

## VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

Review:	Communications & Engagement	Flag	GREEN (Overall)
Report Date	06 September 2018	Report Period	June - August 2018

### Status Overview for the Review

Significant progress has been made by the council Communications\* Department since the May update to implement all recommendations. This includes the **completion** of Initiatives One, Three and Five, namely the development of a Group Communications Framework, a new Communications Department Strategy and the Performance Measures required to assess the delivery of the new strategy.

#### Council Parent: Communications Department

The council's Communications Department continues to make significant progress to implement all recommendations, including the completion and embedding of the new department strategy.

Embedding the new department strategy enables the department to more effectively determine allocation of the FY19 budget through clearer objectives, investment logic and linkages back to the organisational strategy and mayoral vision. A new set of KPIs for the department have been developed to assess the delivery of the new strategy.

Initiatives to meet our FY19 efficiency saving target of \$0.4m have been identified and are currently being implemented. FY19 savings will be a result of reductions to operational budget and FTE numbers, including a reduction in print and distribution costs of at least 10%, an accelerated shift to 'digital first' and rationalisation of the Annual Report research.

Savings for beyond FY19 are currently being investigated. These include efficiencies resulting from commercial partnerships, expansion of the in-house design studio model, and running fewer low priority marketing campaigns. Some savings will require upfront investment to achieve savings in later years. Funding will be sought from council's investment group when required.

#### Council Group

A completed Group Communications Framework and Action Plan was presented to Auckland Council's ELT and the CCO Chief Executives in July. Quarterly review meetings will now be set-up with Auckland Council and CCO communications representatives to progress the opportunities identified in the Framework and Action Plan. These opportunities include efficiency and group procurement savings, effective media and issues management and collaboratively progressing the shift to digital first.

Auckland Council has successfully negotiated with iSentia a single media monitoring and analysis contract bringing the group together under one contract. The new contract delivers both 5% savings year on year for four years and additional services for the CCOs. We are currently allocating the cost of the contract across the council group.

The council group has set up and is developing a collaborative programme to improve engagement with Māori, initially focusing on engagement with mana whenua. The work being undertaken within the Māori engagement strategy programme by parent is being fed into this collaborative programme.

\* The name of the department has changed to reflect the Citizen Engagement and Insights unit, including the Citizen Value Engagement project team, being transferred to the Governance Division from 30 June 2018.

## Benefit Realisation 2017/18

Benefit opportunity \$m	Benefit forecast \$m	Variance to opportunity \$m	Benefit realised \$m	Variance to forecast \$m	Benefit realisation plan developed	RAG
Council Parent: \$11.1m 10-years	Council Parent: \$11.1m 10-years	None	None	N/A	Underway for FY19	Green
Group Procurement: Current estimate is \$1m-\$1.5m 10-years	Other initiatives being investigated					

## Commentary

### Council Parent

The 5% efficiency target for FY19 is \$0.4m from a budget of \$13.1m. The Communications Department is on track to deliver to these savings targets.

### Definition

**Benefit opportunity** – this is the benefits identified by the Value for Money review

**Benefit forecast** – this is the forecast benefit (of approved opportunities) following business unit review of the benefit opportunity. Note that not all benefits were valued as part of VfM review so forecast may include additional benefits

**Benefit realised** – this are benefits that have either been realised or have been included in the Long Term Plan

**Benefit realisation plan developed** – Y/N – is there a documented plan to realise benefit from VfM review

**RAG** – Green 90%-100% of benefit forecast, Amber 70%- 90% of benefit forecast, Red less than 70% of benefit forecast

### Benefit Forecast (per period)

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
\$0.425	\$0.836	\$1.234	\$1.234	\$1.234	\$1.234	\$1.234	\$1.234	\$1.234	\$1.234	\$11.135

### Benefit Realised (per period)

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Not yet applicable										

## Key Initiatives

Initiative	Start Date	Completion Date	Flag	Work plan achievements
#1 Develop a formal group strategy and plan	Jan 2018	Completed July 2018	Green	<p>A completed Auckland Council Group Communications Framework and Action Plan was presented to the Auckland Council ELT and CCO Chief Executives in July 2018.</p> <p>A quarterly review group will be established to ensure progress on the initiatives identified in the Action Plan. This group will also have oversight of group procurement opportunities currently identified/being explored (refer Recommendation 6).</p>
#2 Implement cost efficiency plans (parent)	Jan 2018	November 2018		<p>Work on cost efficiency plans for FY19 is well underway.</p> <p>An efficiency target of \$0.4m in FY19 will be met through a combination of reduction in FTE (achieved by not filling current vacancies in non-critical roles) and reductions in operational budget. Options for reducing core operating expenditure currently being investigated as part of the business planning process for FY19 include:</p> <ul style="list-style-type: none"> <li>Accelerating the shift from print to digital - including changes to Our Auckland to achieve savings of at least 10% on Our Auckland print and provide more effective engagement and reach from online and print channels</li> <li>More efficient and effective marketing campaigns,</li> </ul>

