

Programme Odyssey

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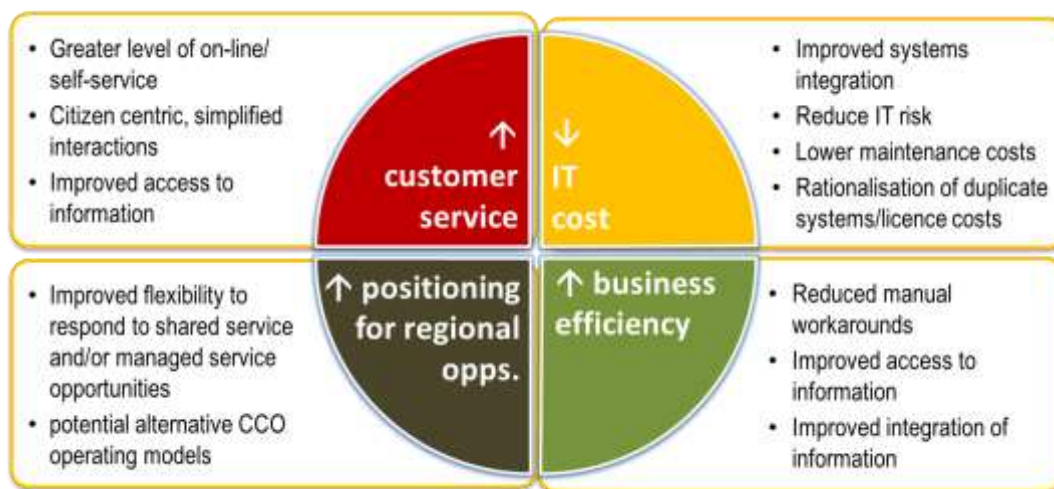
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1.0 Purpose

Wellington City Council is responsible for activities, services and works that touch the life of every single resident and accordingly operates an IT environment that needs to handle a diverse and complex set of functions, processes, transactions and engagements. Currently the Council has a significant number of IT systems (110 +) supporting its business – many of which are duplicated across business functions and do not integrate well with each other. In addition, there are a number of transformational themes the Council is looking to deliver on over the next 3-5 years that are limited by our platform.

Accordingly, the Council seeks to undertake a strategic procurement and implementation of a rationalised, enterprise IT system that will help us achieve the above themes and attain the following specific four objectives:



This business case seeks formal approval to invest up to \$15.1 million which will be incurred over the period to September 2016. The project is expected to generate a reduction in future capital-spend of \$27.5m through to 2024/25 with a net benefit from a capital expenditure perspective of \$12.4m, and an Internal Rate of Return (IRR) of 2.9% at 7-years, and 13.3% at 11-years.

2.0 Strategic Context

The Council has an ambitious and diverse set of capital programmes planned and underway to improve the quality of life and enjoyment of our city – including implementing Our Capital Spaces framework, the Kilbirnie Town Centre revitalisation, rolling out High Speed Broadband and the National War Memorial Park & Underpass to name a few. Importantly, the Council has also laid out a future programme aimed at growing the local economy, including:

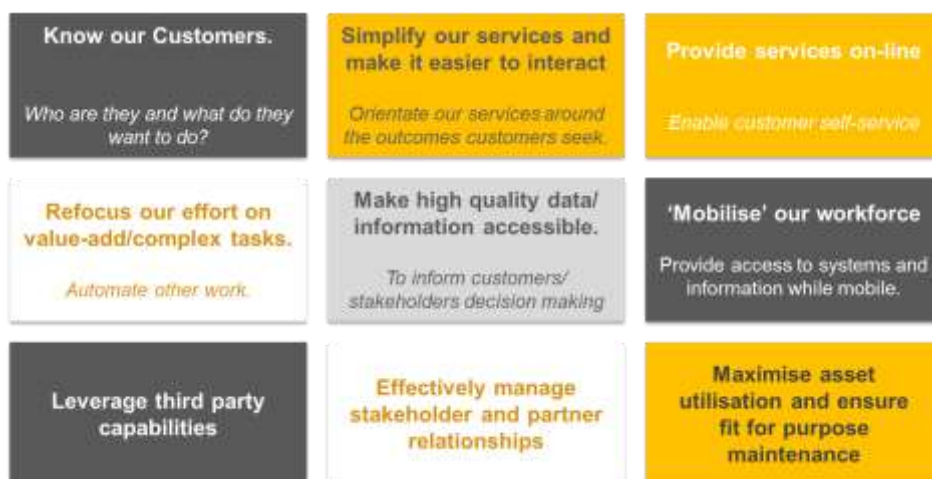
- **Film museum:** Wellington’s film sector thrills, inspires and amazes people here and around the world. A film museum would celebrate this and offer a high-quality international tourist attraction.
- **A tech precinct:** connecting with people is critical to success in high-tech industries. A Central Business District tech-precinct would support an environment to share ideas, knowledge, investment and pathways to international markets.
- **Conference and concert venues:** conventions bring people to the city to learn, discuss ideas and make connections. At the moment we have good convention and concert venues but our market share and ability to attract headline acts needs to be considered.

In addition, under the direction of Chief Executive Kevin Lavery, the Council has a significant Business Transformation programme underway in an effort to deliver more efficient and easily accessible services – including:

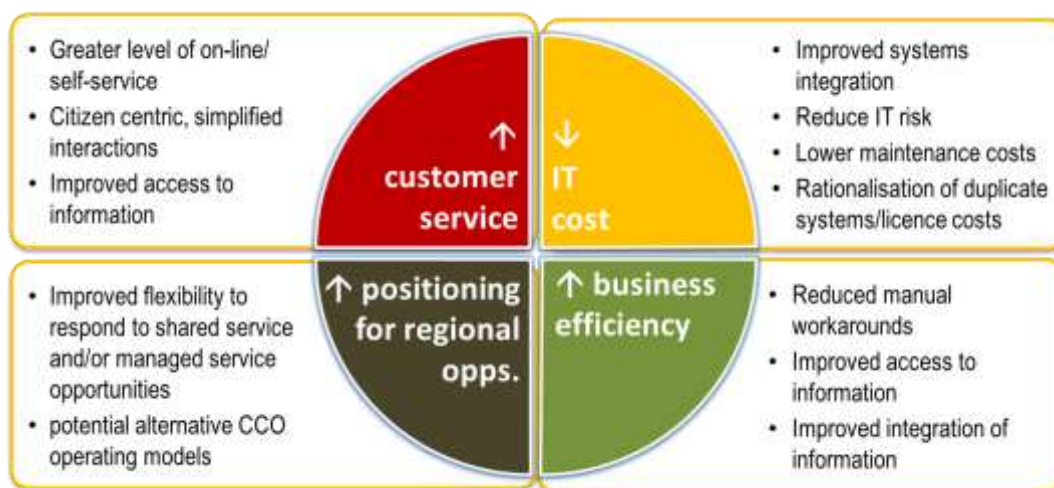
- **Re-organising** to ensure a strategic focus on service quality, asset optimisation, financial management and the development of a culture that is open to change
- **Investigating the feasibility of shared-service opportunities** with other Councils within the wider Wellington Region
- **Transforming our IT systems and service delivery model** including the selection and implementation of a core Council application (the focus of this Business Case)

2.1 Transforming our IT systems and service delivery model

Wellington City Council is responsible for activities, services and works that touch the life of every single resident and accordingly operates an IT environment that needs to handle a diverse and complex set of functions, processes, transactions and engagements (see Appendix A). Currently the Council has a significant number of IT systems (110 +) supporting its business – many of which are duplicated across business functions and do not integrate well with each other. In addition, there are a number of transformational themes the Council is looking to deliver on over the next 3-5 years that are limited by our platform (on the following page).



Accordingly, the Council seeks to undertake a strategic procurement and implementation of a rationalised, enterprise IT system that will help us achieve the above themes and attain the following specific four objectives:



These objectives differ, depending upon the functional area within WCC. Accordingly, each functional area has outlined what specific benefits they are seeking from an investment in a enterprise platform across Wellington City Council.

Customer Relationship & Service Management:

The breadth of Council operations is significant, as is the diversity of customer groups with whom we interact. Our customer services largely fall into the following management categories:

- Bookings & Availability
- License, Consent and Permit Applications
- Leases & Tenancies
- Promotion & Education
- Staff Rostering
- Facilities
- Reporting
- Memberships

- Payment Processing
- Programme Development and Scheduling
- Complaints
- Provide Advice, Information & Support

The engagement with our customers – ranging from the management of their core information through to how we engage and deliver services to them is vital to our continued success as a service provider. The Council aims to make customer interactions more personalised, simpler, faster, more consistent and efficient.

The council’s key objectives in relation to Customer Relationship and Service Management, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
Improve service delivery through: <ul style="list-style-type: none"> • <i>Increasing customer awareness of the services, facilities and programmes/events available to them;</i> • <i>Marketing and developing programmes and offers to target specific stakeholder groups;</i> • <i>Making those services easier to access, book and pay for;</i> • <i>Making services ‘citizen-centric’ or even customer centric – e.g. ‘We’re a club and we want to...’</i> • <i>Enabling customers to self-serve/access services online (e.g. all payments online)</i> 	Improve Customer Service	Direct
Improve business efficiency through: <ul style="list-style-type: none"> • <i>Enabling our staff to access systems and information remotely</i> • <i>Support for greater internal and external collaboration</i> • <i>Process and workflow management</i> • <i>Streamlined and simplified processes allowing staff to re-focus their efforts on value-add tasks</i> 	Increase Business Efficiency	Direct
Improve business reporting and insights – being able to easily and effectively report on business performance – from a number of different perspectives	Increase Business Efficiency	Direct
Improve customer insights – understand better who the Council’s customers are, their needs and preferences, and how these are changing over time.	Improve Customer Service	Direct

Regulatory Management

Managing compliance to key legislative and regulatory requirements is a key accountability of the Council. This function is made complex by the sheer breadth and depth of the regulations and the diverse partners that the Council deals with to manage compliance.

The key functions included in this area are:

- Applications Processing and Assessment
- Payments Processing
- Compliance/ Investigation

Specifically, Building and Resource Consents play a critical role in promoting and guiding our urban development as well as ensuring compliance. The key functions included in this area are:

- Resource Consents
- Building Consents
- Building Warrant of Fitness
- Land Information Memorandums
- Information on Buildings and Properties
- Complaints

From a customer perspective, speed and efficiency are key drivers for the Council’s service delivery – customers want to be able to apply, track the status of their application and pay online, in their own time. Customers want the application process to be as simplified and pre-populated with their existing details as much as possible. They want a single view of all their interactions with the Council. Customers are expecting a faster turnaround of building consent assessments, electronic/digital interaction with the Council and greater transparency and consistency of decision-making. There is also significant opportunity for the Council to improve the efficiency of this process through providing greater access to its rich property and land information resource as well as online tools to help customers interpret the relevant legislation – such as the Building Act, Building Codes etc. There are potential moves by MBIE to improve the processing of building and resource consents across councils – including standardising processing, moving to online consenting and/or introducing some form of risk based processing.

