**Komiti Tohu me te Arotake Tūranga Mahi, me te Rite o te Whiwhi ki Tā Tērā i Utu Ai / Appointments, Performance Review and Value for Money Committee**

**OPEN MINUTE ITEM ATTACHMENTS**

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TABLE OF CONTENTS</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td>Auckland Council progress on savings up to 31 December 2018</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A. 7 March 2019, Appointments, Performance Review and Value for Money Committee: Item 9 - Auckland Council progress on savings up to 31 December 2018, presentation</td>
<td>3</td>
</tr>
</tbody>
</table>

**Note:** The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Auckland Council progress on savings up to 31 December 2018

Appointments, Performance Review and Value for Money Committee

7 March 2019
Overview

- Progress for the 6 months to 31 December 2018

- Progress update on:
  - Corporate Property Strategy
  - Robotic Process Automation
  - Building Consent Inspect Mobilisation
Progress for the 6 months to 31 December 2018

Background

- The 10-year budget includes a $62 million savings target over the first three years, with a $23 million target for financial year 2018/2019.

![Savings profile over time]

- This contributes to the total target for the 10-year period of over $560 million.
Progress for the 6 months to 31 December 2018

Savings achieved

• Up to 31 December 2018 $13.5 million of savings have been realised, leaving a balance of $9.5 million to be achieved for the remainder of the year.

• The savings achieved to date, equates to approximately $135 million over 10-years. This is 24% of the overall $560 million target.

• More than $500 million of other benefits such as cost avoidance and capital expenditure savings have been identified through the Value for Money, procurement and other workstreams.
### Progress for the 6 months to 31 December 2018

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Initiatives</th>
<th>Savings achieved</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>Corporate property renegotiations</td>
<td>$1.0m</td>
<td>Focus on employee benefits including improved workforce planning and reporting and better use of continent workers</td>
</tr>
<tr>
<td></td>
<td>Internet Connection renegotiations</td>
<td></td>
<td>Reduced costs in communications and engagement</td>
</tr>
<tr>
<td></td>
<td>Commercial Finance redesign</td>
<td>$2.1m</td>
<td>Venues and facilities hire digital booking system improvements</td>
</tr>
<tr>
<td></td>
<td>ACL disestablishment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technology</td>
<td>Robotics Process Automation</td>
<td>$0.9m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Technology infrastructure licensing cost reduction</td>
<td>$0.5m</td>
<td></td>
</tr>
<tr>
<td>Non-rates revenue</td>
<td>Prudent financial management</td>
<td>$8.5m</td>
<td></td>
</tr>
<tr>
<td>Value for Money</td>
<td></td>
<td>$0.5m</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>$13.5m</td>
<td></td>
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</tbody>
</table>
Progress for the 6 months to 31 December 2018

Further potential opportunities:

- Corporate property strategy
- Further robotic process automation
- Building Consent Inspect Mobilisation
- Streamline low risk and low value procurements
- Corporate support review
- Sector shared services
- Multi-cloud data centre
- Digital transformation enabling self-serve and awareness of services
- Ongoing prudent financial management
- Future VFM reviews
## WorkSmart@AC: What we are doing

<table>
<thead>
<tr>
<th>Current locations</th>
<th>1 HO</th>
<th>3 hubs</th>
<th>31 spokes</th>
<th>Flexible Working</th>
</tr>
</thead>
<tbody>
<tr>
<td>North / West</td>
<td>Head office</td>
<td>Operational hubs</td>
<td>Bookable drop-in spaces to meet with customers</td>
<td>Working remotely</td>
</tr>
<tr>
<td>Orewa</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Takapuna</td>
<td></td>
<td></td>
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<tr>
<td>Henderson</td>
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</tr>
<tr>
<td>Central</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Auckland House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bledisloe House</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Graham St.</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>South</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manukau Civic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kotuku House</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>Papakura</td>
<td></td>
<td></td>
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<tr>
<td>Pukekohe</td>
<td></td>
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</tbody>
</table>

[Diagram showing current locations, 1 HO, 3 hubs, 31 spokes, and Flexible Working, including locations like Orewa, Takapuna, Henderson, Auckland House, Bledisloe House, Graham St., Manukau Civic, Kotuku House, Papakura, and Pukekohe.]
**WorkSmart@AC: Our value proposition**

