

# Value for Money Programme

Status update

March 2019

# Auckland Council Group Value for Money Programme



<b>Programme Manager</b>	Ross Chirnside
<b>Business Owner</b>	Kevin Ramsay
<b>Sponsor</b>	Matthew Walker

<b>Reporting Period</b>	March 2019
<b>Programme health overall</b>	<span style="color: green;">●</span>

<b>Programme Health</b>	<span style="color: green;">●</span> Schedule	<span style="color: green;">●</span> Resource
-------------------------	---	---

<b>Budget</b>	<span style="color: green;">●</span>
<b>Risk</b>	<span style="color: green;">●</span>

## Programme overview and monthly progress

### Independent Reference Panel (IRP) – March meeting

The IRP reviewed the recommendations for the Finance Value for Money review and initial data for the Legal and Risk review.

### Customer services review

The review was discussed by at the Committee’s March workshop with the report to be considered at the committee’s April meeting. The review team is being supported by the GM Customer Services, Auckland Council at these meetings.

### Finance review

Three substantive opportunities for improvement have been identified and developed into value propositions. These have been sent to Finance management across the group for feedback.

The review team have developed an A3 page to summarise the Finance review.

### Legal and Risk review

Progress on developing the current state assessment

## Next Steps

### Finance

Seek management comment on improvement opportunities and finalise report

### Legal and risk

Continue development of current state assessment report

### Human Resources

Commence planning of the Human Resources review.

## Key risks and issues

### Parks and open spaces

The ongoing review of the governance framework and allocation of decisions between governing body and local boards has a potential impact on some elements of the report and recommendations.

Work will recommence on the review once next phase of governance review this work has been completed.

**Key for all pages** ● On track

● Some issues which may impact achieving targets

● Some issues which will impact achieving targets

# Auckland Council Group Value for Money Programme



## Review Status Overview

### Committee Approval

### Next Steps

Phase	RAG	Committee Approval	Next Steps
Three Waters	●	November 2017	<ul style="list-style-type: none"> <li>APRVfM committee May 2019 – Implementation progress update</li> </ul>
Domestic Waste	●	November 2017	<ul style="list-style-type: none"> <li>APRVfM committee May 2019 – Implementation progress update</li> </ul>
Communications and engagement	●	November 2017	<ul style="list-style-type: none"> <li>No further progress updates required</li> </ul>
Investment attraction	●	November 2017	<ul style="list-style-type: none"> <li>Delays due to resource constraint with other priorities</li> </ul>
Parks and open spaces	●		<ul style="list-style-type: none"> <li>On-hold until after completion of next phase of governance review</li> <li>VfM team to discuss with management if any initiatives can be progressed</li> </ul>
Group Procurement	●	June 2018	<ul style="list-style-type: none"> <li>APRVfM committee May 2019 – Implementation progress update</li> </ul>
Information, comms. and technology	●	December 2018	<ul style="list-style-type: none"> <li>APRVfM committee May 2019 – Implementation progress update</li> </ul>
Customer services	●	April 2019	<ul style="list-style-type: none"> <li>APRVfM committee April 2019 – final report, move to benefit realisation</li> </ul>
Financial services	●		<ul style="list-style-type: none"> <li>APRVfM Committee workshop April 2019, Final report June 2019</li> <li>Improvement opportunities being developed</li> </ul>
Legal and risk	●		<ul style="list-style-type: none"> <li>Continue development of current state assessment</li> <li>APRVfM workshop July 2019</li> </ul>
Human resources	●		<ul style="list-style-type: none"> <li>Review to commence May 2019</li> </ul>
Regional and Local Planning	●		<ul style="list-style-type: none"> <li>APRVfM Committee July 2019 – terms of reference</li> </ul>
Corporate property	●		<ul style="list-style-type: none"> <li>APRVfM Committee July 2019 – terms of reference</li> </ul>

