

Title: Selecting the Fire and Emergency New Zealand portfolio for next four years

SECTION 1: Introduction

Prioritising our work across Fire and Emergency New Zealand

Fire and Emergency has a large range of initiatives and projects – all of which aim to improve what we do, and how we do it. This collected body of work is the Fire and Emergency investment portfolio. The portfolio chosen for FY 2022/23 – FY 2025/26 is the fourth year that we have undertaken a formal portfolio selection process

The portfolio selection formed part of an integrated planning approach that began in FY 2021/22. This saw directorate and Branch business planning, budgeting and investment all form part of an organisational planning activity. We applied some lessons from that first integrated planning cycle and were able to address some of the main pain points. The integrated planning process will have an improvement/standardisation focus over the next few years.

The portfolio selection activity is a key Executive Leadership Team (ELT) role in integrated planning and ELT committed significant time to the selection process that is described. Due to factors such as Fire and Emergency's current capacity to afford, resource and achieve the program of work, the selection of the investment portfolio has been more challenging than previous years, and for this reason has taken longer. In particular, we have had to provision funds and capacity for the replacement of our payroll system. ELT had a number of robust debates about priority order and had to think very carefully about the portfolio that we can realistically fund and deliver for FY 2022/23 and FY 2023/24.

SECTION 2: The Portfolio

The Fire and Emergency portfolio for 2022/23 and beyond

Forty eight of the original 66 investments of the existing and proposed investments were included in the Fire and Emergency portfolio for FY 2022/23. Sixteen of the original 66 investments are scheduled to start either in FY 2023/24 or in out-years.

In order to manage both funding and workload, not all projects have been approved to get started or to continue in this financial year. The four-year view is included. Of the 66 investments:

- 13 were classified as Compliance. These pieces of work must proceed at best pace.
- 16 were classified as Allow to Complete.
- 13 were classified as Priority. These reflect significant organisational benefit for cost.
- 5 were classified as Funded via BAU but still remain part of the portfolio.
- 16 were classified as Pipeline. These investments are included in the portfolio, but are not scheduled to start in FY 2022/23. Some are scheduled for FY 2023/24 and others tentatively planned in out-years.

- 3 were not included in the portfolio. These investment opportunities either did not fit strategic direction or could be addressed in another manner.

Some projects included in the portfolio needed to be reset and/or scheduled to start at a later date. ELT wants to make it clear that these projects are still important to Fire and Emergency and ELT are still committed to seeing them successfully deliver. Projects that are impacted by the organisation's current operational situation need to plan a rephasing of any affected objectives and outcomes.

After several workshops with ELT, we have arrived at a four-year view of investment that best balances strategic investment and organisational need with ability to successfully deliver and adopt the portfolio.

Once again, some very hard calls have been required to create the portfolio. There will be some disappointment with the result. Between our maturity, our demonstrated performance over the last two years and our existing capacity we have to be very realistic about how much we can deliver at any one time.

For these reasons, ELT has tried hard to keep the level of investment closer to our demonstrated level of capability to deliver.

The below tables outline the initiatives and projects Fire and Emergency will undertake in the 2022/23 financial year.

The heading "**4-year portfolio**" refers to the projects that have been included in the portfolio for investment but have not been prioritised for commencement in the 2022/23 financial year.

Please note:

- Work that is already in delivery (has a business case) and is not changing its budget will have funding for FY 2022/23 applied and any funding for years outside of this applied in principle, subject to any future prioritisation.
- Work that is already in delivery (has a business case) and is changing its budget from the amount at prioritisation will need to seek a change request. Funding will be applied once the change request is approved by Investment Panel (IP).
- Work that is in planning (is building a business case) is approved to proceed to the business case and will have the forecast funding required to create the business case applied. Work during business case development needs to outline the funding requirement and justification for the investment must stack up once its full implications are known.
- Work that is newly added to the portfolio (Initiate) needs IP approval to commence business casing; this may include seeking some of its forecast funds for the business casing activity. This is a simple process: please contact the Investment & Portfolio team.
- Projects will need to work their management accountant to create a phased budget for loading.
- The portfolio has no funds set aside for project contingency. Any contingency not budgeted for may require reduction in scope.

- Projects in Planning – These projects have Approval in Principle (AIP). Sponsors of these projects are asked to proceed with business casing at best possible speed. The Investment & Portfolio team will be in contact to establish milestones for completing the business case. Approval to deliver (Approval of Funds) is based on approval of the business case. If initial funding is required for business case development (pre-business case approval), please reach-out to your relevant portfolio manager who will lodge the necessary approval at the July or August IP meetings.
- Projects in Delivery: These projects have Approval of Funds (AoF) and these funds will be applied to the relevant work records. Sponsors of these projects need to ensure a Sponsor (SRO)-approved Benefit Realisation Plan is presented to IP. The Investment & Portfolio team will be in contact to establish implementation and delivery milestones. If the funding required is higher than the amount indicated during the portfolio selection process, a change request will be required.
- All Sponsors need to flag to IP immediately any inability to spend/deliver in the planned timeframe.

