Prioritising the portfolio in challenging times

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MONEY'S
TOO TIGHT
(TO MENTION)

Agenda

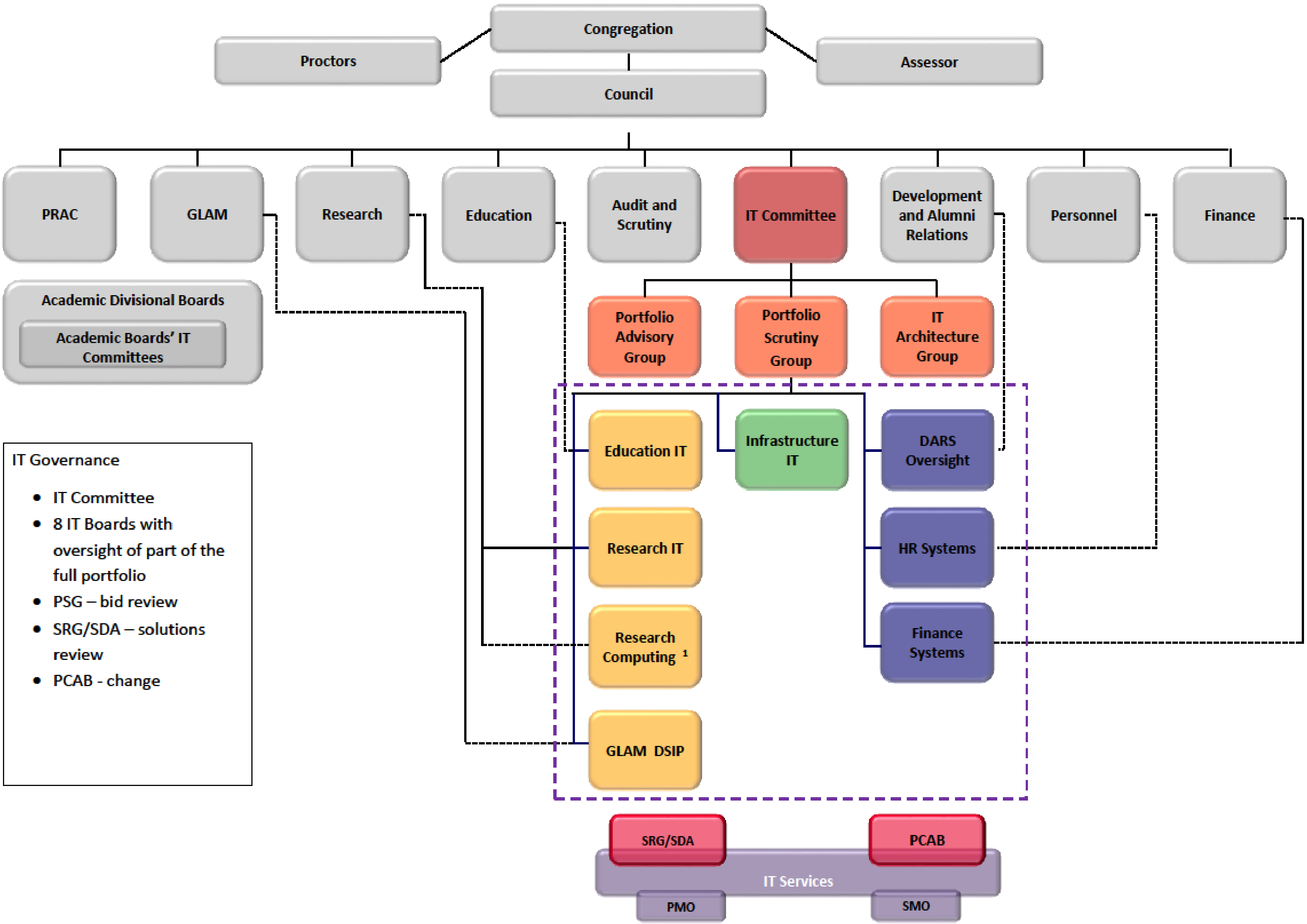
Context – funding & governance at Oxford

First steps: 2016

Current approach

What we've learnt

Governance



IT Governance

- IT Committee
- 8 IT Boards with oversight of part of the full portfolio
- PSG – bid review
- SRG/SDA – solutions review
- PCAB - change

IT Development Plan: Background

Part of the University's Capital Plan

Created 2013 to deliver on the IT Strategic Plan

Service continuity, system refresh, compliance

New capabilities

Ring fenced innovation fund

From 16/17 – rolling 3 year plan

Currently £60m to cover 19/20 – 21/22

Revise plan annually

Key principle: IT Services projects staff recharged on day rate basis

Prior to 2016

Demand always higher than budget BUT.....