As such the Council’s key objectives in relation to Regulatory Management, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
<p>Significantly improving the delivery of our services and information to customers through:</p> <ul style="list-style-type: none"> • <i>simplifying services;</i> • <i>making services ‘citizen-centric’ or even customer centric – e.g. ‘We’re a club and we want to...’ – providing a single view of a customer’s transactions and interactions with the Council;</i> • <i>enabling customers to self-serve/access services online (e.g. applications, status tracking, payments, reminders, etc);</i> • <i>improving the search and retrieval of information and records; and</i> • <i>providing customers with greater access to property/land information.</i> 	Improve Customer Service	Direct
<p>Improve business efficiency through:</p> <ul style="list-style-type: none"> • <i>process and workflow management;</i> • <i>enabling our staff to access systems and information remotely;</i> • <i>electronic capture of information (e.g. inspections, customer advice, etc) in office and remotely;</i> • <i>automating low-risk/simple consents to allow our staff to focus on complex/higher-risk applications; and</i> • <i>improving partner relationships and planning to allow for much faster access to expert resources</i> 	Increase Business Efficiency	Direct

Improve business reporting and insights – being able to easily and effectively report on business performance from a number of different perspectives	Increase Efficiency	Business	Direct
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Democracy, Governance, Planning & Policy

This area is essential as it is tasked with setting the context, governance and priorities within which the Council operates. A key accountability (and statutory requirement) of the Council is to support the democratic process of council. This includes the election of the Mayor and Councillors, the establishment of the governance framework and the administration of the Council meetings throughout the year. The key functions in this area (relevant to an Enterprise platform) include:

- Engaging with stakeholder groups
- Seeking feedback on our proposals
- Provision of Councillor support
- Council / Public participation

The Council’s key objectives in relation to Democracy, Governance, Planning & Policy, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
Increase public participation in elections, planning and Council decision making and prioritisation processes	Improve Customer Service	Direct
Serve the Councillors (and other key stakeholders) with better information that can be ‘sliced and diced’	Improve Customer Service	Direct
Mature the planning processes – leveraging collaboration and workflow automation tools to streamline the planning process	Improve Customer Service	Direct
	Increase Business Efficiency	Direct
Use long term spatial modelling for integrated strategic planning to unify land, property, asset and customer information	Improve Customer Service	Direct
	Increase Business Efficiency	Direct
Improve the quality and access to information (financial and non-financial) underpinning the planning	Increase Business Efficiency	Direct
Streamline and automate key processes (through process and workflow management) – including engagement and consultation management, agenda and meeting management, actions management, report collation	Increase Business Efficiency	Direct
Digitise all papers – removing as far as possible the need for paper	Increase Business Efficiency	Indirect
Improve the search and retrieval of information and records to support inquiries	Increase Business Efficiency	Direct
Improve the management and tracking of large multi-dimensional	Increase Business Efficiency	Direct

projects	Efficiency	
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Asset Management

The Council has made significant investment in assets (over \$6.4 billion) so it is essential to accurately forecast, plan and manage asset service levels, investment, maintenance and renewal. Accurate long-term forecast of depreciation from all asset classes is a key output from a (integrated) asset management system. Seamless integration to Finance, ECM and GIS are keys to the success of the Odyssey Project. These asset management systems provide the base data for future Council planning and analytics. They also provide the overall management of the Council's assets, which includes asset registration, asset valuation, asset performance, asset utilisation, work request management and work resource scheduling.

The Council is seeking to significantly improve its asset information so that it can support improved decision making in relation to the utilisation and associated maintenance of its assets. Leveraging third party capabilities and improving the performance, effectiveness and efficiency of existing partner relationships through greater sharing of information and closer integration of systems, is essential. 'Mobilising' our workforce and improving our processes so that staff can increasingly focus on the more 'value-add' aspects of their roles, is equally important.

As such the Council's key objectives in relation to Assets, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
Facilitate evidenced based decision making with respect to balancing community service expectations and capacity to pay for infrastructure and land assets that underpin these services	Improve Customer Service	Direct
Continue to build and maintain a comprehensive asset database that allows council to manage assets throughout their lifecycle, with visibility for financial planning at 1, 3, 10 and 30 year intervals	Increase Business Efficiency	Indirect
Build analytics capability to provide the asset forecasting and modelling required	Increase Business Efficiency	Direct
Take advantage of shared services opportunities with regional partners where feasible and practical	Improve positioning for Regional Opportunities	Direct
Build flexibility to deal with changing business models in delivery and operation of Council Assets (including flexibility of interfaces to deal with changing data models and developing frameworks such as ISO 55000	Increase Business Efficiency	Direct
Build seamless integration and reconciliation to finance, ECM, Land/Property, GIS and other core Council systems	Increase Business Efficiency	Direct

Financial Management

The Finance team plays a critical role in managing the sourcing and allocation of financial resources for both the Council and the Council Controlled Organisations (CCOs). Financial Management services include:

- Rating/Funding Management and Analysis
- Annual and Long Term Planning
- Financial advice and support – to all business units
- Financial strategy and funding policy setting
- Development Contributions
- Forecasting and Modelling
- Treasury functions and policy
- Insurance
- Delegations Policy
- Procurement
- Contract Management
- Financial Accounting and Reporting
- Payment Services
- Accounts Receivable

The nature of demand for the Finance team’s services is changing:

- customers want to be able to do more themselves – through on-line services /self-service with mobile/remote access to key information;
- central government reporting requirements are increasing;
- the public expect more detailed information and transparency on rates, user fees and charges, and value for money (especially targeted rates);
- with the current financial pressures and economic conditions, there is a requirement for more robust analysis and information for long term planning;
- generally there is a greater requirement from all customers for more flexible, better quality reporting, more detail and greater transparency; and
- increasingly the Finance team are expected to provide facilities for internal and external customers to ‘slice and dice’ the information against different dimensions.

As such the Council’s key objectives in relation to Finance, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
Take advantage of shared services opportunities with regional partners where feasible and practical	Improve positioning for Regional Opportunities	Direct
Improve support for executive and Councillor – investment prioritisation decision making through better and more timely information	Improve Customer Service	Direct

Provide greater levels of self/online service to business units and customers	Improve Service	Customer	Direct
Improve accessibility to, accuracy and timeliness of information	Improve Service	Customer	Direct
Improve annual and long term planning processes (particularly collaboration across business units)	Increase Efficiency	Business	Direct
Streamline Finance processes – automating as much as possible, better managing workflow, reduce the level of paper based forms and authorisation, re-focusing available Finance resources on value-add functions	Increase Efficiency	Business	Direct
Improve contract management and procurement through streamlined processes, technology support and centralisation to drive greater savings across the business	Increase Efficiency	Business	Direct

Human Resource Management

People and Capability (P&C) play an important role supporting both the Council and Council Controlled Organisations (CCOs) business unit managers with HR related services. The scope of their services includes:

- Employment and contractor engagement
- Employment relationship management
- Organisational development
- Organisation and role design
- Workforce planning
- Remuneration, recognition and payroll
- Health, Safety and Wellness
- People related analyses

The nature of demand for P&C's services is changing. Their customers want more of their services delivered online/through self-service, with mobile/remote access, and access to social media. At the same time, customers are wanting flexible services that are tailored to their unique situations and the increasing complexity of employment – e.g. increasing number of staff pursuing formal education whilst in employment, alternative recruitment/remuneration options.

As such the Council's key objectives in relation to HR, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
Take advantage of shared services opportunities with regional partners where feasible and practical	Improve positioning for Regional Opportunities	Direct
Provide greater levels of self/online service to business units	Increase Efficiency Business	Direct
Increasingly use selected social media sites for more agile recruitment	Increase Efficiency Business	Indirect

Improve accessibility to, accuracy and timeliness of information	Increase Efficiency	Business	Direct
Manage people's training and qualifications as cost effectively as possible	Increase Efficiency	Business	Direct
Streamline P&C process design – automating as much as possible, better managing workflow, re-focusing available P&C on value-add processes	Increase Efficiency	Business	Direct
Improved resourcing planning and scheduling	Increase Efficiency	Business	Direct

Other Corporate Services

Other Corporate Services include:

- Information Technology/Information Management (IT/IM);
- Risk Management;
- Audit;
- Business Continuity Planning;
- Issues Resolution
- Portfolio Management;
- Marketing and Communications; and
- Research

In the current economic environment, all functions are under pressure to demonstrate value and efficiency. The environment for other corporate services is similar to that of HR and Finance. IT/IM in particular is under pressure to reduce total cost and complexity – to be able to better support the business in delivering improved customer service. The Council has a significant opportunity to make data more accessible to customers. This not only reduces the burden on the Council to collate and analyse data by allowing customers (including central government) to 'self-serve' but it can also improve the efficiency of urban development.

In relation to Portfolio Management, our customers demand transparency of progress/spend and robust management of the projects and programmes we undertake – particularly in relation to our LTP. To this end, a portfolio management function is being established within the Council and will need technology support.

Marketing want to be able to improve their ability to market and promote events and facilities to customers or specific targeted sets of customers.

As such the Council's key objectives in relation to other Corporate Services, in relation to the delivery of this programme are:

Driver	Odyssey Core Objective	Odyssey Impact
Take advantage of shared services opportunities with regional partners where feasible and practical	Improve positioning for Regional Opportunities	Direct

Reduce the complexity and associated cost of IT to align more with industry averages	Reduce IT Cost	Direct
Improve support for executive and Councillor decision making through better and more timely information	Improve Customer Service	Direct
Provide greater levels of self/online service to business units	Increase Business Efficiency	Direct
Improve the management and reporting of the portfolio of programmes and projects the Council undertake	Increase Business Efficiency	Direct

3.0 The Case for Change

1. Key stakeholders identified 4 key investment objectives for this proposal, over a 10-year period. The case for change is summarised below for each investment objective.

Investment Objective 1	<i>Reduce 10 year CAPEX IT Expenditure by \$27.5m</i>
Existing Arrangements	For systems that are 'in scope' for replacement by Odyssey, total IT Capex cost (as at 31/10/2014) is \$20.6m, with a net book value of \$2.6m.
Business Needs	<p>One of the four key Council strategic drivers, outlined for delivering the Odyssey programme, is a reduction in IT expenditure.</p> <p>Like most public sector organisations/Councils, as fiscal constraints continue to be considerable, there is pressure to improve value for money across the business in general and IT related specifically. The Council is under increasing pressure to deliver a wider breadth of services with greater capability but at a cheaper cost.</p> <p>The Council wants to manage its information and deliver its services in a much more integrated and automated way. We want to provide customers with a single source of information and relevant services. We want to reduce our IT costs and position ourselves to take advantage of, and support any regional shared services opportunities so that we can spend the money where it is needed.</p> <p>The Council's IT environment has evolved organically over a number of decades in order to deal with a diverse and complex set of business functions, processes, transactions and engagements across Wellington.</p> <p>The evolving nature of the Council's IT landscape has resulted in an IT environment that is not only complex but also costly to maintain. We have a large number of ageing and independent systems that do not support efficient business processes, they limit our ability to provide customers with a single view of their interactions and information, increase our overall IT costs, and severely hinder our ability to introduce change quickly and efficiently.</p>
Potential Scope	<p>There are 70 systems that are in scope to be replaced as part of the Odyssey roll out. These systems are a mixture of:</p> <ul style="list-style-type: none"> • In-house developed • COTS - Internally hosted • COTS - Externally hosted • Third Party B2B (i.e. Online services provided by government agencies, partners, suppliers) <p>Some of the key systems that are in scope to be replaced, which are currently the most expensive, include:</p> <ul style="list-style-type: none"> • PeopleSoft (circa \$800k per year) • Teamwork (circa \$517k per year) • Pathway (circa \$113k per year)

