I hereby give notice that an ordinary meeting of the Value For Money Committee will be held on:

**Date:** Thursday, 20 February 2020  
**Time:** 10.00am  
**Meeting Room:** Room 1, Level 26  
**Venue:** 135 Albert Street  
Auckland

Kōmiti Tiaki Pūtea /  
Value for Money Committee  
OPEN AGENDA

**MEMBERSHIP**

**Chairperson**  
Cr Desley Simpson, JP

**Deputy Chairperson**  
Tracy Mulholland

**Members**  
Deputy Mayor Cr Bill Cashmore  
Cr Angela Dalton  
Mayor Hon Phil Goff, CNZM, JP  
Cr Shane Henderson  
IMSB Member Glenn Wilcox  
Cr Paul Young  
Chair of the Independent Reference Panel for the Value for Money Review Programme (yet to be appointed)

(Quorum 4 members)

Sandra Gordon  
Kaitohutohu Mana Whakahaere Matua / Senior Governance Advisor  

14 February 2020

Contact Telephone: (09) 890 8150  
Email sandra.gordon@aucklandcouncil.govt.nz  
Website: www.aucklandcouncil.govt.nz

*Note:* The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

The Value for Money Committee ensures the pro-active assessment of money saving opportunities and considers the cost-effectiveness of the governance, funding and delivery across the Auckland Council Group, including those opportunities beyond the scope of s17A. Responsibilities include:

1. approving the s17A Local Government Act 2002 review forward work programme.
2. monitoring and reporting on the implementation of s17A reviews, and the recommendations arising from those reviews.
3. approving the terms of reference for individual s17A reviews
4. receiving and making recommendations on the outcome of individual reviews
5. requesting reports on Auckland Council parent and CCO value for money and cost effectiveness-focused initiatives that are beyond the scope of s17A reviews.

Powers

All powers necessary to perform the committee’s responsibilities.

Except:

(a) powers that the Governing Body cannot delegate or has retained to itself (section 2)
(b) where the committee’s responsibility is limited to making a recommendation only
(c) the power to establish sub-committees.
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

- Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
- Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
- Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
- In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

- The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
- However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
- All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

- Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
- Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

- All staff supporting the meeting (administrative, senior management) remain.
- Other staff who need to because of their role may remain.

Local Board members

- Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

- Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
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1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

There are no minutes to be confirmed.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than one (1) clear working day prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of thirty (30) minutes is allocated to the period for public input with five (5) minutes speaking time for each speaker.

At the close of the agenda no requests for public input had been received.

6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to five (5) minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give one (1) day’s notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

At the close of the agenda no requests for local board input had been received.
7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,-

   (i) The reason why the item is not on the agenda; and

   (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

   (i) That item is a minor matter relating to the general business of the local authority; and

   (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”
Te take mō te pūrongo
Purpose of the report
1. To provide an overview of the planned approach to the Value for Money Programme (VfM) during 2020.

Whakarāpopototanga matua
Executive summary
2. Auckland Council has a number of drivers for continuing to review the cost effectiveness of its delivery of services and capital projects. These include:
   - Legislative (Local Government Act 2002 section 17A)
   - Delivering best value for the community
   - Releasing resources for the macro challenges facing the council (e.g. climate change, housing provision and environmental degradation)
   - Improving community trust and confidence in the Council’s financial management.
3. At the conclusion of the last term of Council the Appointments, Performance Review and Value for Money Committee, received a report reviewing the programme and resolved that a VfM programme briefing paper be prepared by the group chief financial officer for the incoming council. A full briefing paper has been prepared (Attachment A).
4. In preparing a draft VfM work programme consideration has been given to projects currently underway or about to start i.e.
   a) Council-Controlled Organisations (CCO) review – this has commenced and has the potential to overlap with the VfM projects. In addition, two members of the former Independent Reference Panel have been appointed to the CCO review panel
   b) Long-term Plan (LTP) 2021-2031 – the VfM programme can support the LTP process by identifying areas where resources can be released for higher priority projects or services, as well as enable the LTP community consultation to highlight these prioritisation decisions.
   c) Determining efficiency savings since amalgamation – this work will potentially identify areas for more detailed review through the VfM programme.
   d) Shared services opportunities with other local authorities.
5. The proposed VfM work programme also incorporates ongoing monitoring of previous reviews to ensure benefit realisation and review of operating models to deliver council services. A focus will be the group capital programme which represents the largest expenditure area and the greatest value opportunity.
6. Given the context of the other projects which may influence the ongoing VfM work programme, it is proposed that the work programme be reviewed six monthly.

Ngā tūtohunga
Recommendation/s
That the Value for Money Committee:
   a) endorse the approach of a six-monthly review of the forward work programme.
   b) agree the work programme, as set out in the report, for the first six months of 2020.
Horopaki

Context

7. The Local Government Act 2002 (LGA) section 17A requires all councils to undertake regular reviews of the cost-effectiveness of their delivery of “good-quality local infrastructure, local public services, and performance of regulatory functions”. The LGA also requires that these reviews “consider options for the governance, funding, and delivery of infrastructure, services, and regulatory functions”.

8. Auckland Council has several strong drivers for seeking to manage costs and chose to broaden the 17A process into a much more robust vehicle than that required by the legislation. Since 2017 a systematic approach to reviewing services and activities has been undertaken, incorporating the legislative requirements of s17A. The programme was initially overseen by the Finance and Performance Committee, but in March 2018 the Terms of Reference of the existing Appointments and Performance Review Committee were amended to provide governance oversight of the VfM programme.

9. At the conclusion of the last term of the council, the Appointments, Performance Review and Value for Money Committee, received a report reviewing the programme and resolved that a VfM programme briefing paper be prepared by the group chief financial officer for the incoming council. A full briefing paper has been prepared (Attachment A). This paper covers:
   a) The drivers for continuing the programme and, in particular, the need to ensure that Council is able to release resources for priority projects including the macro challenges of climate change, housing provision and environmental degradation
   b) Options for shaping the programme going forward
   c) Aligning the programme with other key initiatives, in particular, the Long-term Plan 2021-2031 and the CCO review
   d) The advantages of an independent overview of the programme
   e) Suggestions related to improving the effective governance of the programme.