Name	Branch	Strategic alignment	Lifecycle step
H&S: Health standards project	People	Growing our people	Planning – AIP
H&S: PCBU Overlapping Duties	People	Growing our people	Planning – AIP
Working Safely in Water (Project 2)	Service Delivery	Growing our people	Planning – AIP
Operational PFOS Replacement	Service Delivery	Keeping pace with change	Deliver – AoF
Fluorine Free Foam Transition	Service Delivery	Keeping pace with change	Deliver – AoF
Positive Workplace Programme	OCE	Growing our people	Deliver – AoF
Hiwa-i-te-rangi (programme)	OCE	Growing our people	Deliver – AoF
CARD replacement	Service Delivery	Keeping pace with change	Initiate – AIP
National Exercise Programme	Service Delivery	Collaboration, partnership and influence	Initiate – AIP
Part 3 Levy Phase 2 & 3	FaBO	Keeping pace with change	Planning – AIP
Payroll/HRIS	People	Keeping pace with change	Initiate – AIP

Name	Branch	Strategic alignment	Lifecycle step
Kia Toipoto	OCE	Growing our people	Initiate – AIP
Incident Capability and Payments Alignment Project (ICPA)	People	Growing our people	Planning – AIP

Allow to Complete

- This category of investment reflects the multi-year nature of our portfolio and reflects ELT's confidence that these investments will deliver their planned value.
- Projects in Delivery: These projects have Approval of Funds (AoF) and these funds will be applied to the relevant work records, as noted above. Sponsors of these projects need to ensure a Sponsor (SRO)-approved Benefit Realisation Plan is presented to IP. If the funding required is higher than the amount indicated during the portfolio selection process, a change request will be required.
- All Sponsors need to flag to IP immediately any inability to spend/deliver in the planned timeframe.

Name	Branch	Investment Category	Lifecycle step
Te Pae Tata (programme)	Service Delivery	Building resilient communities	Deliver – AoF
Digital Workflow	OSCD	Keeping pace with change	Deliver – AoF
Enterprise Information Platform	OSCD	Intelligence-led, evidenced-based decisions	Deliver – AoF
Evaluation & development of National Risk Reduction programme	Service Delivery	Building resilient communities	Deliver – AoF
Local planning	OSCD	Building resilient communities	Deliver – AoF
Climate change planning	OSCD	Building resilient communities	Deliver – AoF
Service Delivery Guidelines	OSCD	Growing our people	Deliver – AoF

Priority to Continue

- Projects in Planning – These projects have Approval in Principle (AIP). Sponsors of these projects are asked to proceed with business casing and to provide IP with the date at which they expect to present the business case. If initial funding is required for business case development (pre-business case approval), please reach-out to your relevant portfolio manager who will lodge the necessary approval at the July IP.
- Projects in Delivery: These projects have Approval of Funds (AoF) and these funds will be applied to the relevant work records. Sponsors of these projects need to ensure a Sponsor (SRO)-approved Benefit Realisation Plan is presented to IP. If the funding required is higher than the amount indicated during the portfolio selection process, a change request will be required.
- All Sponsors need to flag to IP immediately any inability to spend/deliver in the planned timeframe.

Name	Branch	Investment Category	Lifecycle step
Paearu Mahi (TCF)	People	Growing our people	Planning – AIP
Whanaungatanga	OCE	Growing our people	Initiate – AIP
Code of Practice for Firefighting Water Supplies	Service Delivery	Building Resilient Communities	Deliver – AoF
Unified Uniform project	Service Delivery	Growing our people	Deliver – AoF
Aerial procurement	OSCD	Keeping pace with change	Deliver – AoF
Next Gen Type 3 Appliances	OSCD	Keeping pace with change	Planning – AoF
Decontamination Tent Replacement	Service Delivery	Keeping pace with change	Initiate – AIP
Carcinogen	People	Growing our people	Deliver – AoF
Hazmat capability	Service Delivery	Keeping pace with change	Initiate - AIP
Gas detection	Service Delivery	Intelligence-led, evidence-based decisions	Deliver – AoF
Alpine Fault (AF8)	Service Delivery	Building resilient communities	Initiate - ATI
Live Fire training facility (Te Kei)	OSCD	Growing our people	Deliver - AoF
Monitoring and Evaluation framework	People	Growing our people	Planning - AIP

Funded from BAU (but part of the portfolio)

- Investments in this category are funded from a Branch baseline, rather than from the portfolio provision. Reserved for low complexity changes and medium complexity changes with a specific path.

