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Public Audit and Post-Legislative Scrutiny Committee
Scottish Parliament
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28 November 2018

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 31 May.

The Scottish Public Finance Manual has recently been revised to incorporate a broader set of characteristics in the definition of a major investment project. A major project is now one which:

- has 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.

There are currently 292 projects recorded with the Office of the Chief Information Officer (OCIO), of which 26 are classed as major projects. A breakdown of all projects is shown at **Annex A**.

In your letter to me of 16 July, you asked for future reports to include columns to report on whether the project is on schedule and to budget. This is not something the OCIO can readily provide. As outlined in my letter of 31 May, assurance is carried out at specific points in time and the OCIO does not have an ongoing role in the monitoring of project delivery as the accountability for delivery remains with the relevant Accountable Officer and Senior Responsible Owner. While the independent review teams, which the OCIO assigns to assure major projects, will have some visibility of schedule and budget this would be at a point in time and based on documentation shared by the project. The OCIO is therefore not well positioned to provide up to date or authoritative project management information which would require to be commissioned from the individual projects.

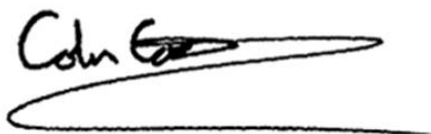
I am aware of the Committee's consideration of the 2017/18 Audit of the Scottish Public Pensions Agency on 25 October and comments in relation to how the PS Pensions Project was reported in my May report. I would like to re-emphasise that, while wishing to be as transparent as possible, there are, inevitably, potential commercial and other implications of putting the outcome of assurance reviews of live projects in the public domain and again would offer to provide a private briefing to the Committee if that would be helpful.

I 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 stated above, I can advise that projects have only progressed to the next stage on successful completion of the mandatory review requirements.

Please 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 ensure an aligned approach with the aim of providing the right type of assurance at the right time. Digital Directorate can however only offer an update on technical assurance.

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 underline that extends to the right.

Colin Cook
Director Digital

BREAKDOWN OF PROJECTSTable 1 – Total Number of Projects Recorded in Project Register

	Aug-17	Nov-17	May-18	Total May 18	Nov-18	Total Nov-18
Total Number of Projects	315	132	266*	£650.1 m	292*	£976.9 m

* This figure includes potential projects and projects at early scoping stage.

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

	Aug-17	Nov-17	May-18	Total May 18	Nov-18	Total Nov-18
Investments under £100k	111	22	65	£2.7 m	59	£2.6 m
Investments between £100k - £499k	62	20	55	£14.6 m	58	£15.1 m
Investments between £500k - £999k	26	11	23	£15.2 m	21	£13.0 m
Investment between £1m - £4.9m	36	24	32	£66.5 m	42	£103.7 m
Investments of £5m and over	24	19	21	£553.1 m	19	£842.2 m

* The OCIO does not monitor the financial expenditure of projects and captures estimated whole life costs as a vehicle for 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 OCIO and organisations and therefore the nature of the information held will change over time.

**PUBLIC AUDIT AND POST LEGISLATIVE SCRUTINY COMMITTEE
MAJOR IT AND DIGITAL PROJECT REPORT NOVEMBER 2018**

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	March 2019	Delivery	Go-Live Gate	A further Go-Live Gate is being scheduled.	Data Migration has been completed and a first version of the tool is in use by digitisers. There are further phases to be delivered within the original project scope.
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	Delivery	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.
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. This is about putting in place contract(s) to maintain and develop the existing CAP system while there is still a commitment to the EU and subsequent Transition. It does not include, as yet unknown, Brexit requirements.	£50 - £80 over 5 years	November 2017	Summer 2020	Specification/ Pre-Procurement	None	The OCIO and project team continue to engage and assurance will be planned if appropriate.	The procurement strategy has been changed in the light of Brexit implications.
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 2019	Roll out to early adopters	Go-Live Gate	The OCIO and the programme team are in ongoing engagement about any future assurance requirements.	End date has changed since May report to reflect decision to introduce an early adopters phase to validate implementation approach.
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	The OCIO is in ongoing engagement with the Project Team to build in appropriate assurance as the project evolves.	The project is in early stages with analysis work to be conducted to inform the development of an Outline Business Case.

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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 OCIO is ongoing engagement with the project team to plan in assurance. A Business Justification Gate is anticipated in early 2019.	
Scottish Government – Digital Directorate	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.	£0.5	January 2018	December 2019	Delivery	Business Justification Gate Digital First Assessment	The OCIO is in ongoing engagement with the project team to plan in future assurance requirements.	Estimated whole life costs reflect costs to the end of the Alpha phase, An Outline Business Case will be produced by the end of the Alpha which will inform the future approach and costs.
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 OCIO 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.	£5+	2016	2020-2021 (estimate)	Proof of Concept (prior to procurement)	None.	The OCIO and the project are in ongoing engagement and assurance activity will be planned in as the project progresses. A Digital First assessment and Pre-Procurement Gate are planned for early 2019.	

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 OCIO and the Social Security Directorate are in ongoing engagement. A number of assurance reviews are planned over the next few months and further assurance will continue to be planned throughout the life of the Programme.	
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)	<p>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:</p> <ol style="list-style-type: none"> 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. <p>The programme will focus on technology based, user 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.</p> <p>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.</p>	£5.3	April 2017	March 2020	Delivery	Healthcheck Digital First Assessment	The OCIO and project team are in ongoing engagement and assurance will be planned in as appropriate.	