10. As part of the new committee structure, the Mayor has created this Committee reporting directly to the Governing Body. Membership of the Committee includes the Chair of the Independent Reference Panel (IRP). Both of these initiatives align with the recommendations in the briefing paper.

Tātaritanga me ngā tohutohu

Analysis and advice

11. In proposing a VfM programme of work for 2020 – 2022, consideration has been given to the issues identified in the briefing paper with particular focus on other key pieces of work that are currently underway or about to start.

Projects that need to be aligned with the VfM programme

CCO review

12. Council have commissioned an independent review of the Group structure and the CCO model. The CCO review has three main lines of enquiry
   • the effectiveness of the CCO model, roles and responsibilities
   • the accountability mechanisms between CCOs and the council
   • the culture of CCOs.

13. The work of the CCO review impacts on the VfM programme i.e.
   a) Assessing the effectiveness of the CCO model is aligned to the adopted approach for assessing value for money - approximately 70% of group expenditure is incurred by CCOs. Undertaking separate VfM review work of CCOs during this period would not be effective.
b) Two members of the former VfM IRP have been appointed to the CCO Review panel and the former VfM Programme staff lead is supporting the CCO Review panel.

**Long-term Plan 2021-2031**

14. The LTP process will be commencing in the near future. There will be many competing priorities for council resourcing for the 10-year period. Given its fiscal constraints it will be key to delivery of the LTP to ensure that savings can be identified and released to enable application of resources to the highest priority projects and services. The VfM programme can be targeted towards supporting the LTP process in that regard. In addition:

   a) The current LTP has capital investment of $26bn and there are opportunities in improving the efficiency and effectiveness of delivering the programme. Improving the phasing of delivery will in turn allow better cash flow management to maximise the capital programme within current financial constraints.

   b) Where changes in existing services and projects require community consultation, the LTP can be an effective mechanism for consultation with the community as it provides the broad context in which these decisions need to be made.

**Determining efficiency savings since amalgamation**

15. 1 November 2020 will be the 10th anniversary of the amalgamation of local government in Auckland and the formation of Auckland Council. This presents an opportunity to determine what efficiency savings have been delivered to Auckland since the amalgamation. This work will also support the CCO Review and may identify areas for future VfM reviews.

**Shared Service opportunities with other local authorities**

16. Auckland Council has been approached by other local authorities about working together in a shared service environment. This work will determine whether there is value for Auckland Council to provide these services, developing an approach to assessing opportunities and an action plan for implementation.

**Other considerations**

**Previous VfM programme review – follow up**

17. There are follow-up activities from work already completed on the VfM programme that need to be continued:

   a) Savings and benefit realisation - Implementation of completed reviews and progress against savings targets will continue to be monitored

   b) Auckland Council operating model – some previous reviews identified the need to simplify and/or improve the Council’s operating model. Work has begun on some of these opportunities – one of these is reported in a separate item on this agenda. These are likely to be reported as part of the confidential agenda due to commercial and/or employment sensitivities.

**Appointing the Independent Reference Panel**

18. During last term of Council, the VfM IRP was appointed by the Group Chief Financial Officer (Programme Sponsor) and had three independent members.

19. The VfM IRP was effective during the last term of Council and management planned to appoint panel members for the new term of Council, taking the opportunity to assess whether changes were needed to the skills required for the work programme. However, two of the former IRP members have since been appointed to the CCO review panel and it is proposed to delay appointment of the IRP in the interim.

20. In April, the committee will receive an update on proposed membership of the VfM IRP for appointment by the Group CFO commencing 1 July 2020. Until the panel is appointed there will not be a member on VfM Committee.
**VfM work programme during 2020**

21. Given the considerations outlined above, in particular the CCO review, a different approach from that previously adopted, is proposed for 2020 i.e.

- detailed planning will occur every 6 months to provide flexibility to respond to changing circumstances
- reviews will not only be activities but also consider value chains e.g. capital delivery which spans multiple activities.

22. The group capital programme represents the largest area of expenditure and potential value for money opportunity. During this term of Council, the VfM Programme will focus on aspects of the programme to both support the development of the LTP and deliver improved value. Some of the focus areas include

23. Developing an integrated delivery pipeline (group and other Auckland infrastructure providers e.g. NZTA, Kiwirail to provide the supply market greater certainty to invest and to “dig once” where possible

24. Implement different procurement opportunities through bundling long-term work packages, risk sharing and aligning capital delivery to supply market capacity

25. Build partnerships with suppliers, Infrastructure Commission, Infrastructure New Zealand and other councils (Tauranga, Hamilton)

26. However, over time, all areas where there is potential benefit will be assessed so that Council meets legislative requirements.

27. The proposed programme for 2020 is as follows:

<table>
<thead>
<tr>
<th>Period</th>
<th>Activity</th>
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<td>February 2020</td>
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<td>• Quarterly update of completed reviews</td>
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<td>• Shared services opportunities with other local authorities</td>
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<td></td>
<td>• Review of next six-month programme</td>
</tr>
<tr>
<td>July – December 2020</td>
<td>• Areas of review identified by CCO review</td>
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<tr>
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<td>• Continuation of review of operating models of council services</td>
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<tr>
<td></td>
<td>• Improving value from capital delivery programme (continuation)</td>
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<td>• Any new areas of review identified by Committee, management or the programme</td>
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**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

28. A decision on the VfM programme will not have any direct impact on climate change. Maximising the financial benefits from the VfM programme will assist in freeing resources for applying to Council’s strategic priorities such as climate change.
**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

29. The Value for Money programme adopts a group perspective and considers activities undertaken both by Auckland Council and its substantive council-controlled organisations. The Group have not been engaged in the development of this report but will be included when the programme considers activities impacting their operations.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**

**Local impacts and local board views**

30. The programme to date has not significantly impacted at a local level. Many of the activities have been corporate support activities and others have been within the regional decision-making allocation. As the programme progresses there will be impacts at a local level and consideration needs to be given to the involvement of local boards at the appropriate time for each project.