	<ul style="list-style-type: none"> • Core Property System (circa \$354k per year) and • Confirm (circa \$200k per year).
Potential Benefits	<p>Reduction in future IT capital investment/expenditure.</p> <p>The implementation of the Odyssey programme will result in a reduction in future IT capital investment/expenditure. It is projected there will be future IT capital expenditure savings of \$27.5m realised in the period (2016/17 through to 2024/2025).</p> <p>The reduction in future capital expenditure reflects the Council no longer incurring the cost associated with the systems being replaced over a 10-year period.</p> <p>The reduction in IT capital investment/expenditure will provide more fund availability to put towards other Council investment (i.e. business improvement/strategic investment).</p> <p>Streamlined IT procurement processes</p> <p>There will be other benefits realised around more streamlined IT procurement processes, with fewer contracts & suppliers to manage. This in turn will reduce the amount of ongoing supplier management required within the Council.</p>
Potential Risks	<p>There is potential risk around existing contractual obligations with current Suppliers for relevant 'in scope' systems – i.e. prior to decommissioning a system, WCC will need to ascertain what the required notice period is and the future cost obligations / penalties WCC will be obliged to pay.</p> <p>To manage this risk there is work underway to review all existing supplier contracts, with the aim of understanding contract dependencies, and to determine appropriate renewal dates (based on the implementation plan). This will minimise the risk of unnecessary system overlap. In addition, Regular meetings will take place between project management and IT Management to ensure alignment on application notice periods and decommissioning impacts.</p>
Constraints and Dependencies	<p>As to when capital expenditure savings can be fully realised, will be dependent on a number of factors, which include:</p> <p>Constraints</p> <ul style="list-style-type: none"> • End of financial year processing and reporting (July – August) • Annual budget process <p>Dependencies</p> <ul style="list-style-type: none"> • The preferred supplier that is selected, as both have differing approaches • A final phasing plan and timeline as decided with the preferred supplier (which is expected not to be locked in until Jan/Feb 2015) • A concurrent running strategy to be employed with relevant systems

Investment Objective 2	<i>Reduce 10 year OPEX IT Expenditure by \$11.3m</i>
Existing Arrangements	<p>For the systems that are in scope for replacement by Odyssey, current Operational IT expenditure includes license fees, internal operational support & hardware/infrastructure costs:</p> <p>Current IT Software License fee costs of \$1.2m annually, for the in scope systems (See Appendix B).</p> <p>The maintenance and support of the Council’s IT systems is managed by the Applications Development and Support Team, which sits within Business Information and Technology. The team is currently made up of a total of 30 FTE internal resources, with an annual budget (personnel costs) of \$2.6m (as per 2013).</p> <p>In-scope systems currently sit on WCC provisioned infrastructure, specifically 39 virtual machines costing an approximate \$46,800 per year.</p>
Business Needs	<p>The evolving nature of the Council’s IT landscape has resulted in an IT environment that is not only complex but also costly to maintain. There are a significant number of IT systems (110 plus) currently supporting the business, which is not sustainable in the future.</p> <p>Across the breadth of the current IT landscape, there are a number of factors/challenges which contribute to the complexity & high operational costs, such as:</p> <p>Duplication of systems</p> <p>Many of the IT systems are duplicated across business units/functions or have overlapping functionality. This duplication has incurred higher operational cost as each system consumes separate operational resources for installation, upgrades and support, as well as software and hardware costs.</p> <p>Lack of integration</p> <p>Most of the best of breed systems implemented are point solutions and do not integrate well with other systems. This lack of integration causes unnecessary manual rework as well as preventing the Council from having a single and complete view of key information.</p> <p>Culture of Customisation</p> <p>In the past, it has been the norm to customise COTS systems to fulfil specific business requirements. This culture of customisation has drawn out system upgrade timelines, as the customised modules have to be re-tested and re-developed to ensure they continue to work with the latest version of the base system.</p> <p>There has also been a heavy reliance on external contractors.</p>

	<p>High Dependency on Individuals</p> <p>The Council has 33 systems that were developed and maintained in-house. Several complex regulatory-related systems require individuals with specialist skills to contribute to the design, development and ongoing support. This poses an organisational risk as The Council has to rely on specific individuals to upkeep the systems.</p> <p>Slower Response to Change</p> <p>Due to the complexity of the Council’s IT landscape (the number of systems, the non-standard nature of landscape and number of business unit specific systems), the Council’s ability to respond quickly to legislative changes, business changes/improvements and/or major infrastructure upgrades are significantly impacted.</p>
<p>Potential Scope</p>	<p>There are 70 systems that are in scope to be replaced as part of the Odyssey roll out. These systems are a mixture of:</p> <ul style="list-style-type: none"> • In-house developed • COTS - Internally hosted • COTS - Externally hosted • Third Party B2B (i.e. Online services provided by government agencies, partners, suppliers) <p>Some of the key systems that are in scope to be replaced, which are currently the most expensive, include:</p> <ul style="list-style-type: none"> • PeopleSoft (circa \$800k per year) • Teamwork (circa \$517k per year) • Pathway (circa \$113k per year) • Core Property System (circa \$354k per year) and • Confirm (circa \$200k per year).
<p>Potential Benefits</p>	<p>The Odyssey Programme is expected to deliver a net benefit of \$10.8m over the period to 2024/25. There is a change in license fee associated with the new solution which is expected to be unfavourable by circa \$196k pa however this will be offset by efficiency gains and reduced resource requirements achieved throughout the Council.</p> <p>The net benefit of \$10.8m also incorporates the impact on depreciation and interest expense; from the change in capital spend over the period. It is expected that depreciation will be accelerated in 2014/15 and 2015/16 to reflect the decommissioning of in scope applications.</p> <p>Reduction in IT resources:</p> <p>With the implementation of Odyssey, it is projected that over the next 5 years (2015/16 through to 2019/2020), there will be a reduction of 5 FTE internal IT resources, that are required to maintain and support the Council’s IT systems. This represents one FTE saving from 2016/17 and four further FTE savings from 2017/18</p>

	<p>onwards.</p> <p>This equates to a projected savings of \$3.48m realised in the period (2015/16 through to 2024/2025).</p> <p>Infrastructure cost savings:</p> <p>In-scope systems currently sit on WCC provisioned infrastructure, specifically 39 virtual machines costing an approximate \$46,800 per year. As the solution is completely cloud-hosted, this hardware can be reallocated/removed from OPEX expenditure.</p> <p>Streamlined IT procurement processes</p> <p>There will be other benefits realised around more streamlined IT procurement processes, with fewer contracts & suppliers to manage. This in turn will reduce the amount of ongoing supplier management required within the Council.</p>
<p>Potential Risks</p>	<p>There is potential risk around existing contractual obligations with current Suppliers for relevant 'in scope' systems – i.e. prior to decommissioning a system, WCC will need to ascertain what the required notice period is and the future cost obligations / penalties WCC will be obliged to pay.</p> <p>To manage this risk there is work underway to review all existing supplier contracts, with the aim of understanding contract dependencies, and to determine appropriate renewal dates (based on the implementation plan). This will minimise the risk of unnecessary system overlap. In addition, Regular meetings will take place between project management and IT Management to ensure alignment on application notice periods and decommissioning impacts.</p>
<p>Constraints and Dependencies</p>	<p>As to when operational cost savings can be fully realised, will be dependent on a number of factors, which include:</p> <p>Constraints</p> <ul style="list-style-type: none"> • End of financial year processing and reporting (July – August) • Annual budgeting process – what expenditure revisions / amendments can be forecasted <p>Dependencies</p> <ul style="list-style-type: none"> • The preferred supplier that is selected, as both have differing approaches • A final phasing plan and timeline as decided with the preferred supplier (which is expected not to be locked in until Jan/Feb 2015) • A concurrent running strategy to be employed with relevant systems

Investment Objective 3	<i>Improve Customer Service across WCC services by 10%</i>
Existing Arrangements	<p><i>“We have a large number of ageing and independent systems that do not support efficient business processes, they limit our ability to provide customers with a single view of their interactions and information, increases our overall IT costs, and severely hinders our ability to introduce change quickly and efficiently.” - Kevin Lavery, Chief Executive</i></p> <p>This fragmented systems landscape means our customer data is not collected or stored in a consistent manner. Similarly, there is no uniform approach to measuring customer satisfaction at the organisational level. Business units have control over their own customer data, collecting it in different formats, with differing levels of data quality and integrity. Customers are unable to experience ‘one-stop-shop’ customer service – or self-serve to the degree they would like.</p>
Business Needs	<p>Positive customer experience relies heavily on having relevant and accurate data to hand. The absence of a single source of truth for customer data makes bringing their information together in one place a difficult, lengthy and expensive exercise. Similarly, this unified view of the customer underpins any move to online service provision. This issue was discussed specifically in the draft Information Strategy, 2011.</p> <p>A variety of sources tell us that our customers want and expect;</p> <ul style="list-style-type: none"> • electronic interaction with Council • more for less • quick, efficient service • transparency and the ability to track their activities online <p>In line with enterprise-level requirements sections on Customer engagement and experience and a Single and integrated view of core data, an integrated solution (Odyssey) will link customer, property, land, and asset data across all Council functions – an aggregated, consistent and holistic representation of our data – including a Single Customer View (SCV).</p> <p>The primary benefit of a SCV is in Council’s ability to quickly analyse past customer interaction and to tailor future interactions, increasing customer satisfaction.</p> <p>The desired future state for customer service at WCC includes implementing the following;</p> <ul style="list-style-type: none"> • Online Self-Service • Online Customer Profile and Login • Multiple Payment Options • Customer’s Preferred Communication Channel • Online Bookings and Applications • Customer Centric Interactions • Online Status Tracking • The ability to submit supporting documents • Mobile Payment Options, Inspections, Site Visits

Potential Scope	<p>People Scope</p> <ul style="list-style-type: none"> ▪ Entire customer base ▪ All Council functional areas with a customer-facing role <p>Process Scope</p> <ul style="list-style-type: none"> ▪ Any process which is ultimately in support of an external or internal customer service will require review for optimisation <p>Technology Scope</p> <ul style="list-style-type: none"> ▪ Implementation of the Odyssey solution across WCC ▪ Redesign of the Master Data Model, to support and govern the SCV and new ways of working 																								
Potential Benefits	<p>The perspectives of a number of business unit leads were gathered through a series of conversations in order to understand potential benefits of the proposed future state. The business was asked, “if delivered, what impact would Odyssey have on your area across three customer service metrics?”</p> <p>Customer service improvements can be measured a number of ways. Customer satisfaction is proposed as the clearest and most significant measure of improved customer service, though also warranting consideration are an increase in service usage and an uptake of preferred channels to consume services.</p> <p>Improvements in Customer Service are quantified as high, medium or low instances of the following:</p> <table border="1" data-bbox="456 1122 1396 1375"> <thead> <tr> <th>Improvement</th> <th>Description</th> <th>Measure</th> <th>Low</th> <th>Medium</th> <th>High</th> </tr> </thead> <tbody> <tr> <td>1. Increased satisfaction with services (% of current customer base with increased satisfaction)</td> <td>people are happier with our services</td> <td>customer satisfaction score</td> <td>0-5%</td> <td>6-10%</td> <td>>10%</td> </tr> <tr> <td>2. Increased self-service take-up (self-service users as % of current customer base)</td> <td>more people are using preferred channels</td> <td>count of transactions/people per channel</td> <td>0-33%</td> <td>34-66%</td> <td>>67%</td> </tr> <tr> <td>3. Increased service usage (new users as % of current customer base)</td> <td>net increase in people using our services</td> <td>count of transactions/people</td> <td>0-5%</td> <td>6-10%</td> <td>>10%</td> </tr> </tbody> </table> <p>Summary results across the business units interviewed indicate;</p> <ul style="list-style-type: none"> • Customer satisfaction is expected to increase across the spectrum • Customer appetite for online services is large • Odyssey implementation alone will not increase net service usage, appropriate marketing and targeting of customer segments would be required 	Improvement	Description	Measure	Low	Medium	High	1. Increased satisfaction with services (% of current customer base with increased satisfaction)	people are happier with our services	customer satisfaction score	0-5%	6-10%	>10%	2. Increased self-service take-up (self-service users as % of current customer base)	more people are using preferred channels	count of transactions/people per channel	0-33%	34-66%	>67%	3. Increased service usage (new users as % of current customer base)	net increase in people using our services	count of transactions/people	0-5%	6-10%	>10%
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Improvements in Customer Service by Business Unit Summarised Impact on Business Unit	Building Compliance & Consents	Business Info. & Technology	City Arts	City Events	City Planning & Design	Community Networks	Financial Accounting	Parks, Sport & Recreation
Increased satisfaction with services (% of current customer base with increased satisfaction)	High	High	High	Medium	High	High	High	High
Increased self-service take-up (self-service users as % of current customer base)	High	High	High	Medium	High	High	High	High
Increased service usage (new users as % of current customer base)	Medium	High	Medium	Low	Medium	Low	High	Medium

