

# **Project DFA Approvals - Internal Portfolio**

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| <b>TO</b>      | Thames-Coromandel District Council                     |
| <b>FROM</b>    | Benjamin Day - Deputy CE/GM Information Services Group |
| <b>DATE</b>    | 26 February 2016                                       |
| <b>SUBJECT</b> | <b>Project DFA Approvals - Internal Portfolio</b>      |

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## **1 Purpose of Report**

To gain out of cycle Delegated Financial Authority (DFA) for two internal projects.

## **2 Background**

### **Budgets**

Due to unknown factors that could not be accounted for when setting the Council's internal and I.T. project budgets during the Long Term Plan in 2014 additional funding is required to initiate two new projects.

When Council's LTP budgets were being established in 2014, Council's I.T. function was in a fragile state due to forced staff changes, security and business continuity issues that were formally recognised in the external review of I.T. at that time.

### **Improvement Journey**

Since then, much improvement has been made and measured with respect to the overall health and performance of our Information Services functions at Council. While there is still much to achieve, this activity is raising its performance for the organisation.

A recent health check by Rocket Projects (original authors of the first IT review in 2014) has now officially closed the "Rocket Report" because the majority of recommendations have been completed and/or are part of the department's planned work programme and project portfolio.

Successful projects and programmes in recent times include:

- retiring and replacing an unsupported Cemeteries software package
- delivering online infringement services
- replacing manual backups with an automatic cloud-based service
- installing video conferencing facilities
- running "IT health clinics" across the Area Offices
- upgrading Pathway; our main computer software programme
- updating all our Microsoft licences and replacing all Windows XP computers
- recent security tests reveal improved cyber security
- hand held devices for "in the field" building inspections

Currently, amongst many other initiatives, we are:

- replacing our GIS (mapping) system
- reviewing our telephony services to improve their cost-effectiveness
- building an extranet portal for Elected Members
- installing collaborative authoring software to improve the way we write corporate documents
- replacing out-dated financial reporting software
- reviewing our electronic document management system

A recent internal survey (a local government benchmark survey) has also noted positive and improving levels of internal customer satisfaction and general satisfaction with the functionality of our staff's hardware and software tools.

### **Project Management Improvement**

The internal portfolio (a collection of internal programmes and projects) has also been the first to conform to the Council's new Project Centre and Project Governance Framework (adopted in Quarter Two 2015), which has added to the already established Prince2 Project Management methodology by introducing more checks and balances at a programme and portfolio level.

This Framework has been added to the appendices for elected member reference.

As part of the Framework implementation an Internal Portfolio Overview Group (made up of senior and technical staff) has been established to improve the quality of Project Mandates and other project submissions (business cases, exceptions reports etc.) before they come to Council or anywhere near an Annual Plan or Long Term Plan for Council approval. This process also reviews the entire portfolio in terms of "do-ability" to ensure we do not take on more than can be delivered with finite internal staff time and external resources.

### **Business Improvement Programme**

At the same time as the Project Centre was being established and the new Governance Framework was being applied to the internal portfolio, a Five-Year Business Improvement Programme was adopted by the Strategy Team in Quarter Two 2015, which has established a very transparent programme of candidate business improvement projects.

Based on the Business Improvement Programme, over thirty five Project Mandates for the 2015/16 and 2016/17 financial years have been reviewed (and accepted or rejected) by the Internal Portfolio Overview Group, which has met four times over the past few months to review and endorse the work programme.

Council can be satisfied that due to the rigour of the portfolio overview process, the projects within the internal portfolio are the right projects to fund with the greatest impact and return for our business.

From this review process of the Business Improvement projects, the following unbudgeted projects require Council approval before they can proceed.

## **3 Issue**

### **Projects**

As explained previously, after extensive review, prioritisation and "do-ability" assessment, the following projects have been recommended by the Internal Portfolio Overview Group for "out of cycle" Council approval:

1. Infrastructure Redesign and Refresh
2. RFS System Process and Reporting (Pathway)

## **4 Discussion**

The "Total Project Cost" for both projects is being requested from Council, with the funding being drawn down in smaller amounts through strict and formal Project Board decisions based on achievement of project milestones.

The following is a summary of each project; for more detail please review the Project Mandate and Business Case attachments.