**Tauākī whakaaweawe Māori**

**Māori impact statement**

31. Throughout the programme to date, at an individual project level, there has been consideration of the impact for Māori and some specific recommendations on this. This will continue.

**Ngā ritenga ā-pūtea**

**Financial implications**

32. The Value for Money programme is focused on ensuring maximum value for the community from council expenditure. The programme expenditure is included in existing budgets ($800k per annum).

**Ngā raru tūpono me ngā whakamarutanga**

**Risks and mitigations**

33. There are no specific risks associated with adopting the recommendations of this report. Risks associated with adopting recommendations of individual projects within the overall programme are dealt with at the time of each report back.

**Ngā koringa ā-muri**

**Next steps**

34. Following agreement from the committee meeting today, staff will commence the work programme for 2020.

**Ngā tāpirihanga**

**Attachments**

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**Ngā kaihaina**

**Signatories**

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<th>Author</th>
<th>Ross Chirnside – Programme Lead – Value for Money</th>
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<tr>
<td>Authoriser</td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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Memo

To: Value for Money Committee
From: Matthew Walker, Group Chief Financial Officer

Subject: Value for Money Programme - briefing

Background

1. The Local Government Act 2002 (LGA) section 17A requires all councils to undertake regular reviews of the cost-effectiveness of their delivery of “good-quality local infrastructure, local public services, and performance of regulatory functions”. The LGA also requires that these reviews “consider options for the governance, funding, and delivery of infrastructure, services, and regulatory functions”.

2. Auckland Council has several strong drivers for seeking to manage costs and chose to broaden the 17A process into a much more robust vehicle than that required by the legislation. Since 2017 a systematic approach to reviewing services and activities has been undertaken, incorporating the legislative requirements of s17A. The programme was initially overseen by the Finance and Performance Committee, but in March 2018 the Terms of Reference of the existing Appointments and Performance Review Committee were amended to provide governance oversight of the Value for Money (VfM) programme.

3. The previous VfM programme had a number of distinct features designed to ensure maximum effectiveness i.e.
   - A broader approach than just that required by the LGA – the programme has looked at value in a strategic sense i.e. the value to Auckland from the four wellbeings perspective, rather than just the cost of delivering the activity. Value has been assessed using an evidence base and benchmarking against comparable organisations. It has also taken a group perspective by including the relevant activities in CCOs as part of the review.
   - A consistent methodology for each service/activity – this has allowed the development and evolution of a framework and reports that are consistent in their presentation to decision makers, transparent to all stakeholders, and resulted in the development of internal capability which can be applied to a range of issues. It has also assisted in identifying common themes across the individual parts of the programme.
   - Oversight and input from an Independent Reference Panel – the members of the panel brought in-depth experience from their backgrounds in engineering, public policy and the legal profession. The elements of independent challenge, an outside perspective and professional credibility have been valuable assets to the overall process.
   - External expertise as required – a number of the projects have used external subject matter experts to challenge the review findings, ask the right questions and add another perspective. Included in this expertise has been: an expert in the water industry for the Three Waters review; a communications expert for the communications and engagement review; a Te Ao Maori advisor, to ensure that Maori interests have been considered in the relevant reviews.
   - Governance oversight and ongoing monitoring of expected benefits – this ensures that there is continued focus on delivery as well as review.

4. The potential financial benefits of the projects completed to date are estimated to be $430 million over ten years. $270 million of this was realised in year 1.
5. At the conclusion of the last term of the council, the Appointments, Performance Review and Value for Money Committee, received a report reviewing the programme and resolved that a Value for Money programme briefing paper be prepared by the group chief financial officer for the incoming council.

Drivers for continuing the programme

6. Many of the drivers to continue with the programme are unchanged from the original impetus for the current programme i.e.

- The legislative requirement to continue with s17A reviews
- The challenges of Auckland’s ongoing growth and managing the costs and debt constraints associated with funding that growth
- A best practice approach to ensuring that ratepayers are receiving best value for their money through optimising service delivery and costs
- Ongoing governance and organisational focus on the trade-offs between costs to ratepayers and the levels of service that are demanded in different activities
- Transparency to the community of such trade-offs.

7. In addition, the macro issues that face the Council and NZ generally (climate change, housing provision, environmental degradation) are making significant demands on constrained resources. Continuing a programme that ensures funding is released wherever possible to meet these increasing costs is essential in some form.

8. The VfM programme can also have a part to play in improving the community’s trust and confidence in Council’s performance. It provides the assurance that Council takes its responsibilities seriously in managing public funding through a robust programme of reviewing all activities with independent oversight. Given the global decline in trust in governments and institutions (e.g. Edelman Trust Barometer 2019), providing such assurance is valuable.

Shape of the future VfM programme

9. The future form that the programme takes and the amount of effort and resource that go into it are essentially governance decisions. Council could adopt a more minimalist, legislative compliance approach. This is not recommended for the reasons set out above and was not the preferred option of the previous Appointments, Performance Review and Value for Money Committee.

10. At the end of the last term of Council a report to the Committee recommended that the programme continue and identified that the key issues for consideration included:

- Aligning the VfM programme with other initiatives (such as the annual efficiency savings, the simplification project) to ensure there is an integrated overview of all of these activities
- Acknowledging the wider approach to measuring “value” that the VfM programme brings and capturing that within the integrated approach (i.e. that value is more than simply cost reductions)
- Aligning the integrated programme with the next Long Term Plan process
- Determining the programme approach in terms of specific groups of activities, cross cutting projects or a mixture of both
- A project structure that provides for appropriate political leadership and direction, particularly in those community facing activities which impact at a local level
• An ongoing role for independent oversight (such as the Independent Reference Panel)

Alignment of the VFM programme with other relevant initiatives

11. One of the key linkages for the VFM programme is the Long-term Plan 2021-2031 (LTP). Work will commence on this during 2020. The LTP process considers the work programme and its associated financial implications for the next 10 years. Specific consideration needs to be given to the trade-offs of where limited funding resources are applied. The linkages with the VFM programmes (and other cost savings initiatives) are:

• Identifying cost savings from existing projects, services and activities and ensuring that these are captured in the forecasting
• Consideration of the relative priorities of new or expanded projects and activities for any available additional funding
• Providing the vehicle for any VFM initiatives which may need community consultation.

