

Date: Thursday 19 February 2015
Time: 9.30am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Finance and Performance Committee

OPEN MINUTE ITEM ATTACHMENTS

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Recommendation

- Note progress on :
 - NewCore Project and
 - the IS Transformation programme

IS Transformation

Progress to Date - successes

- Projects completed
 - BSR
 - Contact Centre Consolidation
 - AMPM
 - HRIS
 - Desktop
 - Library System Upgrade
 - Holistic Reporting
- Projects in progress
 - NewCore
 - Data Centre Consolidation
 - Capex Projects Hub
 - SAP Hana/Hybris
 - Network Consolidation
 - Workplace Strategy



NewCore – Progress to December 2014

- **Project % complete**
 - 32% v Plan 29%
- **Project Costs - Current Year**
 - Act to Dec 2014 \$ 20.8m
 - Budget FY14/15 \$ 46.7m
- **Project Costs - Whole of Life**
 - Act Life to Dec 2014 \$ 51.3m
 - Budget Life FY14/5 \$ 77.7m

- Spend on-track for project life to revised budget
- No overspend forecast to June 2015



IS Transformation Programme Budget

Millions	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total
NewCore	31	29	37	24	3	0	124
Non NewCore scope		13	5	2	0	0	20
Extended Testing Programme		4	6	3	0	0	13
Total NewCore	31	46	48	29	3	0	157
Mandatory /High Risk		26	15	13	5	5	64
Other		4	3	8	36	39	80
Total IS Capital Budget Recommended	31	76	66	50	44	44	280

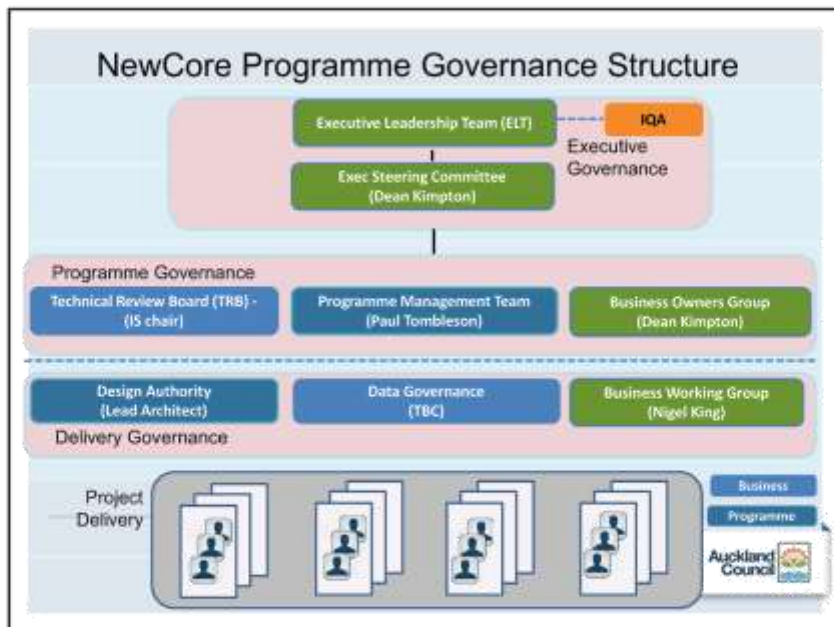
NewCore forecast for full completion \$157m as presented to
F&P Committee meeting November 2014



