

VALUE FOR MONEY IMPLEMENTATION PROGRESS REPORT

Review:	Communication & Engagement	Flag	GREEN (Overall)
Report Date	15 May 2018	Report Period	March – May 2018

Status Overview for the Review

Significant progress has been made by the council Communication and Engagement department (C&E) since the February Update to implement all recommendations.

Council Parent: Communication & Engagement Department

The council's communication and engagement department continues to make significant progress to implement all recommendations.

Year one efficiency savings have been identified through 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. Details will be outlined in the department's FY18-19 business plan which is currently in draft.

Options for year 2 and 3 savings have also been identified, including through 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 for FY18-19, with business cases to be developed.

A new C&E department strategy has been implemented and enables the department to more effectively determine allocation of parent C&E budget for FY18-19 through clearer objectives, investment logic and linkages back to the organisational strategy and mayoral vision. This includes a new set of KPIs for the department which will be outlined.

A Maori engagement strategy for parent is being developed with supporting work streams.

Council Group

A cross-council working group is leading development of a formal group strategy and plan. This includes identification of opportunities for further efficiency and procurement savings, effective media and issues management and the shift to digital first. This will be presented to Councillors in July.

Scoping work has also begun to identify further efficiency opportunities for year 2 and 3 group savings through joint procurement. Opportunities being investigated include media monitoring, signage, freelance resource, collective ad buy and expanded use of council's in-house design studio.

A council-CCO working group is considering a response to recommendations in relation to Maori engagement.

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: \$16.7m 10-years	Council Parent: \$12.2m 10-years	\$4.3m	From FY19	N/A	Underway	
Group Procurement: \$15m-\$30m	Currently being analysed					

Commentary

Council Parent

The formal cost-efficiency programme recommended by the S17a Review forecast a 10-year savings target of \$16.7m for the council parent. This was dependent on the consolidation of circa \$4m of communication and engagement activity sitting outside of the C&E department to enable efficiencies to be fully realised.

Following analysis of the \$4m it is concluded that there is minimal opportunity to consolidate this expenditure into the C&E department. The majority of spend is by other parts of the council which for the most part do not cross-over core C&E functions e.g. the printing of Inspection Record Books by Building Control, the printing of dog registration forms by Animal Management Services and the printing of Visitor Experience brochures by PSR. Other spend was on one-off completed projects e.g. the Unitary Plan.

As a result of this analysis, the FY19 efficiency target has been calculated at \$0.46m and the 10-year efficiency total at \$12.158m.

C&E are 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	2027/28	Total
\$0.464	\$0.913	\$1.348	\$1.348	\$1.348	\$1.348	\$1.348	\$1.348	\$1.348	\$1.348		\$12.158

Benefit Realised (per period)

2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	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	Jun 2018		<p>A cross-council working group is leading development of a formal group communications framework.</p> <p>At a meeting on March 1st attended by the council parent and CCOs the outline of a group communication framework was agreed to. Following this meeting a smaller group has developed the first draft of this framework which has been now circulated to the wider group for feedback.</p> <p>A working session scheduled for 28 May will discuss feedback, with the purpose of finalising a document to take to senior leadership teams in June.</p>
#2 Implement cost efficiency plans (parent)	Jan 2018	Aug 2018		Work on cost efficiency plans is progressing. Year one efficiency savings will be met through a combination of reduction in FTE (achieved by not filling current vacancies in non-critical roles)