12. A review of the CCOs has been initiated in recent weeks. How activities are delivered, and to what level of service, are key issues for s17A reviews. The VFM programme will need to be aligned with the relevant outputs of the CCO review.

13. Other efficiency and cost saving projects, initiated from different processes, will be managed and reported so that the council has a comprehensive view of financial impacts of the VFM and other programmes.

Programme of work

14. Ten groups of activities have been through the review process these are:

• Three waters
• Domestic waste services
• Investment attraction and global partnerships
• Communications and engagement
• Group procurement
• Information and communication technology
• Customer services
• Group financial services
• Parks and open spaces
• Group legal and risk management services.

15. The Terms of Reference for Group Human Resource Management Services were approved and work on the review commenced but is currently on hold (see status report). Other activities such as Regional and Local Planning, Economic development, Community Services, Regulatory services, etc. were to be programmed from early 2020 onwards. This would continue the existing approach of basing the reviews on the groups of activities as set out in council's public documents such as the 10-year budget (LTP) and Annual Report, however there are opportunities for alternative approaches to the review programme such as:

a) A focus on cross-cutting functions with the potential for common approaches and therefore increased value for money. Procurement was an early example of this, other potential areas are: asset management, capital programme delivery, contract briefing/management, property management and project management.
b) Reviewing areas where renewal of major contracts for service are due in the medium
term e.g. community facilities

c) Identifying those priority areas which require review leading into the LTP process –
particularly where they may require community consultation because of changes in
service level, mode of delivery or governance structures.

d) Activity areas that may be impacted by the review of CCOs.

e) The operating model for some council services, particularly where the current model is
of a mixture of in-house and outsourced service delivery.

Independent overview of the programme

16. The current VfM programme has utilised an Independent Reference Panel (IRP) for oversight
and input. The members of the previous panel brought in-depth experience from their
backgrounds in engineering, public policy and the legal profession. The elements of
independent challenge, an outside perspective and professional credibility have been
valuable assets to the overall process.

17. It is recommended that the programme continues to have this independent oversight and
input. It is also recommended that there be more regular engagement of the IRP with the
governance of Council (elected members) and CCOs (boards of directors). This would
enable the IRP to present their independent assessment directly to the governors rather than
via the staff reports.

18. Moving forward the most appropriate mix of skills on the panel might change depending on
the work programme that is agreed. The public policy element will be a consistent
requirement given the nature of local government. Other skills/experience that are likely to be
useful are legal, asset management, customer services, community engagement and
organisational transformation. It is recommended that, following agreement of the VfM
forward programme, the Group Chief Financial Officer, as previously, identifies and appoints
appropriate individuals (maximum of three) to the panel.

Programme governance structure

19. In the previous term of Council the VfM programme reported initially to the Finance and
Performance Committee and subsequently to the Appointments, Performance Review and
Value for Money Committee. This Committee then recommended actions to the Governing
Body. Key issues for consideration in the governance structure (many of which have been
addressed already) are:

- Delegation from the Governing Body – it is more efficient if the VfM programme was
  overseen by one committee – this has been addressed through the creation of the Value
  for Money Committee reporting directly to the Governing Body.

- Engagement with the governance of the CCOs – many of the specific projects within the
  programme rely on a cross “council family” approach. One of the issues identified in the
  VfM review at the end of the last term of council, was the difficulty of ensuring effective
  implementation when staff of CCOs have their own governance structure and their own
  priorities. The CCO review may give some guidance to addressing these issues going
  forward.

- Involvement of local boards – as the VfM programme moves to activities that are
  community facing, there will be an impact on services and assets over which the local
  boards have a governance role. The Governing Body continues to be responsible for
  funding all activities (through the setting of the general rate), however, the local board
  has decision making over local activities and assets. Work recently completed on local
  board involvement in regional policy and plans, provides guidance for how this should be
  approached for activities where local boards have a governance role. The boards would
  be invited to nominate representatives to workshop the implications with the committee at
the appropriate stage (Terms of Reference) and then all local board views would be sought on the review findings report, before reporting back to the committee.

- Independent Māori Statutory Board (IMSB) – the IMSB has been appointed to the Value for Money Committee.

- Independent advice – the committee will have an ongoing monitoring role for the delivery of the VfM programme and achievement of the identified benefits within each project. IRP members develop in-depth understanding of elements of the council activities and it may be valuable to utilise this knowledge more widely. One way of doing this could be by assisting the committee in challenging the report back process. Appointing the Chair of the IRP to the committee (as has already happened) is a very helpful initiative. As well as acting as independent and well informed “challenger” of the monitoring process, the IRP Chair can act as the interface between the committee and the panel as a whole.

- Structure of committee meetings – the committee is likely to become a key interface between local boards and CCOs as well as ongoing engagement with the IRP. For this reason, it is suggested that committee meetings continue to be structured around a regular workshop component (which may be more significant going forward) and a formal meeting component at each scheduled meeting.

Communication

20. The VfM programme can have a key role to play in improving the trust and confidence of the community in the council’s financial performance. In order to do this, the results of the programme should be published on a regular basis. A separate report from the IRP on an annual basis could also provide an independent view of council’s performance in addressing its delivery effectiveness. This should become part of the Terms of Reference for the future IRP.
Te take mō te pūrongo
Purpose of the report
1. To provide an update on the Value for Money (VFM) Programme and the implementation progress of the completed reviews.

Whakarāpopototanga matua
Executive summary
2. Overall the programme status is green.
3. The approach to the VFM Programme has been modified reflecting findings from “End of Council term – status and review report” and the CCO Review which is currently underway.
4. The VFM reviews with approved terms of reference are summarised in the table below

<table>
<thead>
<tr>
<th>Phase</th>
<th>Closed</th>
<th>Benefits realisation</th>
<th>In progress</th>
<th>On hold</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of reviews</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

5. Detailed implementation progress updates are provided for those reviews in the benefit realisation phase; being:
   - Domestic waste services
   - Information, communications and technology
   - Customer services
   - Financial services
   - Legal and risk services

6. Business managers responsible for implementation are available to address specific questions on those reviews in paragraph 5 above.