Recommendation


- Note progress on :
 - NewCore Project and
 - the IS Transformation programme

Appendix




NewCore Key Risks and Issues

#	Detail	Who	Date	Update
R388 I071	After June Budget will we have enough time for sprint	NP	16/2	07/02 NP - 2 week contingency in sprint plan - not enough. MAP aware of time constraint. Planning for Property sprint on 11/02 so will see that there is an issue for that sprint. First sprint starts on 16/2. Consider planning now until early March.
R384 I071	Mismatch of business expectation around data quality at the time of Go Live	PI	25/2	31/1 PI - AI is leading Data Gov Forum. To present to BOC in 28/2.
R385 I072	Need to agree data team and historic data for all streams	LP	13/2	2/2 - PPs have reviewed updated WBS. PPs team to take part in data mapping workshops to ensure LMA data is being migrated.
R389 I074	External projects impacting on NewCore	PI	18/2	5/2 PI - External dependency register created and populated with known dependencies. Will cascade to Business Integration Lead and IS integration lead to take out to their respective teams.
I194 I071	Change in behaviour required across and within all teams to be able to deliver to the new integrated programme plan and what is now required given the level of inter-dependencies across the project teams.	PI	23/2	30/1 PI - Continue to drive and reinforce values thru migration of team monthly team meeting. Some new and more visible measures on progress to be deployed.
I170 I076	SAU Projects lack an engineering team and suitable skills	TV	20/2	6/2 PI - Reviewed OPS for Risk and Mobile skills with Accounting Services and requested some additional information. Spoke of we can not continue to accept changes that may result of become SAU but were not in our scope.




NewCore Gates – June 2016

Gate	Baseline Date	Progress	Comments
Design to Build	30 March 2015	On track	Future state design complete for PBC Teams know what they need to build and ready to commence Change management plan updated to reflect future state design
Build to Test	1 August 2015		Most build activity complete to enable start of integration testing Test plans and scripts complete Change impact assessment complete Training needs analysis complete Customer strategy for June 16 prepared
Test to Deployment	2 May 2016		Integration, rates cycle, UAT, Performance tests complete Test acceptance criteria achieved Training material ready Training scheduled
Production System Live	4 June 2016		Go live readiness report - go/no go criteria covering people, process and technology readiness. Will use an agreed set of criteria with the key stakeholders.
Commence June 17 Rollout	11 July 2016		Formal decision based on success of June 16 go live
Handover to Operations	5 September 2016		Handover to SAU acceptance criteria achieved Operation support handover documentation Knowledge transfer complete Post implementation review completed



Financials – Programme to Date

NewCore Financial Summary To 31 Jan 2015	CURRENT MONTH			PROGRAMME TO DATE ANALYSIS					
	Current Month Only			Programme to Date					
	Budget	Actuals	% Cost last mth	Budget	Actuals	% Cost last mth	% Compl. per schedule	CR	SPI
CRM, RPS and Licensing (CLIC)	0.37	0.29	0.37	8.62	8.43	8.62			
Property, LMs and Consents (PLC)	0.69	0.27	0.69	10.20	8.88	10.20			
Customer Financial Mgmt (CFM) gov R&G	0.42	0.29	0.42	12.07	11.94	12.07			
Information Management, EDW, Integration	1.14	0.53	1.14	11.77	11.17	11.77			
EDRMS (Document Management)	0.90	0.00	0.90	1.95	2.01	1.95			
Archive and Decommissioning	0.90	0.00	0.90	0.00	0.99	0.99			
MCC Rates Migration	0.80	0.00	0.80	1.23	1.22	1.23			
Testing	0.11	0.06	0.11	0.20	0.96	0.20			
Data Migration	0.35	0.00	0.35	0.61	0.90	0.61			
People & Change incl. training	0.94	0.00	0.94	0.08	0.90	0.08			
Programme Mgmt	0.44	0.42	0.44	0.01	0.42	0.01			
CAPEX TOTAL (excl contingency)	3.54	1.96	3.54	55.73	53.83	55.73			
Contingency									
CAPEX TOTAL (incl contingency)	3.54	1.96	3.54	55.73	53.83	55.73			
OPEX	0.81	0.90	0.81	0.09	0.13	0.09			
TOTAL CAPEX & OPEX	3.95	1.96	3.95	55.81	53.28	55.81	38%	1.08	1.01



Project Status Report

Report Date	10/Feb/2015	Report Period	19/Jan/2015 - 0/Feb/2015
Project Details Sentient #: 1408			
Project Name	NewCore - Programme		
Sponsor	Dean Kington	Delivery Phase	2.1 Build
Business Owner	Dean Kington	Estimated Start Date	01/Jan/2015
Project Manager	Paul Tomblason	Estimated Finish Date	31/Oct/2017
Portfolio	AC IS Transformation	Programme	10 - NewCore Programme
Percent Project Complete	36	Percent Phase Complete	