Examples from Building Compliance & Consents

“Providing our customers with the ability to track their consents online, to check status online, for them to receive reminders of upcoming deadlines - all would mean significant improvement in CS. Many calls fielded by BC&C staff are related to status updates, so there is an efficiency gain here too.”

“Applying for a building consent online and providing the appropriate level of detailed guidance through the process would be a marked improvement on the current state.”

“Booking appointments and inspections online would improve satisfaction levels- but would result in only a moderate increase in usage numbers, since consent customers are committed to the process already.”

“An integrated solution with a single view of land/property would result in reduced timescales for producing a LIM and therefore increase customer satisfaction.”

Examples from BIT (Archives)

“Much of what we do in Archives relates to searching and providing information on building plans. If the information were integrated (single view of property) and the search tool was available to the public - that would be a big win for our customers. They would receive accurate information, quickly.”

“Accuracy of property information provided to our customers would increase with an integrated solution.”

Examples from City Arts

“Making payments online would have great appeal to our customer base.”

“Currently, we cannot provide online bookings with supporting floor-plans. This makes for a labour intensive and time-consuming customer interaction with heavy use of telephone calls and emails.”

“Increase in the number of people booking the casual spaces if the process was simplified and they could pay online.”

Examples from Community Networks

“A consistent platform for booking and paying for services online would be a major improvement for our customers”

Examples from City Planning & Design

“Reduce need for data input and scanning”

Examples from Financial Accounting

“Across the board, rates-related services would experience a significant uplift in both usage numbers and satisfaction with the introduction of comprehensive online rate-payment and rate-enquiries options.”

<p>Potential Risks</p>	<p>There is potential risk around the degradation in service while Odyssey is implemented. Deploying a new technical platform and set of services runs the risk of adversely impacting customer-facing services. To manage this risk deployment of customer-facing services will be phased in, tested and piloted prior to deployment/system cut-over.</p> <p>There is potential risk regarding internal resources required by the Programme are not made available at the allocation level required, then the unavailability of internal knowledge, experience, expertise will result in increased (one or more) cost, time, quality, risk. To manage this risk the programme will gain Programme Sponsor agreement (in principle) that internal resources are to be made available – at Programme outset.</p> <p>There is potential risk regarding internal resources allocated to the Programme not being backfilled, resulting in BAU efforts (and in turn, support for the Programme) being adversely affected. To manage this risk close stakeholder engagement will be undertaken to determine resource allocation impact to BAU analysis. Backfill organised if required.</p> <p>There is potential risk that if there is no holistic view of WCC changes across all programmes, projects and initiatives (including TOM, SIIP and other) then the Odyssey Change Plan may not cater for existing priorities of Business Units and important milestones impacting the timelines and ability to implement Odyssey. To manage this risk ongoing engagement between Odyssey & TOM teams and coordination with SIIP project through the shared Comms resource (60-40 split). Odyssey Business Change lead is a member of WCC Culture Transformation Group. Weekly meetings with the HR Director to get a holistic view of WCC changes. Dual transition planning processes with TOM (most inter-dependencies with) across Jan – Feb 2015</p> <p>There is potential risk if the business engagement and support particularly at the leadership (T3) level is insufficient then the business ownership of the Transition will be low and the Odyssey changes will not be sustained at WCC. To manage this risk CEO & T2 messaging is required to business regarding Odyssey to demonstrate their full support. In addition individual transition planning and information sharing sessions with Business Units will be held, and Business Change Leads and Change Champions will be used in getting T3's up to speed and supportive of Odyssey.</p> <p>There is potential risk that if there is no shift in people's culture and behaviours then Odyssey will struggle to implement any changes to roles, processes and teams interactions and hence deliver benefits wider than just a core technology replacement. To manage this risk Change Management will be prioritised across the programme, to ensure the appropriate levels of communications, engagement and training efforts. Messaging, engagement events and business education and training activities need to be tailored to adopt the new ways of working.</p>
<p>Constraints and Dependencies</p>	<p>Constraints</p> <ul style="list-style-type: none"> • Dedicated resources from within the business who have a deep understanding of their customer base who can be involved in the programme

	<p>Dependencies</p> <ul style="list-style-type: none"> • Customer segmentation understanding (who are our customers, what different services do they want, and how do they want to be able to engage us for these services) • A defined business model and business architecture (Master Data Model) that focusses on citizen-centred service delivery, rather than long-term policy-driven service delivery • Commitment to excellence in data quality as a discipline • Channel strategy to guide the provision of online services • Buy-in/agreement on what constitutes the Single View of Customer • Benchmarking customer satisfaction in a consistent manner across all business units in order to measure benefits • Organisation of WCC services in a consistent way with clear ownership per service
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Investment Objective 4	<i>Improve Business Efficiency across WCC functions by 1%</i>
Existing Arrangements	<ul style="list-style-type: none"> • Duplicate customer, land, property and asset data that needs to be maintained across separate systems • Numerous interfaces exist between the systems requiring reconciliation effort and in some cases manual steps to upload the data • Lack of integrated business systems and processes requiring manual steps and workarounds, e.g. <ul style="list-style-type: none"> - annual and long term planning - capitalisation process - management of assets - management of complaints - payments - preparation of the financial and non-financial management reports - rosters, time-recording and payroll • Inefficient manual paper based processes, e.g. <ul style="list-style-type: none"> - building consents - leave applications - performance management - permits and licences - resource consents - scheduling work and managing rosters - supplier invoice payments - timesheets • Limited online functionality resulting in time and effort spent scanning documents, rekeying data, checking and vetting the data, e.g. <ul style="list-style-type: none"> - building and resource consents - LIMS - permits and licences • Limited automated workflow and ability to track progress of work • Information is hard to get to as it requires staff to have access and knowledge

	<p>on a number of different systems, and cannot be accessed remotely</p> <ul style="list-style-type: none"> • Inconsistent payment methods and business rules exist, e.g. customers can't pay online or by credit card for consents and permits, but can for rates, encroachments, dogs, etc. • A number of functions are not managed within any system because the functionality doesn't exist, is limited or hasn't been implemented, e.g. <ul style="list-style-type: none"> - booking facilities - contract management - customer self-service - eProcurement - heritage - L&D - performance and talent management - tender management • Reporting out of many of the systems is difficult, requires staff with specialist system and reporting knowledge; and a great deal of time is spent extracting and formatting the data in Excel reports
Business Needs	<ul style="list-style-type: none"> • Single view of customer, land, property, and asset data • Greater online capabilities, e.g. <ul style="list-style-type: none"> - ability for the customer to apply for building and resource consents online - ability to track progress and status of council interactions including applications, work requests, complaints, etc. - ability to pay for any invoice online and offer flexible payment options • Improved automation and fully integrated processes, e.g. <ul style="list-style-type: none"> - applications automatically flow through to payments - asset creation and maintenance activities flow through to capitalisation and asset accounting - greater automation on the preparation of the monthly management reports, consolidation of the financial accounts, and preparation of the annual report - inspection notes, arising from a building compliance complaint, can be recorded against the original complaint - integration between the various functions and GIS, e.g. recording a work request using GIS maps to identify the location, showing application locations geospatially, e.g. the location of a premise associated with a liquor licence application and the proximity of schools - improved level of automatic matching payments to invoices - improved level of automatic receipt & reconciliation of infringements collected by courts - new positions and vacancies flow through to on-boarding and payroll - planning and budgeting automatically flow through to the annual and long term plan, the consultation and deliberation process - recording time can be made directly against rosters, work orders, jobs, etc., and automatically flows through to payroll • Greater mobile functions, e.g. <ul style="list-style-type: none"> - ability to receive and update work orders out in the field - ability for managers to be able to approve leave and purchase orders, etc. via mobile devices. - ability for managers to be able to access information on scheduled work and priorities, staff L&D, performance, their dashboards and reports - ability for staff to be able to remotely fill in time sheets • Efficient paperless processes and automated workflows, notifications,

	<p>reminders, and alerts, e.g.</p> <ul style="list-style-type: none"> - building and resource consent applications - leave applications - payment of supplier invoices - permits and licence applications - recruiting and on-boarding staff - rostering and time recording <ul style="list-style-type: none"> • Improved planning, prioritising, and tracking the status of work • Improved reporting capability within the business • Improved dashboard and real time performance reporting against targets and KPIs
<p>Potential Scope</p>	<p>By Business Group:</p> <ul style="list-style-type: none"> • Maximum impact - significant change to business processes <ul style="list-style-type: none"> - BIT - Building Compliance & Consents - Building Resilience - Business Reporting, Analysis & Reporting - City Housing - City Planning & Design - Community Networks - Finance - HR - Parks, Sport & Recreation - Strategic Asset Management Planning • Intermediate impact – moderate change to business processes <ul style="list-style-type: none"> - City Arts - City Networks - Property - Strategy and External Relations • Minimum impact – changes to core enterprise functionality and support processes only, e.g. Finance, HR, etc. <ul style="list-style-type: none"> - City Growth & Projects - CCOs - Libraries - Governance - Health Safety & Wellness - Head of Innovation - Transport Strategy and Planning - Wellington Waterfront <p>By function:</p> <ul style="list-style-type: none"> • Maximum – changes to core and essential processes for the success of the project <ul style="list-style-type: none"> - Business reporting and analysis - Building compliance and consents - Building warrant of fitness - Customers services - Finance - HR - Manage leases and tenancies - Organisational development - Payroll - Permit and licence management

