliver long term capability. Delivery of the roadmap has been interrupted to enable an effective response to the organisational and national impacts of the Covid-19 pandemic.
Education Scotland	Digital Transformation Programme - Corporate Systems and Web Estate	A programme of work looking to create a more efficient set of corporate systems and processes in line with Education Scotland's enhanced remit, corporate plan and digital strategy.	£5.6	February 2020	April 2022	Initiation	Business Justification Gate	The DAO and programme will engage as the programme progresses to plan in assurance as appropriate.	
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 envisages a full turnkey solution from the market for the Remote Tower solution that involves the design, development, testing, transition and maintenance of all necessary ATS Technical infrastructure.	£45	February 2018	April 2027	Planning	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.

		The building modernisation of the central surveillance centre to be located in Inverness will be delivered under a separate contract, as will the delivery of centralised surveillance. The end result will be the provision of approach surveillance service (sensors, processing and a centralised suite of approach positions) and Remote or "digital" aerodrome service at 5 Airports.							
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	Six Pre-Procurement Gates

Digital First Checkpoint and Assessment

Rehearsal Go-Live Gate | 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 | Core Operations Solution | Increase public safety by replacing aging legacy 'silo' information management systems, with a single national platform capable of meeting present day operational requirements and public expectations of a national police service. Required to address strategic risks regarding access to key operational data, data quality and organisational capacity. Critically required for | £36.8 | July 2017 | December 2021 | Delivery | | The DAO and programme team are in ongoing engagement about assurance requirements which will be planned in as appropriate as and when the project restarts. | The Project continues to deliver despite restrictions in place due to Covid-19 but some officer abstractions meant that the Delivery Gate needed to be moved from May 2020 to September 2020. |

		legislative compliance with GDPR. Deliver significant operational, time and costs savings benefits through streamlining, removal of waste, reduction in failure demand, automation of processes and by providing officers with access to the right information at the right time. COS is fundamental to realisation of the 2026 Strategy. Delivery of COS is a key component of the Digital, Data and ICT Strategy.							
Police Scotland	Mobile Working	The Digitally Enabled Policing Programme and its component projects, including the Mobile Working Project, have been established to support improvements in operational service delivery by enhancing officer productivity, maximise visibility and the time officers spend in their communities. Supporting the Policing 2026 Strategy objective of 'investing in our use of information and technology', it will enable a cultural shift, predicated on the creation of a technically enabled workforce. It is the foundation for improvements to operational service delivery and is an enabler of future change, including those envisaged within the Digital Data and ICT (DDICT) Strategy.	£39.2	January 2018	June 2020	Delivery	Healthcheck	The DAO and programme team are in ongoing engagement about assurance requirements which will be planned in as appropriate.	
Police Scotland	National Network	Under phase one of the National Network project, Police Scotland invested in 11 high capacity data circuits in 2016/17 (known as the 'C3 high speed backbone'). The data circuits were installed into key locations to provide maximum bandwidth, speed and resiliency to Contact Command and Control (C3). The high speed backbone will	£4.4	June 2013	March 2020	Delivery	Delivery Gate		The Project was working to delivery by March 2020 (in line with capital spend), but this has been delayed due to Covid19. Implementation is over 80% complete with remaining sites to be migrated once restrictions are lifted.

| Police Scotland | National Integrated Command and Control System | sit within the national network once delivered. Phase two of the National Network project seeks to deliver a consolidated, appropriately scaled, Home Office approved national wide area network (WAN) provisioned by a single telecommunications supplier. The current IT infrastructure is outdated, complex and presents daily challenges and obstacles for ICT and the operation - it is not fit to support key objectives of the 2026 strategy or the ICT roadmap. The National ICCS system will facilitate the control of Police Scotland's operational communications via Airwave radio terminals and C3 telephony systems, utilising voice and data protocols. In addition, it shall enable the mandatory introduction of the Emergency Services Network (ESN) being implemented by the Home Office as a full replacement for Airwave TETRA radio communications.