Ngā tūtohunga
Recommendation/s
That the Value for Money Committee:
   a) note the Value for Money Programme status and the progress updates on:
      - Domestic waste services
      - Information, communications and technology
      - Customer services
      - Financial services
      - Legal and risk services.

Horopaki
Context
7. In March 2017 the Finance and Performance Committee endorsed a value for money programme for the Auckland Council group (resolution number FIN/2017/23).
8. During the last term of Council terms of reference were approved to commence 11 VfM reviews with 9 being completed. A summary of these reviews was provided in the “End of Council term – status and review” report to the September meeting of the Appointments, Performance Review and Value for Money committee. The findings in this report will also inform the VfM work programme for 2020.

Tātaritanga me ngā tohutohu
Analysis and advice

Programme status

9. Overall the programme status is green with no significant issues to report. The programme now has a range of reviews in different phases from initiation through to benefit realisation.

10. The VFM reviews with approved terms of reference are summarised in the table below

<table>
<thead>
<tr>
<th>Phase</th>
<th>Closed</th>
<th>Benefits realisation</th>
<th>In progress</th>
<th>On hold</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of reviews</td>
<td>4</td>
<td>5</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Reviews</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three Waters</td>
<td></td>
<td>Domestic waste</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communications &amp; engagement</td>
<td></td>
<td>Information, communications and technology</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment attraction and global partnerships</td>
<td></td>
<td>Customer services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group procurement</td>
<td></td>
<td>Financial services</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Legal and risk services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Parks and open spaces</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resource services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

11. Parks and open spaces is on hold until completion of the next phase of the governance review. The Human Resource services review is on hold until the CCO Review is completed.

2020 work Programme

12. The proposed programme for 2020 is included in another report to the VFM committee. Once approved progress will be reported in future quarterly updates to the committee.

Detailed implementation progress for reviews in benefit realisation phase

13. Detailed implementation status updates are provided for the following reviews:

<table>
<thead>
<tr>
<th>Review</th>
<th>Status</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic waste</td>
<td></td>
<td>This will be the final report for domestic waste now that the procurement of new contracts has been completed. The new integrated waste collection model has one supplier providing all three waste collection services (refuse, recycling and food scraps) for each single contract area across the region. These contracts are expected to deliver financial benefits and involve the implementation of electric collection vehicles which will help significantly reduce carbon emissions, air pollution and other environmental harm</td>
</tr>
<tr>
<td>Review</td>
<td>Status</td>
<td>Comment</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>--------</td>
<td>-------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Information, communications and technology</td>
<td>Green</td>
<td>Quarterly status update provided (first status report)</td>
</tr>
<tr>
<td>Customer services</td>
<td>Green</td>
<td>Resourcing contention has resulted in delays to developing shared service strategy. This is now resolved.</td>
</tr>
<tr>
<td>Financial services</td>
<td>Orange</td>
<td>Quarterly status update provided (first status report)</td>
</tr>
<tr>
<td>Legal and risk services</td>
<td>Green</td>
<td></td>
</tr>
</tbody>
</table>

**Benefit realisation**

14. Details of the reviews in benefit realisation phase are included in the status report. A summary is

<table>
<thead>
<tr>
<th>Review phase</th>
<th>Benefit opportunity ($m, 10 years)</th>
<th>Benefit forecast ($m, 10 years)</th>
<th>Benefit realised ($m, 2 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed</td>
<td>467</td>
<td>430</td>
<td>270</td>
</tr>
<tr>
<td>Benefits realisation</td>
<td>88.5</td>
<td>40</td>
<td>0.5</td>
</tr>
</tbody>
</table>

15. In the table above, benefits are the cash benefit (both operating and capital expenditure).
   - **Closed** – implementation is largely complete with no further reporting or monitoring
   - **Benefit realisation** – review completed and approved by committee with management implementing. Detailed implementation status reports are provided for these reviews
   - **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 (or included in LTP). This reflects that only 2 financial years has been completed since the review findings were approved.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

16. The decision to receive this report has no direct impact on climate change. As recommendations from completed reviews are implemented the impact of climate change is considered.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

17. The VFM reviews consider all organisations in the group. Group organisations are involved in the development of the implementation status updates, where appropriate.
Item 9

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

18. The decision to receive this report has no direct implications for local boards. As recommendations from completed reviews are implemented the impact on local boards is considered.

Tauākī whakaaweawe Māori
Māori impact statement

19. The decision to receive this report has no direct implications for Māori. As recommendations from completed reviews are implemented the impact on Māori is considered.

Ngā ritenga ā-pūtea
Financial implications

20. Any financial implications arising from the implementation of the VFM reviews will be determined as implementation plans are developed and included in the reporting back to this committee.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

21. The primary risks arising from these recommendations are regarding their implementation which will be addressed through implementation plans and where required business cases.

Ngā koringa ā-muri
Next steps

22. The next quarterly progress report will be provided to the committee at its April meeting.

Ngā tāpirihanga
Attachments

<table>
<thead>
<tr>
<th>No.</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A6</td>
<td>Value for Money Programme Status report December 2019</td>
<td>25</td>
</tr>
</tbody>
</table>

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Ross Chirnside – Programme Lead – Value for Money</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authoriser</td>
<td>Matthew Walker - Group Chief Financial Officer</td>
</tr>
</tbody>
</table>
Value for Money Programme

Quarterly update

December 2019
Auckland Council Group
Value for Money Programme

Programme overview and monthly progress

Briefing paper to incoming Council
A briefing paper has been prepared for the incoming council outlining the work programme for the first 6 months of this calendar year.

Some changes to the programme have been recommended to improve the effectiveness of the reviews. There is reduced review activity during the CCO Review.

This is the final implementation report for Domestic Waste. With the completion of the procurement for integrated waste collection all recommendations have substantially been recommended.

Human Resources review
Review has been placed on hold pending the completion of the CCO Review.

Next Steps
Implement work programme until June 2020 as agreed with the VFM committee.

Key risks and issues

CCO Review
Risk of loss of momentum of the programme during CCO Review.