	<ul style="list-style-type: none"> - Planning - Procurement - Rates and water management and billing - Recruitment - Seismic Assessment - Urban development: consents and compliance - Urban design • Intermediate – desirable to change processes but not essential to the success of the project and where some parts of the processes may be in scope <ul style="list-style-type: none"> - Contract management - Develop and schedule recreation programmes - Heritage buildings - Inventory management - Issue resolution - IT asset management - IT helpdesk - Manage bookings and availability - Manage funding and grants - Manage memberships - Meeting and agenda management - Parking enforcement - Programme and project portfolio management - Publication and design job management - Rates modelling - Strategic planning • Minimum – processes that are out of scope or to be brought in where feasible <ul style="list-style-type: none"> - eTender - Event management - Facility and venues management - Health, safety and wellness - Risk management
<p>Potential Benefits (See Appendix C)</p>	<p>Customer Engagement and Experience</p> <ul style="list-style-type: none"> • Improved customer service both to external and internal customers by: <ul style="list-style-type: none"> - improving customers’ access to information including property, zoning, planning, consents, invoices, payments, etc. - customers being able to track progress of their applications and requests for services, work or information - improving access to information to the customer services team and staff dealing directly with external and internal customers - improving access to HR information to managers and staff • Less time spent by the business on responding to customer enquiries due to improved self-service and ability for the customer to search and find information • Reduced volume of data being rekeyed from paper based applications, requests, forms, timesheets, and reports • Reduced time and costs scanning, linking, filing and storing paper based documents for: <ul style="list-style-type: none"> - all types of applications - all types of inspections - bookings - meeting requests - performance management - recruitment

	<ul style="list-style-type: none"> - supplier invoices, etc. • Greater online and direct debit payment options, which will: <ul style="list-style-type: none"> - improve cash-flow - improve the level of automated matching of payments against invoices - potentially help reduce outstanding debtors - reduce the time spent processing payments over the counter <p>Single and Integrated View of Core Data</p> <ul style="list-style-type: none"> • A single integrated solution and single source of information will: <ul style="list-style-type: none"> - provide a single view of all customer activity and CRM function, which will help improve the overall customer service and their experience dealing with the Council - provide access to all information relating to a property in a single place including all consents, zoning, any FAPs, etc. - provide managers and staff with a single source of all employee information - reduce time and effort spent by the business keying the same information into multiple systems and reduce errors - improved the timeliness and quality of the information - reduced time required identifying the correct address, e.g. BWoF - reduce time to compile a LIM - reduce the need for staff to work in multiple systems for a single task • Eliminate time spent on managing and reconciling interfaces, e.g. <ul style="list-style-type: none"> - PeopleSoft Financials and BOXI, Closed Landfill, Cashiers, Cemetery Management, Northgate Housing, HRIS, Online Rate Payments, Teamwork - the Core Property System and Infor Pathway (Rates) • Provide a single consolidated view of debtors across the Council, which will help improve debtor management and reduce overdue debtors by: <ul style="list-style-type: none"> - improving the consistency of debtor terms of trade - inadvertently providing services to bad debtors - providing consistent debtor reporting and recovery procedures <p>Process and Workflow Management</p> <ul style="list-style-type: none"> • Less time will be spent on vetting and correcting information as data provided on online applications, requests, and forms will be able to be validated prior to submission • Improved access to information and notifications between teams, e.g. <ul style="list-style-type: none"> - a single view of the customer will provide frontline customer services staff with up to date centralised customer information and knowledge base in a consistent format - BWoF can be notified of CCC application - progress on permits for other business units, e.g. the City Events team, etc. - teams outside of Finance will automatically have access to payment information reducing time currently spent checking and following up payments - teams outside of HR will automatically have access to information on new hires, e.g. IT and Security - the Property team will have direct access to building and resource and consents • Time efficiency and savings from new mobile functions and being able to access and update information remotely, e.g. <ul style="list-style-type: none"> - for Planners and Noise Control Officers - managers approving leave requests, POs, etc. - recording time against work activities - updating work requests out in the field • Reduced time and effort spent on manual processes and workarounds, e.g.
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	<ul style="list-style-type: none"> - letters of offer, contracts, etc. will be able to be automatically generated using system templates and information captured within the system - managers will be able to link L&D activities to their staff performance reviews and vice versa; and link remuneration reviews with the performance reviews - Payroll manually entering time sheets into the system for the business - potential for elements of the management and annual reports to be prepared using system templates accessing information from within the system including commentary text, - refunds will no longer need to be created in both Teamwork and PeopleSoft <ul style="list-style-type: none"> • Improved workflow efficiencies, automated notifications and alerts, e.g. <ul style="list-style-type: none"> - approval for new positions and advertising for vacancies - alerts for outstanding work, work past its SLA periods and target dates - expiry of consents, permits and licences - expiry of employee certifications, work visas, etc. - reminders on requests for information • Improved timeliness and quality of the information • Improved overall management of contracts, through improved system function, processes and compliance, which will reduce spend outside of contracts • Reduced managerial anxiety and uncertainty about the recruitment, performance management and other HR processes due to simpler tools that better support the HR processes • Council objectives will be able to be captured in the system and cascaded down resulting in: <ul style="list-style-type: none"> - improved alignment of staff and team objectives against the Council's objectives - improved alignment with the change, culture and climate - overall more efficient business with the organisational outcomes better met • Greater use of registering for employment and capturing information on potential candidates will potentially: <ul style="list-style-type: none"> - improve the level of talent available for hiring - improve the quality of appropriately skilled staff hired - help to reduce hiring costs • Improved quality and compliance of the performance, development, and talent management processes, which will potentially result in better performing, more productive, and happier staff; and improve staff retention <p>Performance Management and Dashboards</p> <ul style="list-style-type: none"> • Improved management performance reporting including dashboard style reporting with the ability to drill to detail and source data will: <ul style="list-style-type: none"> - improve the businesses ability to self-manage their performance reporting - enhance the overall management of the outcomes, risks, expenditure, and aid in informed decision making • Real-time information on the progress of work activities against targets/KPIs will improve overall team management and managing priorities <p>Reporting</p> <ul style="list-style-type: none"> • Reduced time and effort spent on extracting and formatting data into Excel reports, which also improves: <ul style="list-style-type: none"> - audit trail - ability to track progress (e.g. budget preparation) - improved version control - reduce risk of errors
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	<ul style="list-style-type: none"> Improved reporting tools available to the business which will reduce the reliance on IT for developing reporting; and other business units (e.g. Finance and HR) to provide reports that should be automatically made available to the business
Potential Risks	<p>In addition of the organisational risks identified in the previous table (all of which apply to this potential benefit), the following have been identified:</p> <p>There is a risk that the following areas may lose point/specific functionality as a result of transitioning over to an Enterprise System/consolidated number of systems:</p> <ul style="list-style-type: none"> - Cemetery Management - Creative Services Jobs - Leases and Tenancies - Memberships - Recreation Bookings <p>To manage this risk the programme will be working with the chosen supplier to assess what configuration can occur within the new systems to accommodate the required functionality. An assessment will then occur to evaluate whether the business units should:</p> <ol style="list-style-type: none"> Remain with their current system Transition to the new system that has been configured to suit business needs Transition to a third-party point solution
Constraints and Dependencies	<p>Constraints</p> <ul style="list-style-type: none"> Availability of business resources End of financial year processing and reporting (July – August) Annual planning/budget process <p>Dependencies</p> <ul style="list-style-type: none"> The business efficiencies and benefits are based on the assumptions that the business requirements are fully meet by the system The ability to deliver a fully integrated solution – any in-scope functions not delivered will result in not achieving the expected level of business efficiencies due to the potential additional manual processes, duplicate data, rekeying information, manual reconciliations, etc. The business adopts the standard processes delivered with the system and accepts responsibility for providing and maintaining their data, e.g. <ul style="list-style-type: none"> - timesheets will entered into the system by staff as opposed to HR Payroll team - project managers will ensure that projects are correctly set up in the system and the data maintained to automate the capitalisation process The level of online and self-service that is taken up by customers Quality of the data migrated

4.0 Available Options

Within the potential scope of this proposal, the following long-list options were identified and assessed:

- a. *Do nothing (no system replacement)*
- b. *Replace core systems with individual point-solutions*
- c. *Replace core systems with Enterprise-wide solution*

Dimension	Do Nothing – no system replacement	Replace core systems with individual point-solutions	Replace core systems with Enterprise-wide solution
Scale, scope and location: what levels of coverage are possible?	Remain with current systems	Assessment of the c70 systems identified as either 'high cost', 'high-risk' or both. Undertake individual cost/benefit case for keeping or replacing systems	Replace c70 systems with an Council-wide enterprise system, capable of covering core requirements across key functional areas (as outlined in this business case)
Service solution: How can services be provided?	Services are currently provided by a mix of in-house and private resources. WCC currently provides the infrastructure (hosting) of applications to users through a third-party	A mix of in-house and software providers would need to be engaged across each application replacement. Each application replacement would be managed as an individual project. Applications could be provided as either self-hosted/on premise or cloud	Systems replaced by 1-5 systems under a single support and hosting contract covering system licensing, support and hosting
Service delivery: Who can deliver the services?	As per the above – a mix of in-house and private resources to continue delivering and providing support to current platforms	A mix of in-house and software providers would need to be engaged across each application replacement	A specialist provider of Council-systems able to fulfil a comprehensive breadth of requirements. 9 suppliers identified as possible suppliers in 2013 RFI
Implementation: When can services be delivered?	Systems and support arrangements currently in-situ; no change	Applications would need to be replaced on an as-required/scheduled basis	Implementation would occur from Jan 2015 through September 2016
Funding: How can it be funded?	BIT OPEX and BIT CAPEX project expenditure	BIT OPEX and BIT CAPEX project expenditure	BIT OPEX and BIT CAPEX project expenditure

These short-listed options were subject to a high-level economic analysis. This was to determine the preferred option likely to maximise relative value for money so a more detailed Cost Benefit Analysis could be undertaken.

The categories assessed for “Monetary Benefits” and “Costs” are detailed in a separate cost summary (available upon request) but encompass the following CAPEX and OPEX categories:

- i. IT Licences (OPEX)*
- ii. IT Infrastructure (OPEX & CAPEX)*
- iii. IT Resources (OPEX)*
- iv. IT CAPEX: projects, system replacement (CAPEX)*
- v. NBV write-off (CAPEX)*
- vi. Odyssey Project Costs – Internal (CAPEX)*
- vii. Odyssey Project Costs – External Supplier (CAPEX)*

The figures in the below table are based on a 10-year horizon

	Do Nothing – no system replacement	Replace core systems with individual point-solutions	Replace core systems with Enterprise-wide solution
Cost-Benefit Analysis (10yr horizon); workings based in appendix E			
Monetary Benefits if any (\$000)	\$0	\$3m	\$31.2m
Costs (\$000)	\$42m	\$38m	31.4m
Net Costs (\$000)	\$42m	\$35.5m	-\$200k
Non-monetary costs and benefits			
Rest of WCC: Improvement to Customer Service	No change	Low improvement	High improvement
Rest of WCC: Efficiency gains - time	No change	Low improvement	High improvement
Rest of WCC: Efficiency gains - cost	No change	Low improvement	Moderate improvement
Improve our positioning for regionalisation	No change	No change	High improvement
Preferred option	X	X	✓