“Non-specific Oxford Delay Factor”

Broadly, most IT Boards could move ahead with their priority investments

The University environment 2016

- Compliance and regulatory obligations rising
- Ongoing investment required to maintain current operations
- Diverse agendas in terms of strategic objectives
- Increasing expectations of tech “norm” from stakeholders – students, staff, alumni and the public
- Rate of adoption of new technology & innovation in HE sector and Oxford seen as needing to catch up
- Resource constraints: staff, capital and ongoing operational budgets

NB All the above has continued and worsened since!

Need for prioritisation 2016

Potential cut to capital budget (10 or 25%)

Pre 2016: Funding envelopes allocated to each IT Board

- **Issue:** a prioritised list at Board level rather than Portfolio level:

  - does not facilitate allocation of IT Services resources across projects from different Boards.

    e.g. Which project should a Project Manager be assigned to?

Priority?

  - does not make it possible to judge which are the lowest priority projects across the portfolio if capital budget is cut

Categorisation
Gartner – type of investment

New capabilities to the University

RUN

Maintenance
Compliance
Upgrade
Renewal

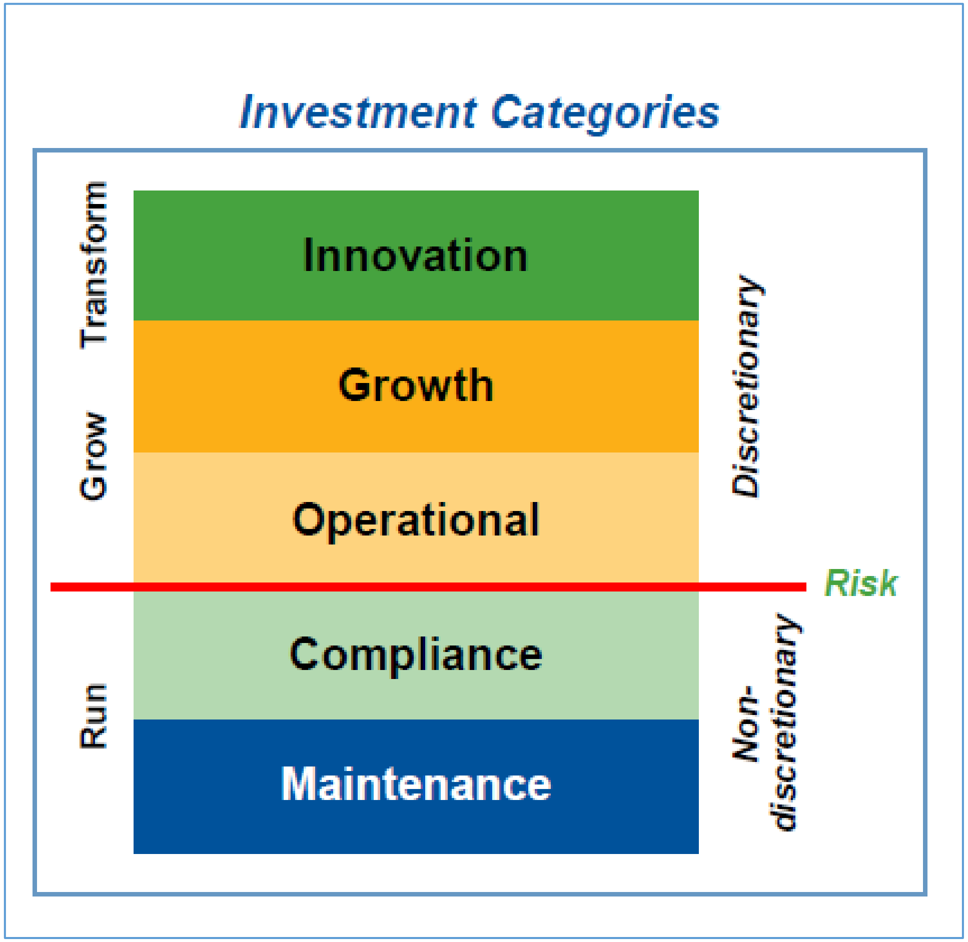
GROW

Enhancement
Improvement
Modification

TRANSFORM

Innovation
New capability

Categorisation of projects

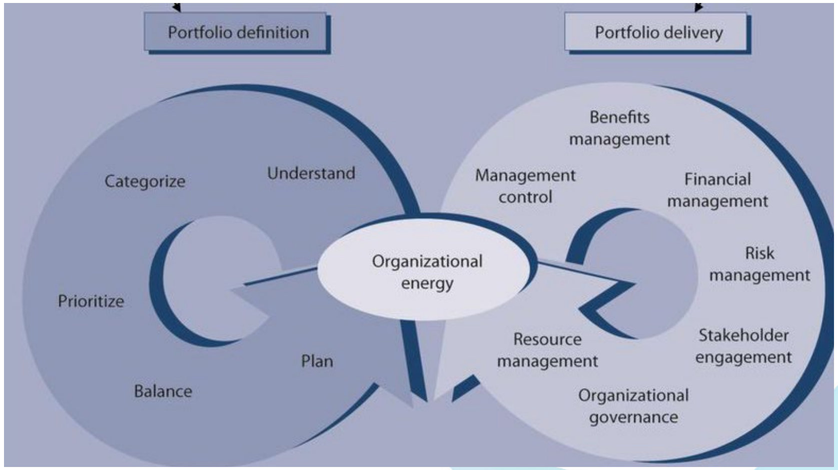


Key decision: RUN to be prioritised and funded first

2016 model

- Classify by RUN/GROW/TRANSFORM
- Score based on
  - Benefit
    - Cash saving
    - Operational impact
    - Reputational impact
    - Strategic alignment
  - Achievability (risk assessment)
- Cuts not applied – need for model less pressing

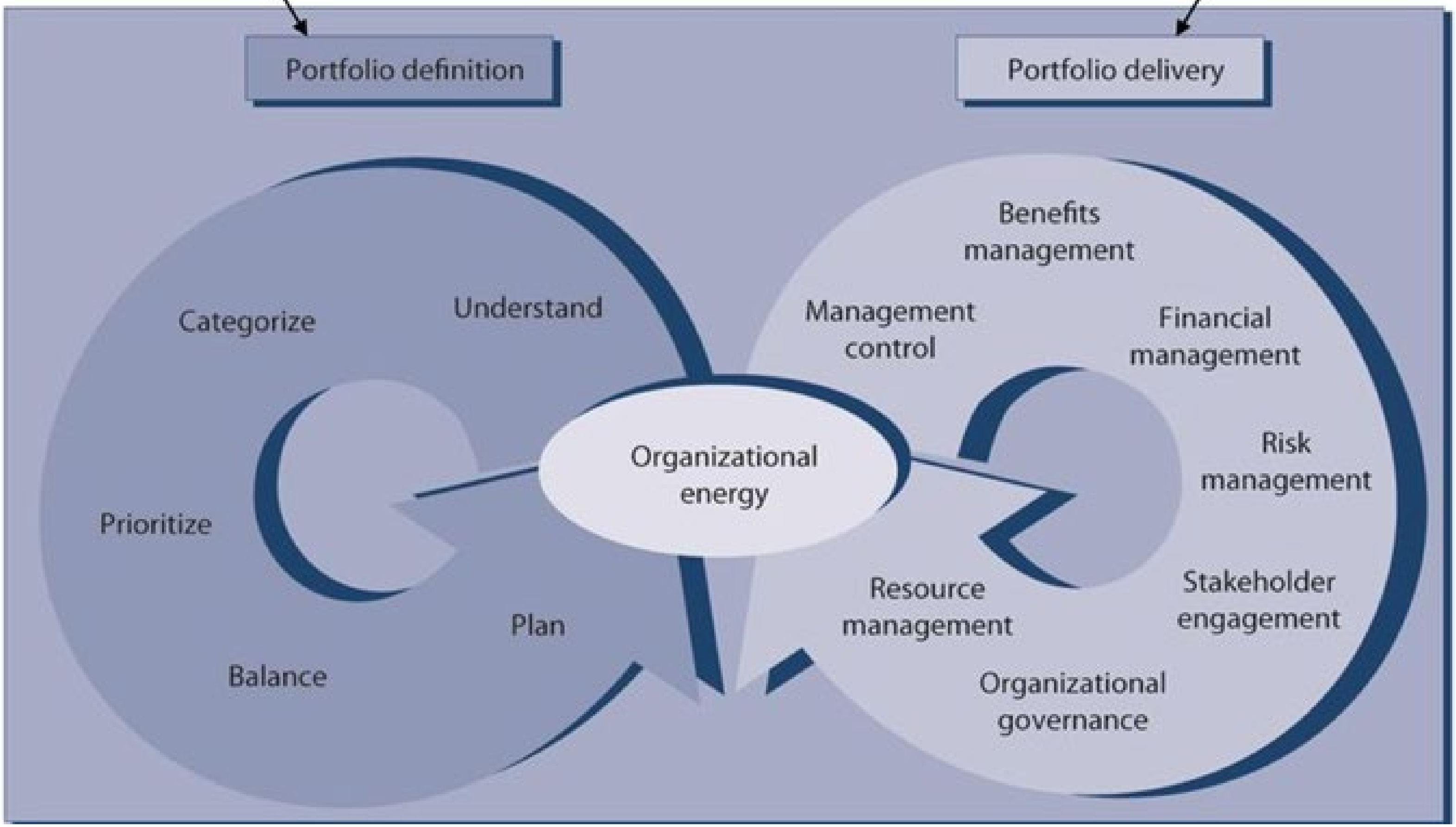
2019 revision: best practice input sought