Name	Branch	Investment Category	Lifecycle step
EV charger installation	OSCD	Keeping pace with change	Deliver - ATE
P3MIS	OSCD	Intelligence-led, evidence-based decisions	Deliver - ATE
ICT review	OSCD	Keeping pace with change	Deliver - ATE
Print Services	FaBO	Intelligence-led, evidence-based decisions	Deliver - ATE
Employer Promotion Scheme	People	Building Resilient Communities	Deliver - ATE

4 Year Portfolio

- These investments are added to the portfolio (Approval to Enter Portfolio) but are not given approval to start planning or other work (Approval to Initiate) except where stated.
- The inclusion of all proposals in the portfolio is an indication that ELT sees the strategic alignment and potential benefit in these investments. These investments will be reviewed and included as funding and ability to resource and adopt the change becomes available.

Name	Branch	Investment Category
SAMP	OSCD	Keeping pace with change
EIMS	OSCD	Intelligence-led, evidenced-based decisions
Equipment & Logistics	OSCD	Keeping pace with change
EV Hydro Vehicles	Service Delivery	Keeping pace with change
Leadership System Development	People	Growing our people
Volunteer Engagement	People	Building resilient communities
SMS Modernisation	OSCD	Intelligence-led, evidenced-based decisions
Unified Approach to Incident Management	Service Delivery	Keeping pace with change
Intranet Upgrade	OCE	Growing our people

Name	Branch	Investment Category
Virtual Reality Training	Service Delivery	Growing our people
Risk Reduction Mobility	Service Delivery	Keeping pace with change
Tuppens Project	Service Delivery	Keeping pace with change
Unified Approach to Accountability	Service Delivery	Keeping pace with change
LAC	OCE	Building resilient communities
Macron Enablement	OCE	Collaboration, partnership and influence
COP	OSCD	Intelligence-led, evidenced-based decisions

SECTION 3: THE SELECTION PROCESS

How did we do with the 2021/22 portfolio?

Delivery performance for FY 2021/22 was behind plan: we will ultimately end up delivering about 75% of the throughput based on financial performance that we were targeting.

The main reasons for the under-performance were:

- Variations in project delivery plans
- Project delivery under-performance due to Covid19 impact on supply chains and access to people to help us do the work,
- Portfolio delivery demand to resource and adopt exceeding our Organisation capacity and capability. this includes governance.

What did we learn from the FY 2021/22 process?

This year was largely a 'build on' from the FY 2021/22 process. We applied the international standard approach shown in Diagram 1. We also applied lessons from performance in the last two years in the scale and complexity of the portfolio chosen.

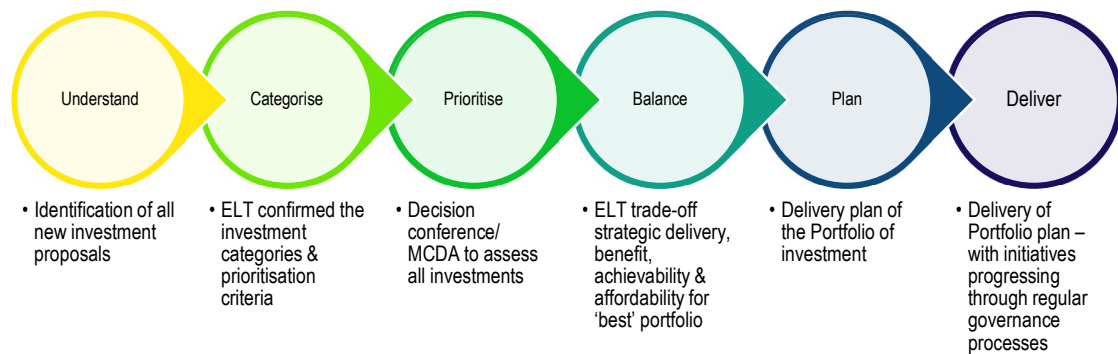


Diagram 1: portfolio selection process, modelled after the international Management of Portfolios standard

A robust methodology (was applied to the portfolio to create a value (based on benefit), and value for money (based on cost/benefit), view of investments. The FY 2022/23 process largely focused on assessing and scoring the new investments and placing them in the appropriate priority order with the existing priorities. The existing priorities were reviewed to ensure that their priority level was still correct.

We applied improvements from the FY 2021/22 process, in particular:

- Items in the Compliance category did not receive a priority score; these are all 'must do',
- There was an additional priority criterion, defined below, that reflected investment contribution to running an efficient and effective Fire and Emergency New Zealand (FENZ),
- Impact on other business teams.

How was the process applied to select the FY 2022/23 portfolio?