Organisation support



# Auckland Council Group Value for Money Programme



## Benefit Summary

Reporting Period (last quarter) March 2019

Review	Responsible officer	Benefit planning	Implementation	Value	VFM opportunity	Cash releasing financial benefit (\$m 10 years)			Non-financial benefit opportunity	Comment (if not green must comment)
						Forecast	Realised	Realised		
Three Waters	Andrew Chin	●	●	●	300	293	231	<ul style="list-style-type: none"> <li>Improved co-ordination of Three Waters activity</li> <li>Auckland Water strategy</li> </ul>		
Domestic waste	Andrew Ovenden	●	●	●	42	TBD	0	<ul style="list-style-type: none"> <li>Focus on non-domestic waste</li> </ul>	<ul style="list-style-type: none"> <li>Benefits determined following procurement in 2020</li> </ul>	
Communications and engagement	Dan Lambert	●	●	●	27	27	2	<ul style="list-style-type: none"> <li>Group communications strategy</li> <li>Maori engagement action plan</li> </ul>	<ul style="list-style-type: none"> <li>Savings recorded for Auckland Council only</li> </ul>	
Investment attraction	Jacky Hollingsworth	●	●	●	-	-	-	<ul style="list-style-type: none"> <li>Auckland investment story</li> <li>Improved performance measures</li> </ul>	<ul style="list-style-type: none"> <li>Delays in development of Auckland investment story</li> </ul>	
Group Procurement	Jazz Singh	●	●	●	140	110	27	<ul style="list-style-type: none"> <li>Sustainable procurement and Maori engagement framework in place</li> <li>Risk framework being developed</li> </ul>	<ul style="list-style-type: none"> <li>Benefit planning only completed for 2019-2021.</li> </ul>	
Information, Communications and technology	Mark Denvir	●	●	●	18	TBD	-	<ul style="list-style-type: none"> <li>Group ICT strategy</li> </ul>	<ul style="list-style-type: none"> <li>Planning commenced for benefit realisation</li> </ul>	
<b>TOTAL</b>					<b>527</b>	<b>430</b>	<b>260</b>			