Overview of Management of Portfolios: 2 cycles with 12 practices

Doing the 'right' things

Doing things 'right'



2019 model

- Based on industry best practice models
- Informed by University IT Strategic Plan
- Achievability removed
- RUN still taken first

Six weighted scoring factors

1. Support of teaching and research
2. Simplification and common solutions
3. Strategic alignment (University Strategy, University IT Strategy)
4. Payback
5. Operational risk avoidance
6. Impact on University's reputation

Project Evaluation **Previously agreed prioritisation:**		
Revised prioritisation:		**0**
	weight	
Support & Enhancment of Research & Education		**Score**
Improves the user experience for students and/or academics or facilites effective administrative functions 0 - Facilitates effective administration in ONE function 3 - Facilitates effective administration in SOME functions 3 - Improves the user experience for academics and/or students in ONE academic division 6 - Facilitates effective administration in ALL functions 6 - Improves the user experience for academics and/or students across SOME academic divisions 10 - Improves the user experience for academics and/or students across ALL academic divisions	3	
Common Solutions & Simplification		
Uses a common solution rather than acquiring a new solution to provide the same or similar functionality. 0 - No efficiency savings envisaged no simplification or rationalisation of provision 3 - Can demonstrate clear efficiency savings 5 - Seeks to provide common solution, where none currently exists, with efficiency savings for multiple units 10 - Seeks to simplify and rationalise service provision to a common platform from multiple existing platforms	1	
Strategic Alignment		
Explicitly aligned with the University Strategy / University IT Strategy 0 - Implicit alignment 6 - Explicit alignment with the IT Strategy 10 - Explicit alignment with the University Strategy	3	
Payback		
Year that benefits exceed project costs 0 - Beyond 5 years 1 - Year 5 3 - Year 4 4 - Year 3 7 - Year 2 10 - Year 1	1	
Risk avoided by carrying out the project		
Operational Risk 0 - No operational risk avoided 1 - Inconvenient Risk Avoided: University operations could continue with workarounds. 5 - Serious Risk Avoided: University operations would be seriously disrupted. Or another high priority project is dependent on this one. 10 - Major Risk Avoided: Univerity operations could not continue. Or a critical project is dependent on this one.	1	
Impact on University reputation		
Reputational Profile 0 - No reputational risk or improvement 3 - Reputational impact limited to within the University 6 - Reputational impact extends beyond the University (e.g. donors, applicants, alumni) 10 - Reputational risk extends to the general public	1	
Priority Score		**0**

Example scoring factor

	weight	Score
Support & Enhancement of Research & Education		
Improves the user experience for students and/or academics or facilities effective administrative functions 0 - Facilitates effective administration in <u>ONE</u> function 3 - Facilitates effective administration in <u>SOME</u> functions 3 - Improves the user experience for academics and/or students in <u>ONE</u> academic division 6 - Facilitates effective administration in <u>ALL</u> functions 6 - Improves the user experience for academics and/or students across <u>SOME</u> academic divisions 10 - Improves the user experience for academics and/or students across <u>ALL</u> academic divisions	3	

Note: prioritisation revised at each Project Stage Gate as new information becomes available

Jan 2020: He’s back!

