OPEN MINUTE ITEM ATTACHMENTS

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Auckland Council progress on savings up to 31 March 2019

Appointments, Performance Review and Value for Money Committee

6 June 2019

Overview

• Progress for the 9 months to 31 March 2019

• Progress update on:
  • Dog registration
  • Utility management
Progress for the 9 months to 31 March 2019

Background

- The 10-year Budget 2018-2028 includes total cumulative operating savings for Auckland Council of $565 million over the next ten years.

- The target for the 2018/2019 financial year is $23 million.

Savings achieved

- For the 9 months to 31 March 2018 $16.2 million of savings have been achieved, with the balance of the $23 million identified and anticipated to be realised in the final quarter.

- This equates to $230 million savings over the next ten years, or 41 per cent of the overall $565 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 9 months to 31 March 2019

**Savings initiatives**

<table>
<thead>
<tr>
<th>Workstream</th>
<th>Savings achieved</th>
<th>Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement</td>
<td>$1.2m</td>
<td>Supplier panel for professional services related to processing resource consent and other applications</td>
</tr>
<tr>
<td>Organisational design</td>
<td>$2.6m</td>
<td>Changes to the composition of the executive leadership team</td>
</tr>
<tr>
<td>Technology</td>
<td>$1.3m</td>
<td>Robotics Process Automation; Technology infrastructure licensing cost reduction</td>
</tr>
<tr>
<td>Non-cities revenue</td>
<td>$0.5m</td>
<td>Venue and facilities hire digital booking system improvements</td>
</tr>
<tr>
<td>Prudent financial management</td>
<td>$12.3m</td>
<td>Focus on employee benefits including improved workforce planning and reporting and better use of contingent workers</td>
</tr>
<tr>
<td>Value for Money</td>
<td>$0.5m</td>
<td>Reduced costs in communications and engagement</td>
</tr>
<tr>
<td>Total</td>
<td>$18.3m</td>
<td></td>
</tr>
</tbody>
</table>

Progress for the 9 months to 31 March 2019

Further potential opportunities:
- Streamline low risk and low value procurements
- Corporate support reviews
- Sector shared services
- Multi-cloud data centre
- Further robotic process automation
- Digital transformation enabling self-serve and awareness of services
- Ongoing prudent financial management
- Future VFM reviews
Dog Registration
Appointments, Performance Review and Value for Money Committee

Justin Durocher
6 June 2019

Change of Address BOT – Dog Registration

Challenge
- In a 12 month period Regulatory process over 8,000 'Change of Address' details for dogs & owners
- Council have 10 days to process detail changes
- Detail changes spike during the dog registration period each year (June to September)
- To support the spike in activity during the dog registration period we engage 14 temporary staff

Solution
- Develop a Robotic Process Automation (RPA) BOT to automate the activity which will result in:
  - Updated web form for owners to complete which is easier to follow and complete
  - Reduction of temporary staff by it will save $134,000
  - BOT to be operating year round will realise a further $41,000 in process improvements

To deliver further value from the developed BOT for 'Change of Address' we are now considering implementing the BOT for other 'Change of Address' activities across all of Council.
Utility Management
Appointments, Performance Review and Value for Money Committee
Kirk Archibald
6 June 2019

Background – Utility Management

Making our size work & Value
4000 Utility Accounts
$20 million spend per year

Automated checking and payment
Background – Utility Spend

Auckland Council Utility Spend ($12 month rating)

+5% per year

$26+ million today

Utilities – Making our size work and getting value

Utility Management

Utility management systems, Procurement, Reduce usage
Procurement

2017 - Group Procurement

- Incorporated Sustainable Procurement Principals
- Longer term + indexed pricing
- Delivered $1 million per year saving

Utility Management Systems

- Recruited a utility coordinator to manage the system
- Utility Investigation Project
- Software upgrade
- Continuous improvement
Reduce Usage

1. EECA Collaboration 3.1 GWh
2. Workplace strategy 1.7 GWh
3. Utility investigations

Results

1. $5.3 million per year saving vs long term trend
Future work programme

- **Energy Management**
  - Carbon Emission Reduction Plan
- **Utility Management**
  - Continuous Improvement Phase
- **Workplace Strategy**
  - Workplace Strategy 2.0