At the end of the 'Understand' process there were 66 candidate investments. This was made up of

- 37 in-flight investments,
- 12 investments already in the pipeline and re-evaluated for FY 2022/23 and beyond, and
- 17 new investments.

Investments were categorised into one of the following headings:

- Compliance: investments that are required for legislative/regulatory reason, from government or Board direction or that ELT consider are 'must do' to achieve strategy or business need.
- Allow to complete: investments that are nearing completion and whose benefits are still considered of value against strategic or business need.
- Priority: includes both new investments and existing projects that were already underway, which ELT determined needed to be completed as a priority.
- Funded via BAU: investments that are funded from branch baseline rather than from the portfolio provision.
- Pipeline: the body of candidate investments that ELT consider of value but are not yet approved to start planning.
- Do not include in portfolio: investment opportunities that did not fit strategic direction or could be addressed in another manner.

Managing the portfolio

The approved portfolio will be passed from ELT to Investment Panel (IP) to govern. IP will approve business cases, change requests and other project-related decisions.

IP would strongly encourage all project leads to engage with them early and often. IP is here to help and the earlier the team receives requests for assistance, the more time they will have to help you work through any issues you may have.

IP will also be taking a much more active role in monitoring portfolio delivery performance. This is to ensure all our projects are successful in meeting their objectives. IP will publish its quality and 'call-in' approach early in the FY.

Based on a report-back from IP, the ELT will formally review the portfolio quarterly through the year. ELT will direct IP to adjust the portfolio to address any emerging fiscal pressures and/or delivery performance risks.

New investment opportunities will be captured and, if considered urgent/important, the ELT may agree to include them in the portfolio and slow down or reschedule an initiative to accommodate the new.

Otherwise these new opportunities will be considered in the next investment cycle.

For more information contact: your manager or DCE in the first instance

Those interested in learning about the prioritisation criteria can read the section below:

Prioritisation criteria TURN THIS INTO AN ACCORDION SECTION THAT FOLDS UP

At the heart of the prioritisation process is the set of decision criteria selected by ELT as the best way to think about our organisation and what it is that we do. The criteria and their descriptions are included in the following table.

Criterion	Description
Trust and Confidence (Individual)	<p>The extent to which the investment option will improve or reinforce:</p> <ul style="list-style-type: none">• public trust and confidence in FENZ and its ability to keep citizens safe in the event of an emergency• the positive reputation of FENZ in the eyes of the public• the contribution of FENZ volunteers to the maintenance of the well-being and safety of communities• FENZ's social licence. <p>This criterion specifically excludes dimensions that relate to the permission from employers to utilise volunteer firefighters, which is covered under People Capability criterion.</p>

Criterion	Description
Risk Reduction	<p>The extent to which the investment proposal will:</p> <ul style="list-style-type: none"> • reduce the incidence of unwanted fires and the associated risk to life and property • reduce the actual and the mitigated level of fire risk • apply learning from emergencies to reduce the risk or impact of re-occurrence • address specific business risk that will compromise ability to provide service. <p>This criterion specifically excludes any dimensions relating to reduction of harm resulting from fires, which is covered in the Reduction of Harm criterion.</p>
Reduction of Harm	<p>The extent to which the investment option will:</p> <ul style="list-style-type: none"> • protect and preserve life and prevent or limit injury. • reduce damage to property, land and the environment in the event of emergencies, including through improvements in the level of preparedness of FENZ • improve the degree to which early warning is provided of threats. • reduce the risk of harm and actual harm to FENZ and other emergency personnel associated with responding to emergencies.
People Capability	<p>The extent to which the investment option will maintain or enhance:</p> <ul style="list-style-type: none"> • the organisation’s ability to attract, retain and develop the FENZ workforce (both permanent and volunteer), in particular gender and diversity, in terms of its capability, capacity and resilience. • the levels of wellbeing and engagement of FENZ’s workforce. • the organisation’s permission from employers to utilise its volunteers. <p>This criterion specifically excludes any dimensions relating to overall public trust and confidence in FENZ and what it delivers, which is covered under the Trust and Confidence criterion.</p>
Future Proofing	<p>The extent to which the investment option future proofs FENZ operations for the longer term (5 years and beyond) by:</p> <ul style="list-style-type: none"> • enabling the organisation to anticipate, be prepared and have the capabilities and capacity required before they are needed • ensuring the organisation can respond to a changing risk environment in an agile manner • ensuring the long-term sustainability of volunteerism

Criterion	Description
	<ul style="list-style-type: none"> improving the organisation's ability to leverage opportunities presented.
Manage the business	<p>The extent to which the investment maintains or improves the operation of FENZ as a business by:</p> <ul style="list-style-type: none"> Maintaining or improving business processes to create efficiency Improving or automating data and information collection and use Reducing operating costs Maintaining or improving "operating as a Crown Entity", including external reporting and improvement activities