Status Overview for This Period

Programme (Amber)

- Work still on-going to complete the loading of budgets and forecasts. Some issues identified in the IS project workbooks that is being addressed. This has led to an overstatement of actual costs in 2014/15 fiscal year. This will be corrected in our January reports.
- External dependency register formally created for external to NewCore. There are a range of other Auckland Council projects/programmes that have the potential to significantly impact NewCore. For example - SharePoint upgrade, Sybase migration for IDA, portal and solution manager etc.
- Special planning meeting held with project managers to continue the drive to improve the plan and ensure that dependencies are well understood and managed.
- Reinforcing the messaging around our values and required key behaviors with the lead team - critical that they provide clear and consistent messaging to their teams. Planning to continue this with whole team through monthly morning tea and also a new monthly stand up whole of team meeting.
- New Programme Manager appointed and commenced on 23 February.

CLIC (Amber)

- Blueprints ready for business signoff from redesign activities. Working through process for this with Customer Services to ensure dates will be achieved.
- Business process scenario walkthroughs complete (excludes PIPs and online rates)
- Working with LCS business leads to identify what will be included in NewCore re Bylaws and how changes will be managed. Met with IBRS as well.
- SAP have come back re estimate of remedial work required for Geo.e - approximately \$60k. This will be covered within the existing fiscal envelope.
- Working with Hybris (Online). Pulling together the overall timeline and dates re work being completed under IS and NewCore to ensure we have a single view and understanding. Also met with Customer Services to discuss the role of Digital within their team.



Status Overview for This Period

P&C (Amber)


- Meetings in process to agree what other teams require from the sprints - key inter-project dependencies
- Documented the "one view of property" requirements
- High level baseline build in SAP is progressing in preparation for the sprints
- PMP reviewed and final changes being made in preparation for final sign off.
- Requested for SAP to provide training for outside of core P&C team on SAP Agile.
- Deployment strategy document drafted for first review - feedback provided
- Working to plan and design Solution Manager setup for NewCore

PIPs (Amber)

- Solution Architect commenced in early February for PIPs
- Dependent on a number of other projects and working with them to firm up dependencies. Of focus is EDRMS and Hybris.
- Online - yet to resolve and communicate what will happen in June 2016 go live re online accounts for LIMs/PIPs

CFM (Amber)

- Re-planned some work packages (WPs) to ensure fit within system testing date constraints. Meeting held with P&C to review/update the linking of plans re dependencies
- Regression testing commenced re HANA upgrade in QAS (Test system).



Status Overview for This Period


- Commenced 4 week forward task review with leads
- 2 CR's from Accounting Services being reviewed that are outside of scope but now in BAU

WIRED (Amber)

- Hana upgrade overall progressing on track.
- Options paper re ED RMS issue with IUS search presented. Preferred option agreed that now needs to be taken through a CR process. This is a major CR and implications are significant
- RMS trim upgrade project is late. HP onsite from 16 Feb for RMO installation
- Still require further clarity from P&C for the development and integration team - what will they get from the sprints and in which sprints.
- Integration team progressing well
- Vendor relationships progressing well for Integration and EDW/BI

OCM/Testing/Deploy/Quality/PMO (Amber)

- Working with CLIC and CFM re system test WPs to validate estimates
- Commercial with Plant complete and some resources start mid February.
- Data Migration - Baseline review (Phase 0) underway with Deloitte - 2 of 3 weeks complete. Deloitte were selected from the RFP process and depending on outcome of phase 0 will progress into phase 1. Number of issues highlighted in the review meetings. Coming out of phase 0 will be an agreed approach and changes required to achieve our next go live in June 15.
- Session held with P&C around DIM involvement in sprints and how this will work
- engaged by external comms to ensure we have an aligned corporate comms plan. Provided information to them to help bring up to speed.