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 – benefit realisation

**Benefit Summary**

**Reporting Period (last quarter)**: June 2019

<table>
<thead>
<tr>
<th>Review</th>
<th>Responsible officer</th>
<th>Benefit planning</th>
<th>Value</th>
<th>VFM opportunity</th>
<th>Forecast</th>
<th>Realised</th>
<th>Non-financial benefit opportunity</th>
<th>Comment (if not green must comment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic waste</td>
<td>Parul Sood</td>
<td>✔</td>
<td>✔</td>
<td>42</td>
<td>4</td>
<td>0</td>
<td>• Focus on non-domestic waste</td>
<td>• Benefits determined following procurement in 2020</td>
</tr>
<tr>
<td>Customer services</td>
<td>Wendy Beban</td>
<td>✔</td>
<td>✔</td>
<td>10.5</td>
<td>TBD</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information, Communications and technology</td>
<td>Mark Denvir</td>
<td>✔</td>
<td>✔</td>
<td>18</td>
<td>18</td>
<td>-</td>
<td>• Group ICT strategy</td>
<td>• More group opportunity to be assessed</td>
</tr>
<tr>
<td>Financial services</td>
<td>Debbie Acott</td>
<td>✔</td>
<td>✔</td>
<td>18</td>
<td>18</td>
<td>0.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal and risk services</td>
<td>Dani Gardiner</td>
<td>✔</td>
<td>✔</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>• Better management of risk</td>
<td>• Business case to determine if any efficiency benefit</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>88.5</td>
<td>40</td>
</tr>
</tbody>
</table>

**Benefit Realisation detail**

<table>
<thead>
<tr>
<th>Benefit SM</th>
<th>Total</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast</td>
<td>40</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Realised</td>
<td>0.5</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* 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

Attachment A

Item 9

Value for Money Programme

<table>
<thead>
<tr>
<th>Review</th>
<th>Domestic Waste</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible officer</td>
<td>Parul Sood</td>
</tr>
<tr>
<td>Implementation Health</td>
<td>Benefit planning</td>
</tr>
<tr>
<td>Reporting Period</td>
<td>January 2020</td>
</tr>
<tr>
<td>Programme health overall</td>
<td></td>
</tr>
</tbody>
</table>

Implementation overview

- All key review recommendations have been implemented, and the resulting projects are either on track or completed. This will be the final VIM update.

Key achievements in last quarter

- Supplier recommendations for the new integrated waste collection model were approved in December 2019. The model has one supplier providing all three waste collection services (refuse, recycling and food scraps) for each single contract area across the region. These contracts involve the use of electric collection vehicles which will help significantly reduce carbon emissions and air pollution. The integrated waste collections procurement achieved a $76 million savings including a contract contingency of 17.5 percent ($74.5 million). This contingency has not been included in the benefit forecast above to reflect risk around unforeseen cost increases and/or changes to waste volumes.
- Food scraps processing contract finalised with Ecogas Limited.
- Sourcing of co-funding continues. Council receives $7 million a year from the central government Waste Minimisation Fund for ongoing services. The Onehunga Community Recycling Centre has also received $2.2 million funding from the national Waste Minimisation Fund.

Key activities for next quarter

- Implementing the integrated waste collection services with the initial focus on maintaining a consistent quality of collection service throughout the contractor change over period in July 2020.
- The government has signalled a review of the waste levy. Council provided a submission advocating for increasing and expanding the levy – this could provide additional funding for resource recovery in future.
- Staff will continue to focus on achieving savings, through managing the integrated collections to minimise requirement for contingency and seeking increased co-funding from the central government waste levy.

Key risks and issues

- The integrated waste collections procurement has delivered savings of $1.5 million over the ten year contract period (excluding $74.5 million contingency). Savings will be achieved through the competitive rates negotiated for collection services and households diverting more waste through recycling.

Benefit Realisation detail

<table>
<thead>
<tr>
<th>Benefit $M</th>
<th>Total</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast</td>
<td>3.7</td>
<td>$0.04M</td>
<td>$7.66M</td>
<td>$6.81M</td>
<td>$0.3M</td>
<td>$3.92M</td>
<td>$3.11M</td>
<td>$2.82M</td>
<td>$2.45M</td>
<td>$2.02M</td>
<td>$1.89M</td>
<td>$1.65M</td>
</tr>
<tr>
<td>Realised</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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## Attachment A

### Value for Money Programme

#### Status of implementation recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare a plan to focus on the total waste stream and include it in the Waste Management and Minimisation Plan</td>
</tr>
<tr>
<td>Evaluate options of ownership for non-strategic assets and associated services</td>
</tr>
<tr>
<td>New services or trials must include: - Consideration for co-funding support from the national Waste Minimisation Fund and business cases</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Start date</th>
<th>Completion date</th>
<th>RAG</th>
<th>Completed</th>
<th>Comment (if not green must comment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepare a plan to focus on the total waste stream and include it in the Waste Management and Minimisation Plan</td>
<td>Nov 17</td>
<td>June 2018</td>
<td>●</td>
<td>●</td>
<td>• 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.</td>
</tr>
<tr>
<td>Evaluate options of ownership for non-strategic assets and associated services</td>
<td>Feb 18</td>
<td>Feb 19</td>
<td>●</td>
<td>●</td>
<td>• 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: - Whittford Landfill – retain council’s 50 per cent ownership and develop a resource recovery park on the site. - Waitākere Transfer Station – council should continue to own and manage, including development of a resource recovery park on the site. - Community recycling centres – continue developing 12 centres as planned and two resource recovery parks. - Staff support these recommendations and will present an updated version of the resource recovery network strategy to Environment and Climate Change Committee in mid 2020. - The business case also made a number of commercially sensitive recommendations relating to waste collection services. These have been actioned through the integrated waste collections procurement process.</td>
</tr>
<tr>
<td>New services or trials must include: - Consideration for co-funding support from the national Waste Minimisation Fund and business cases</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td>●</td>
<td>●</td>
<td>• An application to the national Waste Minimisation Fund to fund aspects of the resource recovery network was partially successful. $2.2 million of funding was received for the development of a community recycling centre in Onehunga. • An application has been made to the national Waste Minimisation Fund to undertake a detailed feasibility study for on-shore management and processing of mixed paper and cardboard fibre in New Zealand. No response on this application has been received to date.</td>
</tr>
</tbody>
</table>
## Value for Money Programme