### Benefit Realisation detail

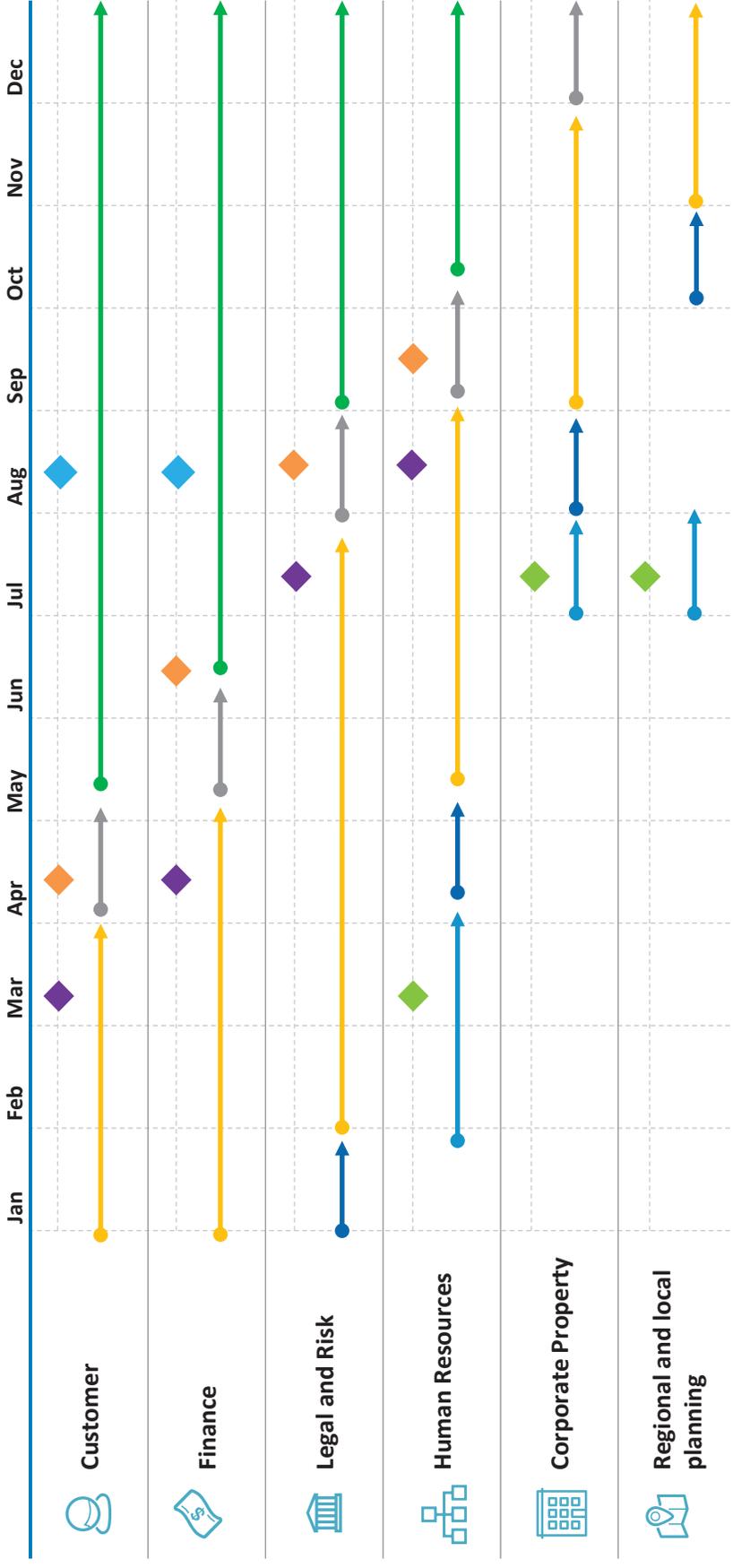
Benefit \$M	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Forecast	430	208	137	5	7	7	9	11	11	12	11	12
Realised	260	208	52									

\* Benefits are cash benefit (both operating and capital). **Benefit opportunity** – potential identified by VFM review (10 years), **Benefit forecast** – amount forecast by management based on implementation progress (10 years), **Benefit realised** – amount “banked” in accounts (1 year)

# Value for Money Programme



2019 work plan



**REVIEW PHASES**  
 What this means

- INITIATE** Terms of reference
- PLAN** How we will review?
- DELIVER** Assess VFM
- CLOSE** Recommendations
- BENEFIT REALISATION** Implement recommendations

**APRVFM committee dates**

- ◆ Terms of reference
- ◆ Workshop findings
- ◆ Final report
- ◆ Implementation progress update

# Value for Money Programme

<b>Review</b>	Three Waters
<b>Responsible officer</b>	Andrew Chin and Anin Nama
<b>Implementation Health</b>	<span style="color: green;">●</span> Benefit planning <span style="color: green;">●</span> Implementation

<b>Reporting Period</b>	March 2019
<b>Overall programme health</b>	<span style="color: green;">●</span>
<b>Value</b>	<span style="color: green;">●</span> Value <span style="color: green;">●</span> Risk

## Implementation overview

- The key recommendations of the S17A review, which can be progressed at this time, have been completed and are now part of business as usual delivery.
- 80% of the forecast savings have now been realised and the remainder are captured in the Long-Term Plan.
- Recommendations relating to economic regulation, consolidation of regulatory services and delivery of three waters services have been placed on hold pending completion of central government's Three Waters review.

## Key achievements in last quarter

- Public consultation on the discussion document for the Our Water Future strategy carried out in March and April 2019
- Award of the central interceptor contract was completed in March 2019. The inclusion of the Grey Lynn extension project within this larger construction contract award enabled savings.
- Martin Jenkins analysis of options for structural change completed

## Benefit Realisation summary

Benefit Opportunity \$M	Benefit Forecast \$M	Variance to Opportunity \$M	Benefit Realised \$M	Benefit realisation plan developed	RAG
\$300M	\$293M	\$7M	\$231M	Yes	<span style="color: green;">●</span>

## Key activities for next quarter

- Complete analysis of feedback on Our Water Future discussion document and continue delivering other S17A actions.