- Improved Customer and Employee Experience
- Significantly reduced compliance risk
- $117m cost avoidance
FY19 Runs on the board – Disposals (value released / cost and risk avoidance)

- **35 Graham St** - Out to market now.
  - Two stage EOI/RFP process designed to allow purchaser to advocate for non-financial value-based outcomes alongside financials

- **4-10 Mayoral Drive / Aotea station** - Out to market 16 March
  - Two stage EOI/RFP process designed to achieve station / over station design and delivery integration and achieve council public realm strategic objectives of Aotea Precinct Framework

- **6 Henderson Valley Road** - Currently in negotiation with an interested party
  - Disposal fully integrated with wider Unlock Henderson programme objectives

- **6 Osterley Way Manukau / Kotuku House** - Out to market Q4 FY19
  - Two stage EOI/RFP process in planning integrated with wider Transform Manukau objectives.

- **Other sites**: Orewa, Pukekohe and Papakura: Panuku and Corporate Property are working to deliver development framework documents to relevant local boards during 2019 calendar year.
FY19 Runs on the board – Reinvestment, enabling staff to deliver for our customers

- HO Reconfiguration to accept 35 Graham St staff consolidation has commenced.
- Complete FY20

- Operational consolidation in the south to Manukau Civic and Kotuku House complete
- Operational consolidation in the north / early exit Takapuna under action
  - Provisionally $6m cost avoided through early lease surrender terms

- 4 Spokes now delivered. 13 Spokes complete end of FY19
- 10 Library and Leisure Centre spaces refreshed end of FY19

- More than 80% of our staff now want the ability to work remotely / flexibly
- Corporate WiFi extended to our Library network for our staff. Enabled FY19

- New Devonport Takapuna LB and Customer Service Centre in design
- New Franklin LB and Customer Service Centre in design
Robotic Process Automation (RPA)

- Robotic Process Automation (RPA) uses software to automate repetitive, mundane tasks within business processes to free up staff to focus on value added activities.

- The RPA program has deployed ten “BOT’s” since February 2018, generating benefits of over $848k (of which $200k is direct budget savings) across the following business units:
  - Citizens and Insights - Public Consultation process for the Long-Term Plan (LTP) saving 4,274 hours.
Robotic Process Automation (RPA)

- Citizens and Insights - The RLTP process which allowed us to meet the challenging timeframes to deliver.

- Regulatory - Building Consents lapsing process provided customers early notification that their consents were due to expire.

- Regulatory - Animal Management automated the handling time between the “Call Centre” and the “Animal Management Officers” (AMO). This resulted in improved faster deployment of AMOs and quicker resolution times.
Robotic Process Automation (RPA)

- Financial Transactions - Accounts Payable invoicing automated the checking process of goods receipting to an invoice, allowing for budget savings.

- Sentient – automation ensured SAP and Sentient had updated project financial information.

- The RPA programme was recognised at ALGIM in November 2018, winning the “Best Use of New Emerging Technology” award and is taking these learnings and collaborating with Auckland Transport and other CCO’s as well as other Councils around the country (i.e. Tauranga, BOPLASS, Environment Canterbury).
more consistently presented across the region.

Effectively, inspections will be more consistently conducted with results and inspection times enabling them to plan and manage projects more efficiently. Inspectors will feel the benefits of increased lead times to our customers.

Introducing a single inspections operating model across the Auckland Region.

Building Consistent Inspection Mobilisation
Go Live Stats & Feedback

<table>
<thead>
<tr>
<th>Date</th>
<th># Inspections processed</th>
<th># Images/ attachments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Week 1 – 18/22</td>
<td>3,996</td>
<td>10,899</td>
</tr>
<tr>
<td>Feb</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Week 2 – 25</td>
<td>4,434</td>
<td>11,734</td>
</tr>
<tr>
<td>Feb/01 Mar</td>
<td></td>
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</tr>
</tbody>
</table>

- “Best Council roll-out I've seen”…. South
- “Early days and needs time to embed but so far so good” … Manukau
- “The system roll-out was better than we could have possibly expected and the feedback from our people has been positive ” .. Central
- “Team has adjusted well, and it’s been easy to get hold of the support team” .. West
- “Most people have adjusted well and are supporting the others” …. North