



Appendix A1

Update on Digital Transformation Projects approved Sep'21 (known as DTP1)

One off costs

- 1.1. In Sep'21 Cabinet approved £3.7m reserve funding to deliver a first tranche of Digital Transformation activity. At the time of approval this consisted of 8 categories of spend + 20% contingency (see [Table 1](#)).
- 1.2. The DTP1 project board has been managing the spend and approvals since the Cabinet approval was given, to maximise use of the funds and manage risk.
- 1.3. As individual business cases have been brought forward, and projects have engaged with the supplier market, confidence in forecast costs have grown, and there is a much improved understanding of dependencies across all work, leading to more informed resource needs and project timelines. Ultimately this has resulted in an expected **forecast cost increase of 15% (£4.2m compared with original £3.7m)**, and thus a need for additional funds to ensure appropriate quality of delivery, and maximised benefit realisation.
- 1.4. Although no benefit targets were formalised at the initial Cabinet Sep'21 approval, further work is underway to quantify benefits (financial and non-financial) and build into the wider Digital Transformation programme – see separate *Appendix A2*.
- 1.5.** The increased expected costs have been combined into the overarching £18m ask for the whole DTP programme.

2. Ongoing Costs

- 1.1. The ongoing cost implications from DTP1 was not outlined in the original Sep'21 Cabinet paper. Overall savings were anticipated but not formally outlined.
- 1.2. Since then the Telephony project requested approval to award ongoing contract to supplier (Cabinet approved April'21) however there is a risk that the ongoing costs go above the estimate originally outlined. This potential cost increase will be managed via the programme to ensure decisions do not put further pressure on base budgets and cost increases are mitigated via savings elsewhere.
- 1.3. The Cabinet decision today will request delegation to the DTP board to approve and manage all decisions in relation to ongoing contracts/changes resulting from the programme, with those over £500k in consultation with S151 and Monitoring officer. This will supersede previous Cabinet decisions (Sep'21 and April'22).

Table 1: DTP1 funding allocations at Cabinet and latest forecast position

Original Sep'21 Cabinet		Latest position -as at May'22		
	Project/ Spend category	One off Funding Originally assigned Sep'21 (£'000)	Comments – Changes and evolution since Sep'21 (as at May 2022)	Latest Forecast One off Costs (£'000)
1	Business Case & Strategy Development to date (committed)	94,000	Final spend on historical work was higher than originally anticipated. This is now closed.	150,650
2	Data& Insights development contribution	330,130	Work remains in flight and is governed by the Data & Insight programme – the increase simply reflects available contingency funds.	386,803
3	Adoption and Change Management (ACM)	273,139	ACM work remains live but due to timeline extensions of some work, the ACM support has needed to extend into 22/23. The forecast cost covers the 20% contingency allocation. Further funding will be sought via wider DTP paper to cover increases.	327,767
4	ITTP remedial/residual	545,138	Significant increase in forecast costs as complexity and scale of work better understood (particularly regarding Windows 10 rollout and Sharepoint migration). Additionally some outstanding legacy ITTP charges.	1,241,560
5	Project tooling, programme delivery and further development	820,696	'Programme resources' here have been allocated out to support delivery of the other specific projects in the list which is why the figure has reduced so significantly. This line now represents overarching financial assurance charges, and the project related to implementation of Portfolio management, programme and project tooling.	260,230
6	Website re-platform	131,000	Following presentation of the business case to the Board, revised delivery costs approved given a critical enabler to future transformation and supporting citizen contact/ experience.	251,860

7	Discovery and development	300,150	Increased costs includes accounts for decision to procure a strategic partner to support future Digital work, as well as early shaping of the Networks business case.	453,823
8	Telephony & Contact Centre	570,000	Latest forecast cost is based on figures closer to a 'worst case' scenario and work remains underway to minimise this spend and identify the best supporting delivery approach. Costs also now account for 1 st year licenses/parallel run as new system implemented (this was not included in original costings).	1,158,801
	Contingency 20%	612,850		<i>Shared out across the above</i>
	Total	3,677,103		4,231,494 (15% increase)