Preferred Option

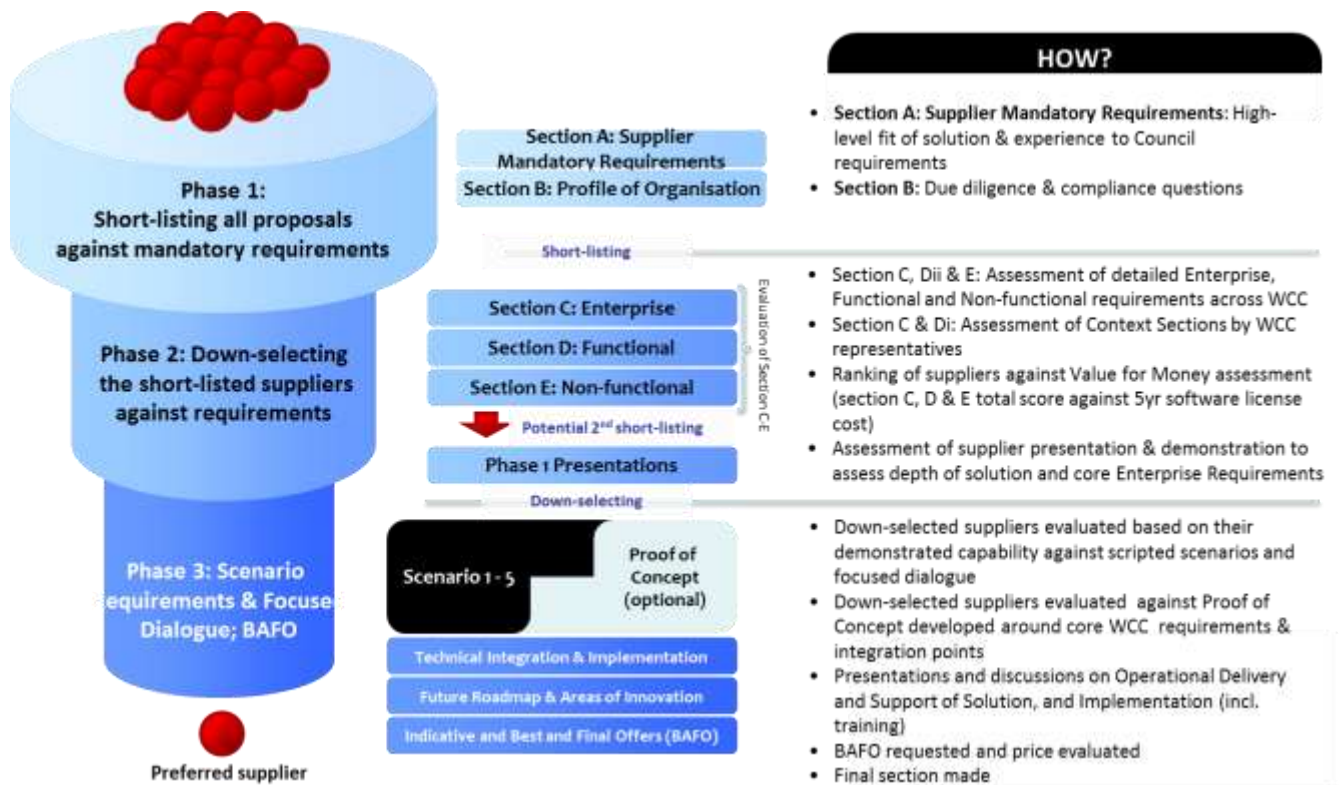
The preferred option is to **replace core systems with an enterprise-wide solution**. This provides the best net-return to Wellington City Council, delivers on the non-monetary benefits the Council seeks to achieve, and reduces the overall IT risk that currently reside across Wellington City Council's IT systems.

As a result, a detailed Cost Benefit Analysis (CBA) was undertaken to evaluate the preferred option highlighting the NPV and IRR across an 11-year period.

5.0 Procurement Approach

An open market RFP was undertaken across three phases used to filter Proposals to eliminate the unsuitable options and to reduce the total number of Proposals evaluated in full. Each Phase had differing requirements, and a suitable approach and evaluation team was been selected for each.

The overall procurement approach and related activities are outlined in the below diagram, and subsequent sections:



Phase 1

Phase 1 was a “Pass/Fail” evaluation of information sought in sections 5A and 5B of Section 5 – *Our Statement of Requirements*. Two sections of the RFP response were used to short-list:

- An evaluation of whether supplier solution is able to meet the critical requirements of the Council
- An overview of the supplier company profile (size, turnover)

As a result of this evaluation 7 suppliers were short-listed to progress to Phase 2, from the original 10 RFP respondents.

Phase 2

Phase 2 was a weighted evaluation of the shortlisted Proposals:

- **Enterprise requirements:** An evaluation of supplier solution fit against core requirements that sit across the Council
- **Functional Requirements: Context Overviews:** An evaluation of supplier solution fit against the vision of each functional area
- **Functional requirements** An evaluation of supplier solution fit against the specific requirements across the core functional areas of the Council
- **Non-Functional requirements:** An evaluation of supplier solution against non-functional requirements that sit across the Council

In addition Presentations were sought from all of the shortlisted Suppliers. The presentations illustrated the depth of enterprise functionality of each solution and were used to confirm and/or amend the scores given previously to sections 5C, along with a separate presentation score.

As a result of this evaluation the 7 suppliers were down-selected to 3 suppliers (Civica, Datacom and TechnologyOne) and invited to progress to Phase 3. As part of this, each supplier was issued a draft services contract.

Phase 3

Phase 3 involved two main evaluative types: (1) solution presentation and dialogue and (2) scripted scenario testing.

Solution presentation and dialogue sessions

These sessions were held with technical subject matter experts across Wellington City Council to cover off a number of key non-functional topic areas:

- **Consortium Overview:** *Description of proposed consortium arrangement*
- **Solution Stack Technology & Architecture:** *Scope & coverage of proposed solution across WCC, systems and technology proposed and overall solution architecture*
- **Solution Roadmap/s:** *Overview of the roadmap for the solution/s, confirmed and blueprinted functionality & areas of innovation*
- **Solution Readiness:** *Solution out-of-box readiness, type & extent of modifications and existing solution frameworks*
- **Hosting & Operational Support:** *Proposed hosting and operational support model, coverage and implications*
- **Solution Implementation:** *Proposed implementation approach, timeline and implementation team*
- **Costs:** *Costs associated with licenses, implementing, supporting & maintaining the solution (not evaluated at this stage)*

Scripted scenario testing

Scripted scenario testing were held individually with each of the down-selected Suppliers. Detailed scenario scripts were developed that covered core requirements across real-example WCC processes (many of which crossed business units). Suppliers were asked to video a walk-through of each scenario within their solution, and were then invited in to sit down with each scenario business representative team to talk through clarifications and to re-demonstrate. This process led to focused, functional dialogue with each of the down-selected Suppliers. The scenarios covered by the three suppliers are below.

- **Scenario 1:** *Manage Bookings & Availability, Manage Memberships*
- **Scenario 2:** *Manage Leases & Tenancies*
- **Scenario 3:** *Asset Management & Operations, Provide Advice, Information & Support*
- **Scenario 4:** *Urban Consents & Compliance, Monitoring & Annual Plan/Submissions*
- **Scenario 5:** *Building Consents & Apply for Permit & Licence Online*
- **Scenario 6:** *Apply for Liquor Licence & Inspection*
- **Scenario 7:** *Rates Property Adjustment, Rebate, Remission, & Debt Management*
- **Scenario 8:** *Procurement (eTender, Contract Management, Procure to Pay)*
- **Scenario 9:** *Project Mgmt, Budgeting, Asset Capitalisation, Financial & Business Reporting*
- **Scenario 10:** *Organisational Chart, Recruitment, Staff Profile, L&D, Performance Mgmt*
- **Scenario 11:** *Rosters, Timesheets, Payroll, & Reporting*
- **Scenario 12:** *Health, Safety & Wellness, Risk, Hazard & Incident Management*
- **Scenario 13:** *Events & Funding/Grant Management*
- **Scenario 14:** *Reporting, Performance Management & Dashboards*

As a result of this evaluation 3 suppliers were down-selected to 2 suppliers (Datacom and TechnologyOne) and invited to progress to BAFO.

Best and Final Offer (BAFO)

A final selection of solution will be made after BAFOs are evaluated and considered alongside the earlier evaluation of the delivery of functional, non-functional and enterprise requirements. The BAFO is used to select a preferred supplier, but does not necessarily equate to the final contract price which is subject to contract clarifications.

6.0 Funding and Affordability

The financial analysis model (on the following page) outlines both the capital and operating expenditure impacts from 2013/14 through to 2024/25.

Capital impact

The capital cost of the project is \$15.1m which will be incurred over the period to September 2016. The project is expected to generate a reduction in future capital spend of \$27.5m through to 2024/25 and hence the net benefit from a capital expenditure perspective is \$12.4m.

Profit and Loss impact

From a profitability perspective the project is expected to deliver a net benefit of \$10.8m over the period to 2024/25. The change in license fee associated with the new solution is expected to be unfavourable by circa \$196k pa however this will be offset by efficiency gains and reduced resource requirements achieved throughout the organisation.

The net benefit of \$10.8m also incorporates the impact on depreciation and interest expense from the change in capital spend over the period. It is expected that depreciation will be accelerated in 2014/15 and 2015/16 to reflect the decommissioning of in scope applications.

Funding Arrangement

The proposed funding arrangement is to borrow to the amount required for the new capital investment in line with Council policy. The impact on the ratepayer will be phased to reflect the timeframe in which the benefits will accrue to the organisation.

The interest impact of the capital investment/benefit has been modelled using applicable forecast interest rates, sourced from the Finance Strategy and Planning team.

Capital Costs

The proposed capital cost of the project is \$15.1m including internal programme costs and external provider costs through to September 2016.

The initial investment of \$15.1m for the project, is expected to result in reduced future capital spend of \$27.5m over the period from 2016/17 to 2024/25. The reduction in future capital expenditure reflects the organisation no longer incurring the cost associated with the systems being replaced. Some of the key systems being replaced as part of the Odyssey roll out include PeopleSoft (circa \$800k per year), Teamwork (circa \$517k per year), Pathway (circa \$113k per year), Core Property System (circa \$354k per year) and Confirm (circa \$200k per year).

7.0 Management Arrangements

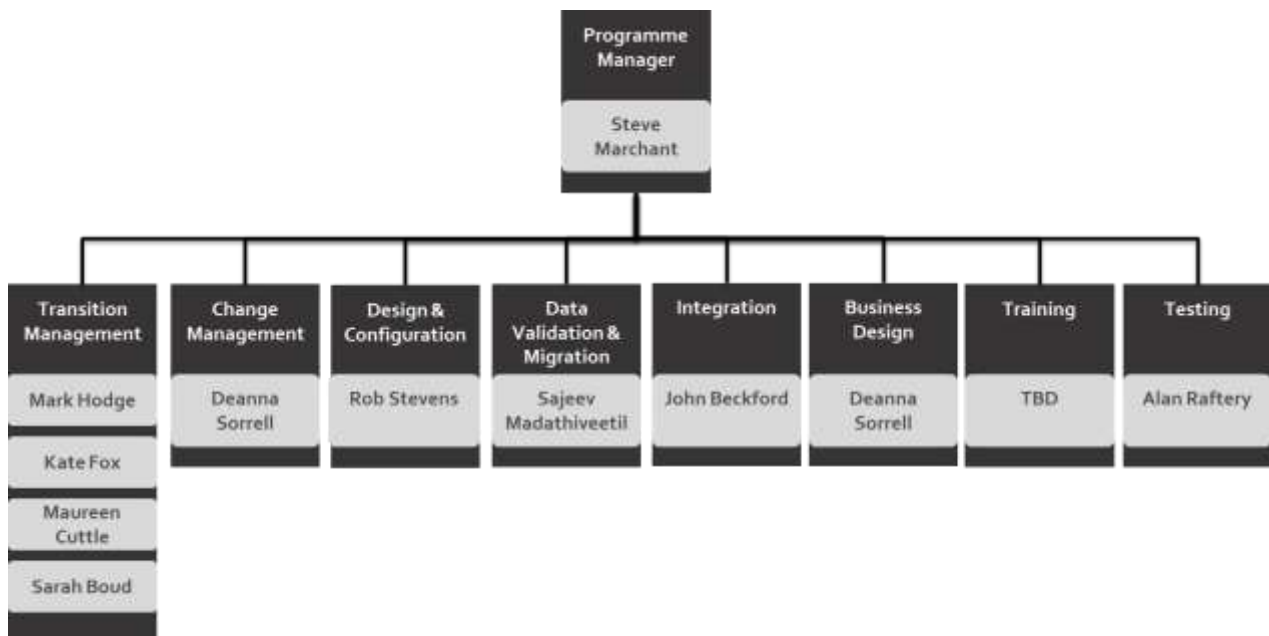
Overall governance for this programme is provided by the Odyssey Steering Committee (OSC) which includes the Chief Executive, ELT-members, BIT Manager, an independent advisor and a representative of the other councils in the region. This Steering Committee will ensure the appropriate governance arrangements continue throughout the life of the programme; that risk is managed; that appropriate project methods and expertise are employed; that finances are managed; and that effects on the business are managed as dependencies.