## Infrastructure Redesign and Refresh Project

This project aims to redesign and replace the core infrastructure in the current TCDC "Data Centre".

### Scope:

- The IS Infrastructure is ageing and lacks a replacement schedule
- Available Disk space is rapidly approaching capacity
- Our current design is very expensive to replace/upgrade piece-meal
- Our current design presents risks to productivity and system stability during upgrades and maintenance
- Maintaining our "local datacentre" facilities is costly
- We suffer risks around multiple 'single points of failure'
- Our datacentre heavily restricts our BCP and DR ambitions
- Our current paradigm requires a heavy after-hours requirement on key Operational staff - in terms of maintenance - and also produces significant "Operations anxiety".

### Opportunities:

- Disk Space - Affordable and highly reliable disk
- Scalability - provide the ability to grow quickly
- Redundancy - avoid single points of failure
- Maintenance - non-intrusive non-risky upgrades
- Disaster Recovery and /Business Continuity - a working instance of TCDC in another location
- Costs - implement a far more cost-effective infrastructure
- Overheads - Heavily reduce manual and process overheads
- Independence - retain independence by avoiding IaaS (Infrastructure as a Service)
- Information Lifecycle Maintenance - fine-grained long-term and secure retention of data

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| FY15/16 Allocation:        | \$397,326        |
| FY16/17 Allocation:        | \$16,240         |
| <b>Total Project Cost:</b> | <b>\$413,566</b> |

**Payback:** Within 2 Years

### Tangible benefits:

- Avoided cost: Infrastructure replacement costs reduced
- Avoided cost: Infrastructure maintenance costs reduced
- Avoided cost: Aircon, UPS, Server room costs reduced
- Improved productivity: Less downtime due to increased stability (both IS and general TCDC staff)

### Non-tangible benefits:

- Opportunity: Allows for larger mailboxes, less data restrictions
- Avoided risk: Resolves numerous "single points of failure"
- Avoided risk: Ageing hardware decommissioned
- Avoided risk: Provides for full enterprise-wide redundancy
- Avoided issue: SAN space issues would be resolved
- Avoided issue: Resolves SAN space issues resulting from data duplication
- Avoided risk: Infrastructure maintenance risks significantly reduced

Please refer to the Outline Business Case for more detailed project information.

## RFS System Process and Reporting Project

This project aims to review and improve the RFS system at Council.

### Scope:

- Review and rationalise RFS classifications by simplifying options.
- Eliminate pre-programmed errors
- Eliminate duplication in data entry, where possible, while maintaining detail required for management reporting.
- Review and ensure business reporting requirements are met.
- Up skill and train the module owner and Key Users in the system to reduce the reliance on IT to perform routine tasks.
- Develop accurate training documentation (using EPAK)
- Provide training to staff and contractors

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| FY15/16 Allocation:        | \$93,932        |
| FY16/17 Allocation:        | \$3,404         |
| <b>Total Project Cost:</b> | <b>\$97,336</b> |

**Payback:** Within 4 years

### Tangible benefits:

- Greater productivity by doing away with excessive manual and duplicated data entry
- Free up IT time for essential work while providing the business with easier access to the tools required to do their work. E.g. ability to update Responsible officers when required, ability to amend email and document templates, etc.

### Non-tangible benefits:

- Standardised data entry methodology
- More meaningful and transparent reports on RFS issues and contractor/staff performance
- Easier to write code for online forms and services if data is correct (we have an online RFS project scheduled for 2017/18)

Please refer to the Project Mandate for more detailed project information.

## Funding

OPEX related project costs of approximately \$120,466 will be loan funded across several years and the CAPEX related project costs of approximately \$390,436 will be funded using depreciation reserves.

## 5 Suggested Resolution(s)

That the Thames-Coromandel District Council:

1. Receives the 'Project DFA Approvals - Internal Portfolio report, dated 26 February 2016.
2. Approves the Business Case and Total Project Costs for the Infrastructure Redesign and Refresh Project
3. Approves the Project Mandate and Total Project Costs for the RFS System Process and Reporting Project.

## References-Tabled/Agenda Attachments

- Attachment A** Infrastructure Redesign and Refresh Outline Business Case  
**Attachment B** RFS System Process and Reporting Project Mandate

**Attachment A - Outline Business Case**

**Attachment B - RFS System Process and Reporting Review**