## Key risks and issues

- Some of the potential operational expenditure savings that have been identified above can be achieved through efficiencies in the council family's operations and maintenance.
- However, these savings may be offset by the effects of growth and more extreme weather events, which increase the risk of flooding.

## Benefit Realisation detail

Benefit \$M	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Forecast	293	181	52	3	4	5	6	8	9	9	9	7
Realised	231	181	50									

\* Benefits are cash benefit (both operating and capital). **Benefit opportunity** – potential identified by VFM review (10 years), **Benefit forecast** – amount forecast by management based on implementation progress (10 years), **Benefit realised** – amount “banked” in accounts (1 year)

# Value for Money Programme

Review Three Waters

Reporting Period March 2019

## Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (if not green must comment)
Produce a Three Waters Policy and Strategy	Nov 2017	Sep 2020	●		<ul style="list-style-type: none"> <li>Consultation on the Our Water Future discussion document was carried out in March and April 2019 with over 2,500 submissions received.</li> <li>Analysis of feedback and a framework for next steps will be provided to Environment and Community in June 2019.</li> </ul>
Consolidated capital planning between Auckland Council and Watercare	Nov 2017	Ongoing	●	●	<ul style="list-style-type: none"> <li>\$179 million of benefits from consolidated capital planning have been included in the Long-term Plan. Watercare has published their Asset Management Plan and the Healthy Waters Asset Management Plan is underway.</li> <li>Planning for the largest area of capital expenditure (the western isthmus) has been fully consolidated.</li> </ul>
Establish joint project delivery and procurement with Watercare, Auckland Transport and Healthy Waters	July 2017	Ongoing	●	●	<ul style="list-style-type: none"> <li>Watercare, Healthy Waters and Auckland Transport have identified locations where roading, stormwater, wastewater and water supply projects are needed in the same area.</li> <li>These projects are then being jointly procured and delivered with \$108 million of savings forecast. For example, the award of the Central Interceptor contract was completed by Watercare in March 2019. The inclusion of the council's Grey Lynn extension project within the Central Interceptor contract award enabled savings.</li> </ul>

# Value for Money Programme

**Review** Three Waters

**Reporting Period** March 2019

## Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (If RAG not GREEN – Got to Green plan)
Coordinate Three Waters operations and maintenance activities, including joint monitoring	Mar 2018	Ongoing	●	●	<ul style="list-style-type: none"> <li>An analysis of options for operations and maintenance has been completed by Martin Jenkins and will be discussed in the confidential section of the 6 June 2019 meeting.</li> <li>Hearings for the Stormwater Network Discharge consent have been completed. However, decisions on the consent have been delayed. Opportunities for joint monitoring will be explored once the consent is confirmed.</li> </ul>

# Value for Money Programme

<b>Review</b>	Domestic Waste
<b>Responsible officer</b>	Andrew Ovenden
<b>Implementation Health</b>	● Implementation

<b>Reporting Period</b>	March 2019
<b>Programme health overall</b>	●
<b>Value</b>	● Risk

## Implementation overview

- Most recommendations have been implemented and are either a) on track for completion or b) already part of business as usual.

## Key achievements in last quarter

- Waste solutions is working closely with partners such as the Wynyard Edge Alliance, HLC and Community Facilities to reduce construction and demolition waste going to landfill.
- A waste collections procurement plan, which will drive a shift towards an integrated collections model, was approved by the Strategic Procurement Committee in early March 2019. A Notice of Information was then issued to potential suppliers for the three waste streams – food scraps, recycling and refuse.
- An independent business case regarding options for ownership of key waste assets and services has been completed.