### Status of implementation recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Start date</th>
<th>Completion date</th>
<th>RAG</th>
<th>Completed</th>
<th>Comment (if not green must comment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lift economic discipline by including evidence-based market research, ranking</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td>⬤</td>
<td>⬤</td>
<td>• Various waste initiatives were ranked by cost-effectiveness during development of the Waste</td>
</tr>
<tr>
<td>initiatives by cost effectiveness and carrying out independent reviews</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Management and Minimisation Plan 2018. Waste Solutions regularly commissions market research,</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>cost benefit analysis and reviews to guide effective delivery of services.</td>
</tr>
<tr>
<td>Review of Auckland Council’s waste grant scheme</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td>⬤</td>
<td></td>
<td>• A review of the Waste Minimisation and Innovation Fund is underway. Results of the review will</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>be presented to Environment and Climate Change Committee in the first half of 2020. Recommended</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>changes will then be implemented.</td>
</tr>
<tr>
<td>Develop site waste management plans to minimise waste</td>
<td>July 18</td>
<td>Dec 18</td>
<td>⬤</td>
<td>⬤</td>
<td>• Contract specifications requiring site waste minimisation plans (including a ban on priority</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>materials going to landfill) have been included in all facilities maintenance projects under $300,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>being delivered by the council group.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• The council’s Sustainable Procurement Framework now includes a Zero Waste by 2040 requirement.</td>
</tr>
<tr>
<td>Gather evidence for diverting waste from landfill - carry out household</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td>⬤</td>
<td>⬤</td>
<td>• Market research on householders’ willingness to achieve and pay for waste reduction initiatives</td>
</tr>
<tr>
<td>behaviour studies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>has been procured in the past and the council will continue to do so when required.</td>
</tr>
<tr>
<td>Do further research into whether central government should lift the landfill</td>
<td>Nov 17</td>
<td>July 18</td>
<td>⬤</td>
<td>⬤</td>
<td>• In November 2019 the Ministry for the Environment released a consultation document on a review of</td>
</tr>
<tr>
<td>levy</td>
<td></td>
<td></td>
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<td>the national waste levy. The submission supports a significant progressive increase to the current</td>
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<td>waste levy and the expansion of the waste levy to apply equally across all classifications of</td>
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<td>landfill.</td>
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<tr>
<td>Implement outcome based contracting for waste collections</td>
<td>Nov 17</td>
<td>Ongoing</td>
<td>⬤</td>
<td>⬤</td>
<td>• On 10 December 2019 the Strategic Procurement Committee approved the supplier recommendations for</td>
</tr>
<tr>
<td></td>
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<td>the integrated waste collection contracts. This procurement achieved a $1.5 million saving over the</td>
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<td>life of the contract term (excluding $74.5 million contingency).</td>
</tr>
</tbody>
</table>
**Value for Money Programme**

<table>
<thead>
<tr>
<th>Review</th>
<th>Customer services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Responsible officer</strong></td>
<td>Melissa Coquhoun / Sarah O’Hagan</td>
</tr>
<tr>
<td><strong>Implementation Health</strong></td>
<td>Benefit planning</td>
</tr>
</tbody>
</table>

**Implementation overview**
- Report a problem service went live on 5 December 2019 – customers and staff can report property management issues online and internal process streamlined.
- MyAuckland – the ability for customers to transact regarding their rates has seen 28,000 properties added since go live in August 2019.

**Key achievements in last quarter**
- Customer Contact Management platform (Te Aurere):
  - Business case approved for the replacement solution, targeted phased delivery by July for key customer-facing business functions.
  - Project team mobilised and design process underway with selected vendor. Initial focus on customer-facing benefits & risk mitigation.
- Customer strategy programme (CustomerSmart) established within the two VFM recommendations. Programme is made up of the following workstreams:
  - Consolidate the helpdesks/contact centres across Council into a single centre that drives customers to self-service and first call resolution.
  - Drive customers toward digital self-service through use of MyAuckland, closing old channels and creating new rules of engagement for existing service centres and contact centres.
  - Make better use of council expertise through drop-in sessions with subject matter experts across different facilities (front of house integration).
  - Development of a customer commitment aka customer charter.

**Benefit Realisation summary**

<table>
<thead>
<tr>
<th>Benefit Opportunity $M</th>
<th>Benefit Forecast $M</th>
<th>Variance to Opportunity $M</th>
<th>Benefit Realised $M</th>
<th>Benefit realisation plan developed</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10.5m</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td></td>
</tr>
</tbody>
</table>

**Key activities for next quarter**
- Confirm and commence delivery of the quick wins in CustomerSmart programme.
- Drive service improvement initiatives that enable improved customer experience.
- Deliver first phases of design and build, (including ICT Helpdesk) of the Customer Contact Management Platform.

**Key risks and issues**
- Pace of change required may be compromised due to resource capacity while Regulatory Services remains a priority, including ICT capacity.
- Benefits not yet confirmed for CustomerSmart programme.
- Current Customer Contact Management Platform is end of life and support (July 2020), placing significant risk over operations while new platform is developed.