Demand now such that only RUN work can be funded

Prioritise RUN?

- Can we free up work for some GROW?

Sept 21: He’s back again!

- Can’t fund all RUN demand in current three-year funding envelope

21/22 pressures

- 2020/1 Lockdowns / WFH, brought forward investments with 21/22 implications
    - e-assessments
    - Interview scheduling
    - MFA
- “MVP” only approach , not sustainable
- Gaming of the system – everything becomes RUN

- Response: tighten definition of RUN

Project Evaluation - RUN Projects	Total Priority Score for Project:	0
	weight	Score
Impact & Disruption Criteria		
Financial impact if NOT progressed		
The tangible financial impact of not progressing the project 0 - loss or impact up to £1M AND no lasting negative effect on financial controls 3 - loss or impact up to £5M OR negative effect on financial controls in one area 5 - loss or impact up to £10M OR negative effect on financial controls in more than one area 7 - loss or impact up to £50M OR negative effect on financial controls in general 10 - loss or impact exceeding £50M	1.0	
Level of disruption if NOT progressed		
Impact on normal operations for… 0 - individual(s) or single team 1 - multiple teams / single department 3 - multiple departments / single division 5 - multiple divisions 10 - whole university	2.0	
Severity of disruption if NOT progressed		
Severity of impact on normal operations for disruption level identified 0 - no impact 1 - could continue with workarounds 7 - would be seriously disrupted 10 - could not continue	2.0	
Likelihood & Proximity of occurrence if NOT progressed		
The likelihood of the identified disruption occurring if the project is NOT progressed 0 - chance of occuring is outside of the next 2 year period 3 - considered to have the chance of occurring within the next two years 5 - considered to have a chance of occurring within the next 18 months 7 - considered to have a chance of occurring within the next year 10 - considered to have a chance of occurring within the next six months	1.5	

RUN Categorisation Criteria		
Regulations / Legislation / Compliance		
0 - no legislative impact 1 - avoid risk of fines / legal proceedings due to failure to meet legislation or regulations 8 - avoid certain fines / legal proceedings due to failure to meet legislation or regulations 10 - external body has identified that we are not meeting legislation and has mandated action	1.0	
Support & Maintenance		
0 - delivery, support and/or 3rd party maintenance agreement not at risk 1 - maintain delivery, support and/or 3rd party maintenance agreement for a non-critical service# 2 - maintain delivery, support and/or 3rd party maintenance agreement for a Critical/Low@ service* 5 - maintain delivery, support and/or 3rd party maintenance agreement for a Critical/High@ service* 10 - maintain delivery, support and/or 3rd party maintenance agreement for a Critical/Critical@ service*	1.0	
Specific Losses		
Safety: 0 - No serious harm or risk to human life 7 - avoid specific safety risk involving serious harm to human life 10 - avoid specific safety risk involving loss to human life Data / Intellectual Property: 0 – No data / IP loss or loss limited to public domain 1 - loss of internal-only data 5 – loss of copyright or patent 10 - loss of confidential data, trade mark or trade secret	1.5	
Run priority score		**0**
must equal 10	10.0	

Non-critical service: any service which is NOT listed in the 'Top 20 Critical Services' list published by the SMO

* Critical/[@] service: a service which is listed in the 'Top 20 Critical Services' list published by the SMO

@ Level of the service as listed in the 'Top 20 Critical Services' list published by the SMO

Current position

- Increasing understanding that current funding insufficient
- Cannot even maintain the status quo
- Business case for transformation programme underway
  - Long term funding
  - Not from operating cash surplus

Learning points

Strategic alignment too vague

Everything can show implicit alignment
- Very little explicitly mentioned
- Double counting – criteria based on strategy anyway (e.g. simplification)

Payback - difficult in our environment

- True cashable benefits?

Don’t combine criteria

Split out Admin from first criterion
- Allows greater weighting for Education & Research only

Achievability misleading

Our high-risk projects still had to be done
- Don’t use to prioritise
- Use as a “Balance” (MoP) factor

A model goes only so far

- Aid to decision making – not an absolute
  Above all, helps try to keep conversation objective