## Benefit Realisation summary

Benefit Opportunity \$M	Benefit Forecast \$M	Variance to Opportunity \$M	Benefit Realised \$M	Benefit realisation plan developed	RAG
To be confirmed	To be confirmed	To be confirmed	To be confirmed	To be confirmed	●

## Key activities for next quarter

- A formal Request for Proposals for waste collection services will be issued to suppliers.
- A review of the Waste Minimisation and Innovation Fund is underway and will be completed by June 2019.

## Key risks and issues

- It is not possible at this stage to quantify the level of financial benefit arising from the Value for Money review. Savings can be confirmed once the waste collections procurement is completed.
- The timeline for procurement of waste collection services is constrained. This creates various risks related to achieving value for money through the procurement and smooth handover of services to new suppliers. Recommendations for mitigating this risk will be presented to Strategic Procurement Committee on 1 May 2019.

## Benefit Realisation detail

Benefit \$M	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
-------------	-------	------	------	------	------	------	------	------	------	------	------	------

Forecast To be confirmed post procurement of waste collection services.

Realised

\* Benefits are cash benefit (both operating and capital). **Benefit opportunity** – potential identified by VFM review (10 years), **Benefit forecast** – amount forecast by management based on implementation progress (10 years), **Benefit realised** – amount “banked” in accounts (1 year)

# Value for Money Programme

<b>Review</b>	Domestic Waste	<b>Reporting Period</b>
		March 2019

## Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (if not green must comment)
Prepare a plan to focus on the total waste stream and include it in the Waste Management and Minimisation Plan.	Nov 17	June 2018	●	●	<ul style="list-style-type: none"> <li>The Waste Management and Minimisation Plan was adopted in 2018 and includes a focus on reducing non-domestic waste. Waste staff are now working with partners such as HLC and Community Facilities to reduce the volume of construction and demolition waste sent to landfill.</li> </ul>
Evaluate options of ownership for non-strategic assets and associated services	Feb 18	Feb 19	●	●	<ul style="list-style-type: none"> <li>An independent business case from PricewaterhouseCoopers relating to options for ownership and management of key waste assets and services has been completed. The business case made the following recommendations:                             <ul style="list-style-type: none"> <li>Whitford Landfill – retain council’s 50 per cent ownership and develop a resource recovery park on the site</li> <li>Waitākere Transfer Station – council should continue to own and manage, including development of a resource recovery park on the site.</li> <li>Community recycling centres – continue developing 12 centres as planned and two resource recovery parks.</li> <li>Staff support these recommendations but have not yet carried out a detailed feasibility assessment of them.</li> </ul> </li> <li>The business case also made a number of commercially sensitive recommendations relating to waste collection services. These have been actioned through the waste collections procurement plan which was approved by Strategic Procurement Committee in March 2019.</li> </ul>
New services or trials must include: <ul style="list-style-type: none"> <li>Consideration for co-funding support from the national Waste Minimisation Fund and business cases.</li> </ul>	Nov 17	Ongoing	●	●	<ul style="list-style-type: none"> <li>An application to the national Waste Minimisation Fund to fund aspects of the resource recovery network was partially successful. It is currently undergoing due diligence before final funding is confirmed.</li> </ul>