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Disclosure Scotland	Transformation Programme	Replacement of Protecting Vulnerable Groups system and transition to customer centric organisation with enhanced Digital Capabilities.	£44.1	October 2015	April 2019	Delivery	Digital First assessment. Healthcheck on police connectivity workstream. Delivery Gate.	The OCIO 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.	£3.8	September 2016	September 2019	Delivery	Delivery Gate	The OCIO and Forestry Commission Scotland are in ongoing engagement and future assurance activity is under planning. A Go-Live Gate is scheduled in January 2019.	
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	None	The OCIO is in engagement with Marine Scotland about future assurance requirements with a healthcheck under planning for 2019.	
National Records of Scotland	Census 2021	The IT to support Scotland's Census 2021 which will be primarily online.	£110	October 2015	December 2023	Delivery	Three Pre-Procurement Gates. Digital First Checkpoint	The OCIO, 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 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 OCIO and programme team are in ongoing engagement about assurance requirements which will be planned in as appropriate.	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	Initiation (some projects are in the Delivery phase)	Business Justification Gate	Implementation of the Strategy is subject to budget approval and the Strategy will be delivered through programmes within the Policing 2026 Portfolio. Police Scotland's internal auditor, Scott Moncrieff, is developing an integrated assurance plan and the OCIO is engaged in this work.	
Revenue Scotland	SETS2	Design, implementation and transition of tax administration and management solution and associated service redesign.	£9	July 2017	October 2019	Delivery	Business Justification Gate Pre-Procurement Gates Delivery Gate Digital First Assessment	The OCIO and Revenue Scotland are in ongoing engagement.	
Scottish Courts and Tribunals Service	Integrated Case Management System	Creation of a new agile case management system and online portal for the sheriff court and Court of Session with the aim of replacing the current civil case management system and incorporating changes to the rules of court.	£12.7	March 2015	September 2019	Development of Phase 2 – civil online-continuing.	Phase 1 Go-Live Gate	Phase 2 Go-Live Gate	Phase 1 of the project, the customer-facing portal, was launched in March 2018. This reflected the major element of investment with £9.5m of costs spent by end October 2018.
Scottish Enterprise	Digital Transformation 2017-2020	Transformation Programme to connect more business across Scotland with the support Scottish Enterprise 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 OCIO is in engagement with the programme about future assurance requirements.	

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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		Initiation	None	The programme is in the early stages of Outline Business Case development. The OCIO 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 OCIO is in ongoing engagement with the project to plan in future assurance requirements. A Delivery Gate is anticipated in 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 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 under planning for early 2019.	
Scottish Public Pensions Agency	Pension Administration System	Procurement and implementation of pension administration system	£10	January 2020 (estimated to start market engagement)	February 2024	Pre-procurement.	None	The OCIO and SPPA are in ongoing engagement and future assurance activity will be planned in as the project progresses.	
Transport Scotland	Booking and Reservations Ticketing Solution	A booking system for CalMac Ferries Ltd to increase replace and enhance their current system adding an ITSO capacity for passenger bookings.	£20	August 2016	October 2021	Pre-Procurement	Digital First Discovery Pre-Procurement Gate	Commencement of the procurement has been delayed. A further healthcheck is 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	January 2019 (Full Minimum Viable Product Sign off)	Delivery	Delivery Gate Go-Live Gate	The OCIO and project team are engaging to plan out the assurance requirements for Phase 2.	Phase 1 will be delivered by end of February 2019. This will include Fares Cap Deflator and Transport Operator Account bulk communications. Phase 2 will have an external facing Bus Operator Portal and BSOG. Implementation commences February 2019 for completion by September 2019. Phase 3 Intelligence recording is at the early planning stage and due to commence September 2019.

2. MAJOR PROJECTS REPORTED TO THE COMMITTEE IN MAY WHICH ARE NOW CLOSED OR 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
Transport Scotland	Procurement of an Asset Performance Management System (APMS)	To deliver an asset management software and hosting solution through an existing Scottish Government framework to support service delivery of the next generation trunk road Operating Company Contracts.	£2.1	December 2018	December 2022	Early Scoping	None		This was reported as a major project in the May report to the Committee based on the estimated costs of procuring a commercial-off-the-shelf solution. However, this is no longer considered to be a major project as the procurement strategy has been revised to develop the system in-house using existing frameworks with an estimated development cost of £2.1m.
Scottish Government - Fair Work, Employability and Skills Directorate	Employability Programme – IT Project	IT solution to support delivery of a new Scottish Employment Service, Fair Start Scotland, for those who are either unemployed and disabled, or at risk of long-term unemployment, including those with health conditions.	£3.4	January 2017	April 2018	Closed	Pre-Procurement, Delivery and Go-Live Gates. Digital First assessment.		
Scottish Public Pensions Agency	PS Pensions Project	Consolidation and upgrade of pensions administration and payroll system.	£13	January 2015	February 2018	Closed	2 Healthchecks Delivery Gate	None	
VisitScotland	Project Unlimited						None	None	This project has been renamed 'Scotland.org' and estimated costs are now considerable less than previously resulting in this no longer being considered a major project.
Registers of Scotland	Digital Routing & Automation	Enabling a customer focussed digital journey with over 80% of application processed automatically	£12.5	November 2017	March 2020	Cancelled	None		Registers of Scotland have taken a decision to move away from large Programmes and to manage work in smaller, iterative projects at service level.
Registers of Scotland	Land Register Transformation	Continuation of transformation of Registers of Scotland data, roll-out of the new Land Register data model to support land register completion and a digitally enabled land register.	£13	November 2017	March 2020	Cancelled	None		