The Project Management Plan (PMP), prepared by the project manager, describes how the project will be delivered throughout the lifetime of the programme. This document outlines the scope, resources, approach, schedule and milestones, quality management, risk and issue management, and communications and stakeholder management. It is approved by the Odyssey Steering Committee.

The Programme Manager and Business Owner have the authority to approve changes to the project scope, time or budget. Significant changes in scope timelines (for instance where benefits are impacted) or budget increases outside of agreed tolerance are escalated to OSC for approval.

While WCC does not have a permanent programme office (PMO) that is responsible for reporting projects, this programme will regularly report programme progress and status via Project Status Reports, Dashboards and Variation Requests to the OSC.

The programme organisational chart (level 1 & 2 only) is outlined below.



Change Management Planning

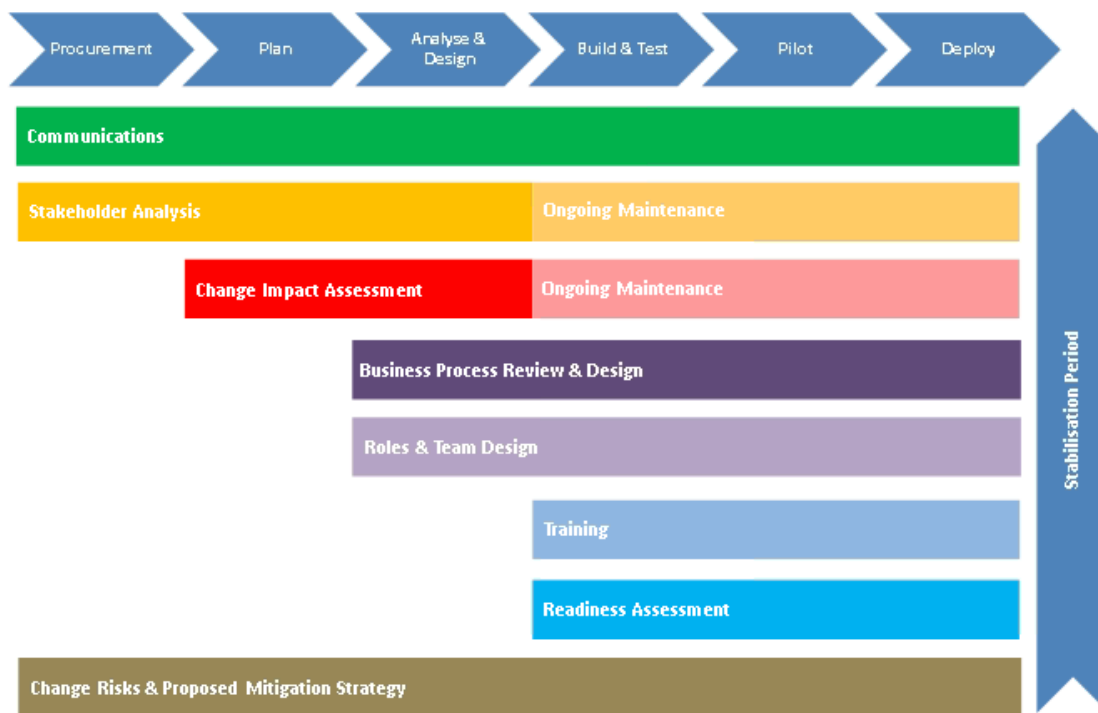
WCC will be using the Odyssey Change Management plan to guide the approach and activities across the life of the programme. The Business Process Change Advisor is responsible for updating and implementing the plan, which has been reviewed by peers with specialist interest in change activities, such as training, communications and job redesign. It was also reviewed and approved by the Odyssey Programme Manager and shared with the OSC.

The plan outlines the sequence of change management activities intended to engage stakeholders, gain support of Council colleagues and support individuals and the organisation through the change process. The Change Management activities address stakeholder impacts, facilitate organisational preparedness, and accelerate the speed of adoption and benefits associated with the implementation of a new core council application platform. The plan outlines the framework to address how we:

- Identify changes
- Ascertain which stakeholders will be affected by the change
- Get people excited about the change and committed to the new applications/processes
- Effectively and consistently communicate to stakeholders and respond to their questions and feedback
- Ensure that Business Units are ready
- Understand what change readiness, support and governance activities are required to prepare/support stakeholders during the change
- Work with Business Units to review and redesign their business processes
- Ensure roles, jobs and teams are aligned/redesigned to effectively support the new applications/processes
- Ascertain what training and learning is needed to enable users to complete the new processes
- Identify change risks and develop a mitigation strategy
- Collect information from impacted stakeholders to determine the success of the Change Management effort.

Change Management activities occur throughout the Odyssey Programme stages. This plan outlines the key activities and timeline scheduled to ensure that change is well managed. Change Measurement will be undertaken to determine the success of Change Management activities during the Odyssey Programme as well as post-deployment. The programme will then enter a stabilisation period, during which the change is embedded, before moving onto the next deployment activity (it is envisaged that the solution will be rolled out in phases).

The Change Management Activities during each stage of Odyssey is outlined on the following page:



Listed below are the various Change Management functions identified to support the Odyssey Programme. These will be assigned as the programme evolves. An individual may perform multiple Change Management functions.

Function	Overview
Stakeholder	Identify, understand and influence key individuals and groups to increase their readiness for accepting changes as a result of the programme
Change Champion	Positive supporter specific to the programme that enables buy-in of other stakeholders throughout the change - forming part of the Change Agent Network
Subject Matter Expert (SME)	User with expert knowledge of operations within their Business Unit willing to share their expertise to help shape the requirements of the programme - forming part of the Change Agent Network
Change Impact Assessment	Document people, process and technology changes – assess likely impact on stakeholder groups
Communication	Define clear, specific objectives and activities for communication to stakeholder groups
Business Process Review and Design	Review existing business processes, perform a gap analysis and design processes to support services in the future state
Roles and Team Design	Define roles, jobs and team designs to support services in the future state
Training	Prepare resources (training, user guides, templates, etc.) to support end users to operate in the future environment to meet Council

	objectives
Business Unit Readiness	Prepare a list of activities to assess Business Unit readiness to accept and assimilate forthcoming changes needed for deployment
Change Measurement	Collect information from impacted groups to determine how well the Change Management effort has prepared them for deployment
Change Risks and Mitigation Strategy	Identify, evaluate and mitigate <i>Change</i> risks within the programme

Benefits Management Planning

The Business Owner is accountable for the outcome of the project while the IT Manager, as a service provider, is accountable for the expertise of staff used by the project in the development and delivery of the technology solution. The IT Manager is hence responsible for maintaining the capacity and capability within IT to deliver the IT projects required by WCC to deliver on its strategic direction and meet its business needs.

Benefits realisation is the responsibility of the Business Owner. Closure reports will be submitted and approved only by the OSC.

Risk Management Planning

WCC's Risk and Assurance function has established a framework and guidelines for the consistent identification, classification and management of risk at strategic, project and operational levels. This risk management approach is embedded in the project methodology:

- Risk is identified early in the project and is assessed during the development of the business case. This includes completion of the Risk Profile Assessment. The Odyssey Risk Register has been provided in Appendix D
- All projects are required to have an up to date risk register. The risk register is created via facilitated risk workshops involving stakeholders from across the Odyssey programme
- Risks are assessed based on likelihood and consequence and are ranked based on the WCC risk ranking matrix. All risks are assigned an owner and mitigation actions are identified where appropriate
- The risk register is regularly reviewed to identify new and emerging risks, changes to risk consequence or likelihood and to follow up mitigation actions with risk owners
- Risks are monitored by the project manager and the OSC.
- The Executive Sponsor is responsible for ensuring risks are managed and adequately mitigated
- Risk Analysis is an ongoing process as part of programme management and project management

Post-Project Evaluation Planning

This programme will include a project closure phase. During this phase the project is closed by approval of the OSC and the deliverables handed over to business as usual.

At the direction of the OSC a Post Implementation Review of the project may be carried out. This will identify what went well and what did not go so well within the project and identifies any follow-on actions to improve project delivery in the future. It also informs the lessons learned register.

8.0 Next Steps

This business case seeks formal approval from the Odyssey Steering Committee to appoint a preferred supplier (based on the “Steering Committee: Preferred Supplier Recommendation” report tabled 11-December, 2014) to allow the implementation of the preferred option to commence.

APPENDIX B: APPLICATION COST BREAKDOWN

The 10 most expensive in scope applications, contributing to the annualised Software Licence maintenance costs of \$1.2 million, are captured within the table below. The table also captures Licence costs over a 5 year period (2009 – 13) for these applications, as well as an indicative date for when the applications will be phased out, as part of Odyssey.

Application	S/W License/Maintenance (Annualised)	S/W License/Maintenance 5 years (2009-13)	Indicative Phase Out date
PeopleSoft (EPM/FMIS/HRIS)	\$420,320.00	\$2,101,600.00	November-2015
Business Objects BOXI	\$178,492.00	\$892,460.00	June-2016
Infor Pathway	\$160,000.00	\$480,000.00	March-2016
		<i>Note: based on a 3 year figure</i>	
Confirm – Pitney Bowes Asset Management	\$158,052.63	\$790,263.16	November-2015
Northgate First Housing	\$108,000.00	\$540,000.00	November-2015
VisionCRE	\$36,000.00	\$180,000.00	March-2016
Active Network - CLASS	\$28,000.00	\$140,000.00	TBD
Jira	\$20,000.00	\$100,000.00	November-2015
Grants Funding	\$19,000.00	\$95,000.00	March-2016
Home Assessment Package	\$19,000.00	\$95,000.00	March-2016

The table below captures, for relevant applications that are in-scope for replacement by the Odyssey programme:

- Annualised and 5 year (2009-13) Software License/License Maintenance costs.
- Calculated average costs spent over the last 5 years (2009-13) on resolving application outages and defects, as well as enhancement development.

Note: This is not the total list of all in scope applications, only those applications that have either: s/w license, enhancement, outage or defect costs associated.