# Value for Money Programme

<b>Review</b>	<b>Reporting Period</b>
Domestic Waste	March 2019

## Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (if not green must comment)
Lift economic discipline by including evidence-based market research, ranking initiatives by cost effectiveness and carrying out independent reviews	Nov 17	Ongoing	●	●	<ul style="list-style-type: none"> <li>Various waste initiatives were ranked by cost-effectiveness during development of the Waste Management and Minimisation Plan 2018. Waste Solutions regularly commissions market research, cost benefit analysis and reviews to guide effective delivery of services.</li> </ul>
Review of Auckland Council's waste grant scheme	Nov 17	Ongoing	●		<ul style="list-style-type: none"> <li>A review of the Waste Minimisation and Innovation Fund is underway and will be complete by June 2019. An update on changes arising will be provided to Environment and Community Committee once the review is complete. Changes will be implemented from September 2019.</li> </ul>
Develop site waste management plans to minimise waste	July 18	Dec 18	●	●	<ul style="list-style-type: none"> <li>Contract specifications requiring site waste minimisation plans (including a ban on priority materials going to landfill) will soon be included in all facilities maintenance projects under \$300,000 being delivered by the council group.</li> </ul>
Gather evidence for diverting waste from landfill – carry out household behavior studies	Nov 17	Ongoing	●	●	<ul style="list-style-type: none"> <li>Market research on householders' willingness to achieve and pay for waste reduction initiatives will be procured in 2019.</li> </ul>
Do further research into whether central government should lift the landfill levy	Nov 17	July 18	●	●	<ul style="list-style-type: none"> <li>Research on the costs and benefits of a levy increase has been completed and the case for an increase is strong. Council advocacy to the Associate Minister for the Environment on this issue is ongoing.</li> </ul>
Implement outcome based contracting for waste collections	Nov 17	Ongoing	●	●	<ul style="list-style-type: none"> <li>The procurement plan for new waste collection services - an integrated collections model designed to incentivise greater diversion and operational efficiency - was approved by Strategic Procurement Committee in March 2019. A Notice of Information was then issued to suppliers. A more detailed Request for Proposals will be issued in May 2019.</li> </ul>

# Value for Money Programme

<b>Review</b>	Investment Attraction & Global partnerships
<b>Responsible officer</b>	Jacky Hollingsworth

<b>Reporting Period</b>	March 2019
-------------------------	------------

<b>Implementation Health</b>	● Benefit planning ● Implementation ● Value ● Risk
------------------------------	--

<b>Programme health overall</b>	●
---------------------------------	---

## Implementation overview

- Progress continues to be made however there have been some delays due to resource constraints (including some staff changes) and competing priorities. Resource constraint issues have been addressed now.

## Key activities in last quarter

- Investment Story:** Project rescope has been approved, stakeholder engagement plan approved including ATEED CEO briefing Council and CCO CEO's. Best practice review of global ED platforms has commenced
- Performance measures:** completion of ATEED Voice of the Customer pilot including measurement of investment attraction customer satisfaction and benefits received.

## Key activities for next quarter

- Full roll-out of ATEED Voice of the Customer programme to provide more detailed and in-depth measures of customer satisfaction.
- Coordination of CCO investment meetings to identify key personnel to form working groups, CCO working groups established, including working Terms of Reference and governance framework

## Key risks and issues

- Investment Story:** Project was rescoped as a result of resource being redirected to Project Epic (screen). Project initiation will take longer than expected due to complex nature of stakeholder engagement

## Benefit Realisation detail

Benefit \$M	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
-------------	-------	------	------	------	------	------	------	------	------	------	------	------

Forecast

Realised

\* Benefits are cash benefit (both operating and capital). **Benefit opportunity** – potential identified by VFM review (10 years), **Benefit forecast** – amount forecast by management based on implementation progress (10 years), **Benefit realised** – amount “banked” in accounts (1 year)

## Benefit Realisation summary

Benefit Opportunity \$M	Benefit Forecast \$M	Variance to Opportunity \$M	Benefit Realised \$M	Benefit realisation plan developed	RAG
\$0	\$0	\$0	\$0	●	●