				<p>including fewer individual campaigns and greater use of cross-promotion and joint or themed campaigns</p> <ul style="list-style-type: none"> <li>Rationalisation of the Annual Report Research Programme while still meeting the statutory Long Term Plan requirements.</li> </ul> <p>A group-wide pool of freelancers has been established to reduce contractor numbers. This pool will be utilised across the council group to manage peaks in workflow in a more cost-effective way, thereby contributing to our efficiency target.</p> <p>Beyond FY19, other significant opportunities to improve value for money are being investigated as part of the Communications Department new strategy, including:</p> <ul style="list-style-type: none"> <li>Further expansion of the design studio model - building on the 37% savings in external agency spend since 2014 through in-housing of BAU design - including provision of services for CCOs.</li> <li>Revenue generation through advertising partnerships for OurAuckland print (with opportunities to expand to digital in the future)</li> <li>Use of commercial partnerships to improve reach, revenue and impact for key campaigns</li> </ul>
#3 Planning process	Jan 2018	Completed July 2018		<p>The new Communications Department strategy is now embedded into the everyday workflow of the department. It is being used to prioritise both budget and resource across the department using clear objectives, investment logic and linkages back to the organisational strategy and Mayoral vision.</p>
#4 Maori engagement	Apr 2018	April 2019		<p><b>Parent:</b> Te Waka Anga Mua ki Uta and CEI are continuing to progress key aspects of their joint strategy and action plan for addressing key Māori engagement challenges within the parent.</p> <p>Key supporting work-streams include:</p> <ul style="list-style-type: none"> <li>Council-wide implementation of the Engagement Performance Framework Dec 2017 and associated practice standards</li> <li>Development and delivery of a Māori Information Portal, including improved Māori engagement calendar management, contacts and engagement process guides tools and systems</li> <li>Supporting development of Regional Mana Whenua Kaitiaki Forum 2018/19 work programme</li> <li>Extending Mataawaka/Māori communities engagement partnering pilot to improve breadth depth and effectiveness of Māori input into council decision-making</li> </ul> <p>The above initiatives are being fed into the group-wide programme now also being developed as noted below.</p> <p><b>Group:</b> A steering group has been convened to develop and deliver the programme of work to address challenges from a group-wide perspective with Phil Wilson as sponsor. It will report to the Te Toa Takitini Executive Leadership Group (ELG).</p> <p>The group has agreed to:</p> <ul style="list-style-type: none"> <li>focus on mana whenua engagement first; current mataawaka initiatives will continue, but the group-wide collaboration programme will focus on improvements in mana whenua engagement a for at least the first 12 months. The full programme is anticipated to cover a three-year period.</li> <li>to review the various engagement forums and supporting systems and processes for effectiveness in line with CE expectations, and consider a centralised model for governance engagement</li> <li>adopt a collaborative approach with mana whenua, shaping solutions in partnership</li> </ul> <p>The group-wide stocktake of issues, current practice, improvement programmes, gaps and opportunities is being refined into a detailed current state assessment and collaboration proposal for discussion with mana whenua in October.</p>

#5 Performance measures	May 2018	Completed June 2018		<p>The new Communications Department strategy includes KPIs for measuring the effectiveness of communication campaigns in terms of delivering the department's mission to win the confidence of Aucklanders through communications that inform and inspire. These KPIs are included in the department's FY19 business plan.</p> <p>Under the brand positioning of Together We're Auckland, campaigns will be categorised in to one of three types with appropriate KPIs for each. The three types are:</p> <ul style="list-style-type: none"> <li>• Advise &amp; Inform</li> <li>• Invite &amp; Celebrate</li> <li>• Ask &amp; Involve</li> </ul> <p>KPIs have also been implemented to measure the delivery of the overall brand vision of Together We're Auckland, and the delivery of the overall Communications Department mission.</p>
#6 Joint procurement	May 2018	Nov 2018		<p>The Communications Department and council Procurement have been working together to identify opportunities for savings through joint procurement across the group.</p> <p>Opportunities identified that have been completed / significantly progressed:</p> <ol style="list-style-type: none"> <li>1. Pool of freelance graphic designers Auckland Council has recruited a pool of casual contractors that will be utilised across the council group to help manage periods of peak workflow.</li> </ol> <p>The establishment of a pool of casual contractors reduces our reliance on agency contractors or our creative agencies in busy times, resulting in reduced cost. It also builds a pool of resource that has capability in working with Council and CCO brands and allows for flexibility and movement of resource across the group on an as needs basis.</p> <ol style="list-style-type: none"> <li>2. Media Monitoring Auckland Council has successfully negotiated with iSentia a group contract for media monitoring and analysis. The new group contract will deliver 5% year on year savings over the next four years, resulting in \$0.1m in savings across the group. Additional services are also available to some of the CCOs as part of the new contract.</li> </ol> <p>We are currently allocating the cost of the new contract across Auckland Council and the CCOs.</p> <ol style="list-style-type: none"> <li>3. Public Notices Auckland Council and Auckland Transport are currently in the early phases of exploring potential for greater value for money through joining up procurement of public notice advertising. Advice from the Legal Department is currently being sought on how this could be achieved.</li> </ol> <p>We are also exploring the potential for one agency to handle all public notices on behalf of the Auckland Council Group. Initial investigations point to limited savings but further details will be provided in November.</p>

**Flag information**

**Green** - Work will progress as planned, due date will be met or if the due date has been revised it will not affect the project critical path or a dependent project.

**Amber** - Due date has or will possibly be missed and this may affect the project critical path or a dependent project, or an issue has arisen that may affect this project or a dependent project.

**Red** - Due date has or will imminently be missed and this will affect the project critical path or a dependent project, or an issue has arisen that will negatively impact this project or a dependent project.

**Commentary:**

Project comment is required that briefly describes progress made and any issues that have arisen.

All milestones due in the next three months require comment that briefly describes progress made and any issues that have arisen.

If the status is **Amber** or **Red** the comment must include a reason why and what action or suggested action is to be taken.

**Risk**

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

**Issue**

A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, and request for change, suggestion or off specification raised during a project. Project issues can be about anything to do with the project.