A single ICCS platform for Police Scotland, compatible with ESN framework and devices, will enhance the cross-site working, improve business continuity (moving staff across ACR sites) and reduce training overheads (single training course). | £7.9 | November 2018 | March 2022 | Delivery | | The DAO and programme team are in ongoing engagement about assurance requirements which will be planned in as appropriate. | |
| Police Scotland | Unified Communications and Contact Platform | In support of the 2026 vision and Digital Strategy, the business needs across Police Scotland have developed to require additional functionality from our contact platforms, including integrated digital communication channels, presence and availability information. There is a need to replace the contact platforms throughout Police | £10.2 | December 2019 | January 2026 | Delivery | | | The Project was affected by the prioritisation of Covid-19 related activities but the Procurement Strategy work is now underway. |

		Scotland with modern, unified communications and contact solutions that better meet the changing needs of the business whilst rationalising the range of technologies to standardise technical and supplier support and maintenance requirements and finances - UCCP aims to carry this out.							
Revenue Scotland	SETS2	Design, implementation and transition of tax administration and management solution and associated service redesign.	£9	July 2017	March 2020	Closed	Business Justification Gate Pre-Procurement Gates Delivery Gate Digital First Assessments Delivery Healthcheck Phase 1 and 2 Go Live Gates	All scheduled assurance activity was completed, with the final Healthcheck on 4 December 2019.	The Programme agreed a two-phased go-live with the supplier. The first deployment went live in July 2019, and the second deployment went live in January 2020. Revenue Scotland has now moved into a 'Business as Usual' continuous improvement cycle to update the system in response to end user feedback.
Scottish Courts and Tribunals Service	Integrated Case Management System (ICMS)	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	Closed	Phase 1 and Phase 2 Go-Live Gates		
Scottish Enterprise	Business Support Partnership Programme	The development and delivery of a coherent, collaborative and streamlined business support environment for Scotland.		October 2018	April 2023	n/a	Digital First Assessments for Single Entry Point		This Programme provides co-ordination across enterprise bodies however, with the exception of the partnership entry point: findbusinesssupport.gov.scot, the Board does not govern delivery and this is therefore no longer considered to be a major IT project.
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	£5.5	January 2017	January 2020	Closed	Healthchecks Assurance of Action Plan Digital First Assessments		Following the Healthcheck, the Digital Transformation Programme was subsumed within a wider Business Change Programme and digital projects are now managed as discrete

		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.							capability enablers within the wider business governance.
Scottish Fire and Rescue Service	Replacement Command and Control System	Rationalisation of control rooms and implementation of single system.	£12.4	June 2014	March 2021	Delivery	Delivery Gate	The DAO is in ongoing engagement with the project to plan in future assurance requirements.	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 assessments 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	January 2020	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	October 2020	Delivery	Business Justification Gate Delivery Gate	The DAO and programme team are in ongoing engagement and assurance will be planned as appropriate.	Additional funding from the Scottish Government has enabled accelerated delivery of the Programme, which is now anticipated to close in October 2020.
Transport Scotland	Ar Turas (Previously called Booking and Reservations Ticketing Solution BaRTS)	A booking system for CalMac Ferries Ltd to replace and enhance their current system to improve efficiency around the management of bookings and adding an ITSO capacity for passenger bookings.	£18	August 2016	October 2021	Planning	Digital First Discovery Assessment Pre-Procurement Gate 2018 Healthcheck Pre-Procurement Gate 2019	The DAO and Programme Team are in ongoing engagement and future assurance activity will be scheduled as appropriate.	The procurement exercise has been cancelled as the approach was not expected to deliver a favourable outcome. A new procurement exercise has now started utilising a different procurement process.

| 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 the BSOG payment facility. User research during the Discovery phase found that there was no customer requirement for an external facing Bus Operator Portal. Phase 3 still to be agreed as this is over and above what was contractually required. There is a potential that this phase will incorporate Fareshare being able to record bus operator fleet information with regard to Low Emissions Zone reporting. |