# Value for Money Programme

**Review** Investment Attraction & Global partnerships

**Reporting Period** March 2019

## Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (if not green must comment)
<p>Develop a consolidated Auckland investment story</p> <ul style="list-style-type: none"> <li>- explain clearly to potential investors the respective roles and how they fit together</li> <li>- develop a shared understanding of Auckland's overarching urban growth and infrastructure development plan</li> </ul>	Sept 18	June 19	●		<ul style="list-style-type: none"> <li>• Background research and analysis is underway but delayed due to revised Statement of Intent and internal restructure.</li> </ul>
<p>Fees for investment attraction services</p> <ul style="list-style-type: none"> <li>- For attraction services that generate clear private benefits to the investors &amp; businesses receiving the investment.</li> </ul>	Apr 18	Sept 18	●	●	<ul style="list-style-type: none"> <li>• Complete – decided not to progress. See previous reports.</li> </ul>
<p>Establish better performance measures</p>	Apr 18	Jun 19	●		<ul style="list-style-type: none"> <li>• ATEED's Voice of the Customer work is well underway, establishing base lines for measuring customer satisfaction with investment attraction services - but has been delayed due to revised Statement of Intent and internal restructure.</li> </ul>

# Value for Money Programme

<b>Review</b>	Group Procurement
<b>Responsible officer</b>	Jazz Singh
<b>Implementation Health</b>	● Benefit planning ● Implementation

<b>Reporting Period</b>	March 2019
<b>Overall programme health</b>	●
<b>Value</b>	● Risk

## Implementation Overview

- Good progress has been made on implementing the VFM recommendations
- The Group continue to collaborate well under the oversight of the Chief Financial Officers

## Key achievements in last quarter

- Continued development of practical how to toolset for AC to achieve social and sustainable outcomes in procurement.
- Continued strong relationship with TSI is partnering to achieve social and sustainable outcomes at AC

## Key activities for next quarter

- Launch the new how to framework to wider AC, workshop with the strategic procurement committee and launch framework at the TSI organised conference Creating Shared Prosperity through Public Procurement 2019.

## Benefit Realisation\* summary

Benefit Opportunity \$M	Benefit Forecast \$M	Variance to Opportunity \$M	Benefit Realised \$M	Benefit realisation plan developed	RAG
\$140M	\$110M	\$30M	\$26.8M	●	●

- Savings opportunities of \$110m (80% of target) have been identified to be realised in the first 3 years of the LTP
- Currently too early to plan outer years but confident targets can be achieved

## Key risks and issues

- Nothing to report

## Benefit Realisation\* detail

Benefit \$M	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Forecast	110	26.8	83.2									
Realised	26.8	26.8										

\* Benefits are cash benefit (both operating and capital). **Benefit opportunity** – potential identified by VFM review (10 years), **Benefit forecast** – amount forecast by management based on implementation progress (10 years), **Benefit realised** – amount “banked” in accounts (1 year)



**Review** Group Procurement

**Reporting Period** March 2019

### Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (if not green must comment)
Design and implement a Group procurement operating model	Sept 2015	June 2019	●		<ul style="list-style-type: none"> <li>Anticipate that will still be completed on schedule</li> <li>Group source programme working across AC, T and Watercare</li> <li>Group procurement policy enabled</li> <li>Spend analytics in place</li> </ul>
Design and implement a consistent supplier relationship management framework	July 2018	July 2019	●		<ul style="list-style-type: none"> <li>Group SRM leads working group formed with AC, AT and Watercare</li> <li>SRM charter and purpose documents developed within entities</li> <li>SRM activities within entities are progressing and some category teams are taking Group approach to address suppliers together</li> <li>AC having workshop with strategic suppliers and stakeholders on developing SRM survey</li> <li>Group SRM framework strawman expected to be completed by July 2019</li> </ul>
Design and implement a risk management framework to determine correct procurement approach on value and risk	July 2018	Dec 2018	●		<ul style="list-style-type: none"> <li>Draft framework in place and being tested</li> <li>AC developed new value and risk assessment thresholds</li> </ul>
Implement savings targets for procurement to achieve	June 2018	Sept 2018	●	●	
Complete a post implementation review of Ariba implementation	March 2018	Dec 2018	●	●	