				<p>and reductions in operational budget. Options for reducing core operating expenditure currently being investigated as part of the business planning process for FY18-19 include:</p> <ul style="list-style-type: none"> • 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 • More efficient and effective marketing campaigns, including fewer individual campaigns and greater use of cross-promotion and joint or themed campaigns • Rationalisation of the Annual Report Research Programme while still meeting the statutory Long Term Plan requirements. • Establishing a group-wide pool of freelancers to reduce contractor numbers <p>Beyond year one savings, other significant opportunities to improve value for money are being investigated as part of development of the C&E department strategy, including:</p> <ul style="list-style-type: none"> • 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 • Revenue generation through advertising partnerships for Our Auckland print (with opportunities to expand to digital in the future) • Use of commercial partnerships to improve reach, revenue and impact for key campaigns
#3 Planning process	Jan 2018	Jun 2018		<p>A new C&E department strategy has been adopted to drive allocation of the parent's C&E budget for FY18-19 with clear objectives, investment logic and linkages back to the organisational strategy and Mayoral vision.</p> <p>Priority work-streams that will inform budget allocation for FY18-19 include:</p> <p>Know Aucklanders – a review of insights and audience segmentation to inform better targeting and relevance of messages and provide consistent approach to measuring ROI for campaigns</p> <p>Inform & Engage Aucklanders – a single messaging framework to organise and align core messages across council</p> <p>Meet Aucklanders where they are - Development of a single 'go to market' strategy for the organisation, to deliver council messages to target audiences in the right place</p>

				<p>through an aggressive channel and content strategy with an emphasis on digital first.</p> <p>This work will be integrated into the department's FY18-19 business planning which is happening over the month of May. Other workstreams underway include opportunities for personalisation of external communications and improved business partner relationships.</p>
#4 Maori engagement	Apr 2018	April 2019		<p>Parent: Te Waka Anga Mua ki Uta and C&E have developed a joint strategy and action plan for addressing key Māori engagement challenges within the parent, including setting baseline engagement standards and measures through the Engagement Performance Framework Dec 17.</p> <p>Key supporting work-streams underway include:</p> <ul style="list-style-type: none"> • Council-wide implementation of the Engagement Performance Framework • Development and delivery of a Māori Information Portal, including improved Māori engagement calendar management, contacts and engagement process guides tools and systems • Establishment of Regional Mana Whenua Kaitiaki Forum, strategic priority setting and funding process underway through 10-year budget • Mataawaka/Māori communities engagement partnering pilot to improve breadth depth and effectiveness of Māori input into council decision-making <p>Group: A steering group has been convened to address challenges from a group-wide perspective. Members contributed to a stock-take of our respective programmes for discussion at our 1 May meeting. A meeting is being scheduled for the final week in May to confirm our priority challenges and provide a consolidated view of how we will address them, including initiatives already in progress, and initial scoping for a joint longer-term shared programme. This will be presented to senior leadership in June.</p>
#5 Performance measures	May 2018	June 2018		<p>A set of KPIs are being developed as part of the strategy development noted in #3 to measure ROI on campaigns and will be included in the department's FY18-19 business plan.</p>
#6 Joint procurement	May 2018	Nov 2018		<p>The C&E department and council procurement have begun to identify opportunities for savings through joint procurement across the group.</p> <p>Opportunities currently being investigated:</p> <ol style="list-style-type: none"> 1. Pool of freelance graphic designers <p>Currently both Auckland Council and Auckland Transports' design studios experience periods</p>

of peak workflow where additional resource (over and above the core FTE) may be needed to cope with the workload. During these periods agency contractor resource is used (mostly by Auckland Transport's studio) at significant cost to the organisation due to agency fees. Also there are times when production work needs to be briefed into our creative communication agencies at a much greater cost than what the work could be produced for in-house. Auckland Council's design studio have utilised their own pool of contractors in the past on Auckland Council casual contracts, meaning resource can be used on an as needs basis without repeating onboarding procedures and agency mark up fees.

Auckland Council is currently seeking approval to go to market for a pool of casual contractors that could be utilised across the council group, building capability in working with Council and CCO brands and allowing for flexibility and movement of resource across the group on an as needs basis. This would also result in efficiencies.

2. Media Monitoring

A meeting was held on 3rd May with iSentia, council procurement and CCO representatives to investigate potential efficiencies in media monitoring. Presently the council parent and each of the CCOs have separate contracts in place with iSentia. iSentia are now aware of each entity's media monitoring needs and will respond with a proposal.

3. Public Notices

AT and AC are currently in the early phases of exploring potential for greater value for money through joining up procurement of public notice advertising. Further details will be provided in July.

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.