

ARF006 Projects / Priorities Delivery Delays

Risk Status Progress Report for October 2020

Prepared: 04/09/20

Description of risk and impact

Project / Priority delivery risks start with the elements of the project life-cycle (conception and business casing through delivery and ongoing management / maintenance) and involve having robust capabilities to support each stage of this life-cycle. Deficiencies in any one of these stages have flow on effects including costs, quality and delays.

This financial year there is a carry forward for the capital programme 2019-20 year.

Existing Treatments

Treatments established:

1. Building capability

- a. Project Management Office Project Management framework implemented
- b. Business case specialist in place to assist with scopes provided to Project Delivery Team.
- c. The Project Delivery Team has completed project management and commercial training.

2. Managing capacity

- a. Annual Report Improvement established.
- b. LTP Improvement established.
- c. Project planning is a focus. Available capacity can be demonstrated utilizing project programs and at this point demonstrate there is still some capacity within the team. As delivery increases, we will need to look at current resources.

3. Reporting

- a. The Capital Project Life Report Improvement established.

High level treatment plan and progress up-date:

High level treatment plan:	Progress update:
new Procurement strategy	Underway "Smart thinking" round alternative procurement strategies, from those previously used, are being proposed. This includes bundling of projects, off-site builds and assessing design options.
new Reporting	Underway A further improvement to reporting is being designed based on project milestones.
Project Management Office Project Management framework.	To start.

High level treatment plan:	Progress update:
	In line with best management practice a review of the framework is being planned to ensure it is best streamlined to meet the requirements of the team.
Review of the Asset Management frameworks CouncilMark improvement: 18. Asset Management Improvement	Underway. This review will help to identify current short comings in the Asset Framework so that it can be further developed to produce better quality business cases and scopes. This review is expected to be completed by the end of quarter one of the new financial year.
Training, project governance and project roles.	Ongoing. The Project Delivery Team is completing bespoke internal training round programme management and creation. This will be ongoing on a lessons learned basis. All Project Managers have also completed NZS3910 – Conditions of Contract for Building and Civil Engineering Construction.

Where are the gaps? / what more could we be doing?

Current environment

Externally funded projects will result in an increase in the number, and value, of projects to be delivered over the next two years. The risk to delivery of FNDC “business as usual” projects has been mitigated by the creation of a separate team who are responsible for the delivery of these projects. The current project delivery team will continue to deliver the agreed work programme. This separate team has been resourced through the appointment of external professionals in the following roles: legal; procurement; a communication, reporting and stakeholder engagement role; project (information systems) programme manager; project and contract management by Stella; and the secondment of a dedicated financial accountant from FNDC Finance.

With consideration at the design stage, of the potential construction industry supply bottlenecks, the impact and likelihood of this risk as assessed as no change to the residual risk score. An example of how “smart thinking” at the design stage will enable projects to be delivered is the consideration of materials for a project located in Kaitaia, designed using concrete, with three potential Kaitaia based suppliers to select from, rather than Asphalt where there are no Kaitaia based suppliers and the contractors required to install are already committed.

It is expected that we will have evidence to re-assess the impact of the treatments on this risk score towards the end of this financial year.

Inherent Risk:	Trend	Residual Risk:	Accountable:	CEO	Date raised:	29/11/18	Report frequency:
	—		Responsible:	GM IAMs	Date accepted:	30/05/19	Two monthly