**Review**      Group Procurement      **Reporting Period**      March 2019

### Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (If RAG not GREEN – Got to Green plan)
Develop and implement engagement plan for working with Maori businesses	July 2018	Ongoing	●		<ul style="list-style-type: none"> <li>Senior AC and AT procurement staff presented at and attended two HWEN organized workshops.</li> <li>In partnership with Arc Blue procurement and TSI are developing a practical how to guide for implementing social and sustainable procurement in AC which will include supplier diversity targets (including Maori Businesses)</li> <li>Supporting TSI in developing a business case to seek funding from the Maori Economic Outcomes Steering Group to scale HWEN up.</li> <li>Continued engagement with IMSB, TWA, MWKF and central government.</li> </ul>
Improve benefit reporting with year end forecast position and initiatives to achieve	July 2018	Sept 2018	●	●	
Implement customer and supplier surveys at Auckland Transport	July 2018	Feb 2019	●	●	
Standardise frameworks, templates, contracts, where practical	Sept 2015	Ongoing	●		

# Value for Money Programme

<b>Review</b>	Information, communications and technology
<b>Responsible officer</b>	Mark Denvir
<b>Implementation Health</b>	<span style="color: green;">●</span> Benefit planning <span style="color: green;">●</span> Implementation

<b>Reporting Period</b>	March 2019
<b>Programme health overall</b>	<span style="color: green;">●</span>
<b>Implementation</b>	<span style="color: green;">●</span> Value <span style="color: green;">●</span> Risk

## Implementation Overview

- Increased collaboration between AC and AT in a number of areas especially around Risk and Security, GIS, SAP and CCTV.
- A number of other areas of potential collaboration opportunity have been identified e.g. Data Governance, Maori Engagement, Forward Works viewer, Radio network.

## Key activities for last quarter

- Joint AC / AT meeting held with a number of opportunities identified
- Sharing Security eLearning and a few other AC contracts has enabled AT to enhance speed to market for these services.
- AC and Watercare collaborating on RPA and assisting with establishment of Centre of Excellence and practices

## Benefit Realisation summary

Benefit Opportunity \$M	Benefit Forecast \$M	Variance to Opportunity \$M	Benefit Realised \$M	Benefit realisation plan developed	RAG
\$1.8M	TBD	To be confirmed	To be confirmed	To be confirmed	●

## Key activities for next quarter

- Next Joint meeting between AC and AT being scheduled for June
- Reviewing opportunity to include Watercare in joint session

## Key risks and issues

- Nothing to report

## Benefit Realisation detail

Benefit \$M	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Forecast	18	TBD										
Realised												

\* Benefits are cash benefit (both operating and capital). **Benefit opportunity** – potential identified by VFM review (10 years), **Benefit forecast** – amount forecast by management based on implementation progress (10 years), **Benefit realised** – amount “banked” in accounts (1 year)

# Value for Money Programme

**Review** Information, communications and technology

**Reporting Period** March 2019

## Status of implementation recommendations

Recommendation	Start date	Completion date	RAG	Completed	Comment (if not green must comment)
Develop and implement a Group approach to governing ICT to leverage scale and eliminate duplication		Ongoing	●		<ul style="list-style-type: none"> <li>Work has commenced and progress made on how the Group will work together and a number of group initiatives have been identified</li> </ul>
Design and implement a consistent Group-wide approach for managing data centres		Ongoing	●		<ul style="list-style-type: none"> <li>AC are developing their multi-cloud approach elements of which can be leverage across the Group</li> </ul>
Build on the collaborative approach in the Group Procurement Policy by building an ICT procurement strategy and category management plan.		Ongoing	●		<ul style="list-style-type: none"> <li>Working with the Procurement team to ensure alignment across the Group any procurement activity while developing the category management plans</li> </ul>
Develop ICT procurement category plan for 2018/19 to identify opportunities to combine contracts/re-negotiate more favourable terms on a Group basis	Dec 19	Jun 19	●		<ul style="list-style-type: none"> <li>See above</li> </ul>
Improve business case development	Dec 19	Jun 19	●		
Create common project practices and a pool of project resources and suppliers	Dec 19	Jun 19	●		