Next Steps


Programme

- Continue vendor reviews and RFP evaluation - on track to complete in February
- Complete the update of financials in Serlent and project workbooks
- Recruit for key roles - Programme manager complete - PMO/Quality manager in progress
- Drive through the next level of improvements into the programme plan - series of meetings held.
- Monthly whole of team meetings being scheduled to help build our culture
- first sprint for Property commences on 16 February

Flags

Overall Status	Amber - At Risk
Cost	Green - On Track
Risks	Amber - At Risk
Issues	Green - On Track
Resources	Green - On Track
Time	Amber - At Risk
Scope	Green - On Track

Key: Green - Meets or Exceeds expectation
 Amber - Partially off track
 Red - Does not meet expectation





Finance & Performance Committee

Performance report for half year ending December 2014

Jenny Livschitz – Manager Corporate Performance & Reporting
Bruce Gardiner – Acting General Manager Finance

19 February 2015

Auckland Council
Whānau Kaitiaki



A few sample highlights

- 21 local boards adopted their Local Board Plans following public consultation
- Events held or launched during the quarter:
 - Te Atutu Library and Community Centre opened
 - A blessing and formal opening of the new playground at Myers Park
 - Auckland Heritage Festival took place.

Auckland Council
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A few sample highlights

- Credit rating agencies Standards & Poors and Moody's completed their annual review and confirmed Council's AA and Aa2 rating.
- The new Bledisloe Lane Service Centre opened with positive feedback from customers.
- The Auckland Development Committee approved the Auckland Housing Bond Guarantee initiative.



Performance measures (#)

- Activity Levels (for month):
 - **Building** consents received (1,658)
 - **Building** inspections completed (11,823)
 - **New residential** dwellings consented (656)
 - **Resource** consent applications lodged (912)
 - **Library visitors** (935,043) and items borrowed (1,248,395)
 - **Household refuse** (17,076 t) and recycling (11,237 t)
 - **Call Centre** calls received (138,945)

} Volumes up

Trend graphs on pages 127 to 130 of agenda



Performance measures (%)

- Service Levels (for month):

All reasonably consistent in last 12 months.

Except for urgent animal control complaints - technology and process issues in Q2 due to services brought in house. No actual reduction in response time.

- 100% of **pollution** incidents responded to within 24 hours
- 89% urgent **animal control** complaints responded to within 1 hour
- 99% of **building** consents processed within 20 days
- 96% non-notified **resource** consents processed within 20 days
- 81% of **customer service** calls answered within 20 seconds
- 83% of urban **noise** complaints responded to within 30 minutes

Results for last 15 months on pages 125 to 126 of agenda



Appendices

- A. Economic update (p 141 of agenda)
 - 8 key indicators of Auckland's economic performance
- B. Treasury report (p 142 of agenda)
 - Identifying how Council is managing short versus long term risks and costs relating to debt and investments
- C. Report on professional services (p 145)
 - Analysis showing activities and nature of work
- D. LGOIMA information (p 147 of agenda)
[James Stephens for Margot Mortland, Manager Electoral Officer & Public Information]
- E. Customer service information (p 149 of agenda)
[Nigel King, Manager Customer Services]



Financial Performance

- Underlying net operating result of \$695m surplus
 - \$38m better than revised budget
 - Rates revenue of \$1,469m above budget by \$6m
 - Operating revenue of \$233m above budget by \$24m (11%)
 - \$6m additional dividend income and higher user charges revenue.
 - Total operating expenditure \$1,007m under budget by \$8m (0.1%)
 - Largely due to expenditure being incurred later than anticipated.
- Net non-operating result is \$100m unfav. compared to budget
 - Main component is fair value of treasury derivatives portfolio. Accounting adjustment and non-cash.

Performance – Capital (\$)

- Extensive capital expenditure program for year
 - Actual capital expenditure to December of \$216m
 - YTD result slightly less than budget - \$28m variance (89%)
 - Full programme approved for year of \$558m
 - Draft Long Term Plan has a funding assumption of \$440m for FY15
 - Work underway to review the timing of projects.

Summary for six months

- No areas of material concern
- Non-financial performance on track
- Operational financial performance going well
 - Favourable variances - better than budget by \$38m (mainly timing)
- Capital investment programme on track
 - \$216m capex completed to date (89% of YTD budget)
 - LTP funding gap to be worked through.