Application	S/W License/Maintenance (Annualised - OPEX)	S/W License/Maintenance 5 years (2009-13)
Active Network – CLASS	\$28,000.00	\$140,000.00
Active Network - Recreation Bookings	\$10,052.63	\$50,263.16
Active Network Payment Manager	\$10,052.63	\$50,263.16
Business Objects BOXI	\$178,492.00	\$892,460.00
Confirm – Pitney Bowes Asset Management	\$158,052.63	\$790,263.16
CPS (Core Property System)	\$10,052.63	\$50,263.16
CustomerView	\$10,052.63	\$50,263.16
ECDB (External Customer Database)	\$10,052.63	\$50,263.16
Grants Funding	\$19,000.00	\$95,000.00
Home Assessment Package	\$19,000.00	\$95,000.00
ICDB (Internal Customer Database)	\$10,052.63	\$50,263.16
InfoCouncil	\$18,000.00	\$90,000.00
Infor Pathway	\$160,000.00	\$480,000.00
		<i>Note: based on a 3 year figure</i>
Jira	\$20,000.00	\$100,000.00
Kofax Digital Scanning	\$16,952.63	\$84,763.16
UM Application Online	\$10,052.63	\$50,263.16
Link Manager	\$10,052.63	\$50,263.16
Mercury	\$10,052.63	\$50,263.16
Northgate First Housing	\$108,000.00	\$540,000.00
OrgPlus		
PeopleSoft (EPM, FMIS and HRIS)	\$420,320.00	\$2,101,600.00
ProjectPartner	\$10,000.00	\$50,000.00
Ratesview	\$10,052.63	\$50,263.16
Solicitors' Statement of Account Online	\$10,052.63	\$50,263.16
Teamwork Power	\$10,052.63	\$50,263.16
VisionCRE	\$36,000.00	\$180,000.00
Totals	1,312,469.19	

APPENDIX C: EXPECTED EFFICIENCY GAINS

The following provides a high-level view of the expected efficiency gains for each business unit. This has been validated with key representatives from the relevant business teams.

Improvements in Business Efficiency by Business Unit (Service Owner)	Building Compliance & Consents	Building Resilience	Business Information and Technology	Business Reporting Analysis & Performance	City Arts	City Events	City Housing	City Networks	City Planning & Design	Community Networks	Democratic Services	External Relations	Financial Accounting	Financial Strategy & Planning	Health Safety & Wellbeing	HR Services	Issues Resolution Office	Organisational Development	Parks Sport and Recreation
Overall Impact on Business Unit																			
Efficiency gains - time	Medium		High	Medium		Medium			High	High			High	Low	Low	High		Low	High
Efficiency gains - cost	Medium		Low	Low		Low			Low	Low			Low	Low	Low	Low		High	Low

Efficiency guide	
time	cost
High	>1 FTE >\$20000 p.a.
Medium	0.5 - 1 FTE \$10K - \$19.9K p.a.
Low	<0.5 FTE <\$10k p.a.

Note: - not all FTE's will be realisable i.e. cash will not be realised but expected that resources will be freed up for other added value services

Assumptions - General Business Efficiency & Customer Service Improvements

1	All requirements will be met
2	Not all Business Units have been assessed, only those thought to have significant impact
3	New disciplines and business rules will be adopted by all Business Units, e.g. upfront POs, receipting and 3 way matching, all new positions and vacancies will be processed in the new system
4	The business will accept the changes and responsibility for ensuring correct and timely data is entered into the system, e.g. the required project information will be maintained in the system by the project manager, timesheets will be filled out by the appropriate staff as opposed to HR, managers will approve online PO, leave requests, applications, performance reviews, etc.
5	The current performance reporting system (BOX) will be replaced by the new integrated solution
6	Applications will only be accepted in an electronic format - no paper copies
7	Consenting Officers will process and view applications and plans paperlessly - they will not print copies
8	Assume digitisation project completes property data
9	All timesheets will be entered by staff in the new system

APPENDIX D: PROGRAMME RISK REGISTER

Ref	Programme / Project	Risk / Issue	Date raised	Description of risk (that might happen) / or issue (that has eventuated) IF xxx, THEN xxx.....	Status	Risk Type: Project Execution or Delivered Operational	Current Risk mitigations / Issue management	Consequence	Likelihood	Risk Rating	Risk Owner(s)	Action	Status Comments
1	Whole Programme	Risk	1/08/2013	IF communication regarding business process change is not timely and effective, THEN levels of commitment and support to the change, acceptance of and advocacy for the change, will be low - and programme success will be reduced.	Open Risk	Delivered Operational Risk	Communications resource hired - 60% of FTE. Business Change resources strengthened (2 FTEs), Communications plan in place and delivered against, the Transition planning approach developed with Business Change Leads roles defined to front, channel and guide any Business Unit specific comms and engagement effort	Major	Unlikely	High	Steve Marchant, Deanna Sorrell	Mitigate	
2	Whole Programme	Risk	1/08/2013	IF communication regarding any potential organisational change is not timely and effective, THEN staff may be worried about their jobs.	Open Risk	Delivered Operational Risk	Communications plan in place and executed at key points in procurement. On-going weekly meetings with HR Director in place to align comms and engagement efforts and capture people concerns at an early stage. Business Unit HR consultants will be engaged throughout the design and implementation of process and roles changes.	Major	Unlikely	High	Steve Marchant, Katherine Healy, Nicola Brown, Deanna Sorrell	Mitigate	
3	Procurement Project	Risk	1/08/2013	IF there is negative media focus (expenditure, Out-Sourcing, etc), THEN WCC reputational damage will occur	Open Risk	Project Execution Risk	External and Internal Communications resources engaged. The Procurement team consulted with in regards to messaging and timing of it. Odyssey Communications capability strengthened - 60% of FTE. Communications plan in place and executed.	Major	Unlikely	High	Tracey Kai, Clayton Anderson	Mitigate	
5	Whole Programme	Risk	2/08/2013	IF the market vendor response to WCC RFIRFP does not meet WCC aspiration of 80% fit to requirements with the 'vanilla' solution configuration, THEN requirement adjustment or product customisation would be required.	Open Risk	Project Execution Risk	Clear statements of WCC requirement have closely defined the RFP. Engagement with the business, solution architecture, consultancy, and BTF will continue to ensure that any options around requirements reassessment and/or customisation are properly assessed, and the resulting higher cost/risk profile and/or benefit reduction is effectively managed.	Major	Possible	High	Steve Marchant, Channa Jayasinha	Mitigate	
7	Whole Programme	Risk	8/08/2013	IF solution provider(s) fail, or solution consortium breaks, THEN quality and/or longevity of solution support and upgrade will be compromised.	Open Risk	Delivered Operational Risk	Strong evaluation focus on solution provider(s)/Consortium history, track record, stability, and relationships.	Major	Unlikely	High	Steve Marchant, Channa Jayasinha, Procurement contract management team	Mitigate	
10	Procurement Project	Risk	8/08/2013	IF the procurement process is rushed, THEN the outcomes may be unsatisfactory.	Open Risk	Delivered Operational Risk	Procurement involvement in planning timeframes, comms with potential tenderers, build in timeframe extension possibilities, solid procurement planning.	Major	Possible	High	Steve Marchant, Procurement team	Mitigate	
13	Procurement Project	Risk	8/08/2013	IF confidentiality or commercial in confidence information is mismanaged, THEN breach/disclosure, commercial and/or reputational damage would occur.	Open Risk	Project Execution Risk	Clear process to be in place, involve independent IA, IQA, internal Probity and procurement teams review.	Major	Unlikely	High	Steve Marchant, Procurement team	Mitigate	
14	Whole Programme	Risk	14/08/2013	IF internal resources required by the Programme are not made available at the allocation level required, THEN the unavailability of internal knowledge, experience, expertise will result in increased (one or more) cost, time, quality, risk.	Open Risk	Project Execution Risk	Gain Programme Sponsor agreement (in principle) that internal resources are to be made available – at Programme outset. Gain Programme steering group support <u>in practice</u> – as required.	Major	Possible	High	Steve Marchant	Mitigate	
15	Whole Programme	Risk	14/08/2013	IF internal resources allocated to the Programme at significant allocation levels by the Programme are not backfilled, THEN their BAU efforts (and in turn, support for the Programme) will be adversely affected.	Open Risk	Project Execution Risk	Close stakeholder engagement, undertake resource allocation impact to BAU analysis, organise backfill if required.	Major	Possible	High	Steve Marchant	Mitigate	
16	Procurement Project	Risk	19/09/2013	IF a stocktake of current contracts' expiry terms is not undertaken, the programme budget any negotiations the Council undertakes with the preferred supplier may be undermined by unresolved termination issues with incumbent contracts	Open Risk	Project Execution Risk	review all current contracts to establish their termination terms, for example time periods to allow for, notice periods and potential cost to terminate early.	Moderate	Possible	High	Channa Jayasinha	Mitigate	
17	Whole Programme	Risk	1/11/2013	IF accurate benefit forecasting is not carried out, THEN programme may continue without returning benefit.	Open Risk	Delivered Operational Risk	Business Casing at end Procurement stage will ensure clear benefit statementing to enable go/no-go decision making.	Major	Unlikely	High	Steve Marchant	Mitigate	
19	Whole Programme	Risk	12/03/2014	IF there is -ve public/media reaction to the Programme name Odyssey, THEN the Programme approach could be misunderstood/targetted.	Open Risk	Project Execution Risk	A suitable mitigation statement of response has been drafted to highlight the positive aspects of our programme - to be used if required.	Moderate	Possible	High	Steve Marchant	Mitigate	

APPENDIX E: HIGH-LEVEL ECONOMIC ANALYSIS

10 Year Cost Summary						
Costs (\$ million)	Do nothing option (over 10 years)		Point System Replacement option (over 10 years)		Enterprise Solution option (over 10 years)	
(1) <i>IT Licenses</i>	11,150,000	Current license costs	11,150,000	Assumes license costs of new systems continue at similar cost	14,483,284	Anticipated license costs excl. CPI increases
(2) <i>IT Capex (projects, new software)</i>	27,469,055	Prior LTP forecasted capex IT expenditure	27,469,055	Assumes prior LTP forecasted capex IT expenditure sufficient for point-system replacement across platforms	-27,469,055	Anticipated saving in CAPEX
(3) <i>IT Infrastructure Costs</i>	0	Current infrastructure costs (of inscope systems)	-217,425	Assumes 50% reduction of infrastructure costs (of in-scope systems) due to cloud offerings becoming more prevalent amongst IT suppliers	-434,850	100% reduction of infrastructure costs (of in-scope systems) as offering is completely cloud hosted
(4) <i>IT: Resources</i>	3,485,000	Current resource utilisation (impacted by system replacement)	-2,788,000	Assumes 1 FTE reduction with Point System Replacement possible within BIT due to some rationalisation, cloud-based provisioning etc.	-3,485,000	Assumes 5 FTE BIT resource reduction
(5) <i>Project costs</i>	0	Rolled into IT Capex estimated spend	0	Rolled into IT Capex estimated spend	11,409,812	Anticipated programme costs
(6) <i>Current Software - NBV writeoff</i>	0	Assumes no NBV writeoff over 10 years	0	Assumes no NBV writeoff over 10 years	2,700,000	NBV writeoff of current software
(7) <i>Supplier - Implementation costs</i>	0	Rolled into IT Capex estimated spend	0	Rolled into IT Capex estimated spend	2,601,389	Anticipated supplier implementation costs
Net Cost/Benefit	42,104,055		35,613,630		-194,421	