**Benefit Realisation detail**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Total</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
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<tr>
<td>Forecast</td>
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<tr>
<td>Realised</td>
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</tr>
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</table>

*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.*
# Value for Money Programme

## Status of implementation recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Start date</th>
<th>Completion date</th>
<th>RAG</th>
<th>Completed</th>
<th>Comment (if not green must comment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design and implemented a Group approach to simplifying the customer channels and points of interaction with the Group</td>
<td>May 19</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td>Focus on enhancing the service provided by Customer Services on behalf of CCO's. Further AT customer-facing knowledge (through the iKnow re-write) and processes (e.g. vehicle crossings, parking infringements) re-engineered with AT to streamline service.</td>
</tr>
<tr>
<td>Develop a programme of work, building on initiatives underway to improve first time resolution of customer enquiries.</td>
<td>May 19</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td>Business Improvement programme (Kowhai) continues to focus on the onboarding of additional processes (e.g. updating dog status, Tupuna Manawa gate management, building consent status updates) into Customer Services. Focus on Regulatory Services has seen a drop in transferred calls / emails over the last quarter.</td>
</tr>
</tbody>
</table>
Value for Money Programme

Review

Information, communications and technology

Reporting Period

December 2019

Responsible officer

Mark Dervir

Programme health overall

Implementation Health

- Benefit planning
- Implementation
- Value
- Risk

Implementation Overview

- RFA and Auckland Council joint programme of work underway to design the future delivery of ICT shared services
- E-Learning and security services (vulnerability and penetration tests) have been implemented as shared services across the group.
- The group is sharing capability, technology and learnings for Robotics Process Automation (RPA)

Key activities for last quarter

- RFA and Auckland Council programme of work initiated. Scoping work identified additional complexities that need to be explored in more detail
- Implementation of the initial RPA opportunity for AT

Benefit Realisation summary

- Benefit Opportunity $M
- Benefit Forecast $M
- Variance to Opportunity $M
- Benefit Realised $M
- Benefit Realisation plan developed
- RAG

<table>
<thead>
<tr>
<th>Benefit Opportunity $M</th>
<th>Benefit Forecast $M</th>
<th>Variance to Opportunity $M</th>
<th>Benefit Realised $M</th>
<th>Benefit Realisation plan developed</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18M</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>●</td>
</tr>
</tbody>
</table>

Key activities for next quarter

- Reset scope and develop plan and costings for the RFA and Auckland Council programme of work for the next 12 months.
- Continue leveraging Auckland Council’s RPA infrastructure across AT and ATEED. Implementation of the initial RPA opportunity for ATEED

Key risks and issues

- Nothing to report

Benefit Realisation detail

<table>
<thead>
<tr>
<th>Benefit $M</th>
<th>Total</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
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<tbody>
<tr>
<td>Forecast</td>
<td>TBD</td>
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<td>TBD</td>
<td>TBD</td>
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<tr>
<td>Realised</td>
<td>TBD</td>
<td>TBD</td>
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<td>TBD</td>
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<td>TBD</td>
</tr>
</tbody>
</table>

* 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 (30 years), Benefit realised - amount “banked” in accounts.
## Value for Money Programme

### Implementation Progress Detail

**Value for Money Programme quarterly update**

**20 February 2020**

**Attachment A**

**Item 9**

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Start date</th>
<th>Completion date</th>
<th>Reporting Period</th>
<th>Comment (if not green must comment)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop and implement a Group approach to governing ICT to leverage scale and eliminate duplication</td>
<td>Ongoing</td>
<td></td>
<td>December 2019</td>
<td>• Work has commenced and progress made on how the Group will work together and a number of group initiatives have been identified</td>
</tr>
<tr>
<td>Design and implement a consistent Group-wide approach for managing data centres</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td>• AC are deploying a multi-cloud approach which can be leveraged across the Group • Weak engagement in researching group wide opportunities with AT &amp; Watercare.</td>
</tr>
<tr>
<td>Build on the collaborative approach in the Group Procurement Policy by building an ICT procurement strategy and category plan</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td>• Working with the Procurement team to ensure alignment across the Group any procurement activity while developing the category management plans</td>
</tr>
<tr>
<td>Improve business case development</td>
<td>Dec 19</td>
<td>Dec 20</td>
<td></td>
<td>• Ongoing. Making good progress working with the new Investment Management Office to streamline governance processes and focus on value.</td>
</tr>
<tr>
<td>Create common project practices and a pool of project resources and suppliers</td>
<td>Dec 19</td>
<td>Dec 20</td>
<td></td>
<td>• Ongoing</td>
</tr>
<tr>
<td>Complete and implement business case for CCTV shared service</td>
<td>Ongoing</td>
<td></td>
<td></td>
<td>• A gradual migration of public facing cameras to Auckland Transport is underway. In June 19 approx. 130 Town Centre CCTV cameras migrated to AT – the locations included – Old Papatoetoe, Hunters Corner, Pukekohe, Manurewa, Henderson &amp; Mangere • AT are currently migrating approx. 75 CCTV public facing cameras from AC to AT in the CBD – these cameras are of interest to AT &amp; Police • RFA are investigating moving their cameras to the same platform</td>
</tr>
<tr>
<td>Alignment of Auckland Council (parent) organisation strategy and ICT priorities</td>
<td>Dec 19</td>
<td></td>
<td></td>
<td>• Strategy 2022 is now completed and ICT have commenced work aligning future roadmap with strategy</td>
</tr>
</tbody>
</table>
Value for Money Programme

Review
Financial services

Responsible officer
Debbie Acott

Implementation Health
- Benefit planning
- Implementation
- Value
- 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
- Improvements and simplification made to the planning and reporting processes
- Agreed with Tauranga City Council to share finance technology configuration (SAP)

Key activities for next quarter
- Development of draft shared services strategy
- Engage with CCOs and other large councils to understand opportunities
- Procure budget technology solution

Benefit Realisation summary

<table>
<thead>
<tr>
<th>Benefit Realisation</th>
<th>Opportunity $M</th>
<th>Benefit Forecast $M</th>
<th>Variance to Opportunity $M</th>
<th>Benefit Realised $M</th>
<th>Variance to Forecast $M</th>
<th>Benefit realised plan developed</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18M</td>
<td>&gt;$18m</td>
<td>$0</td>
<td>$0.5M</td>
<td>$0</td>
<td>$0</td>
<td>green</td>
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</tbody>
</table>

Benefit realisation
- Organisation changes have reduced the number of staff (FTE) in planning to reporting. Assuming these are not replaced savings will be realised over 10 years.

Key risks and issues
- Impact of CCO review on development and implementation of shared services strategy is unknown

Benefit Realisation detail

<table>
<thead>
<tr>
<th>Benefit Opportunity $M</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
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<tbody>
<tr>
<td>Forecast</td>
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<tr>
<td>Realised</td>
<td>0.5</td>
<td>0.5</td>
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## Value for Money Programme

<table>
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<tr>
<th>Review</th>
<th>Financial services</th>
<th>Reporting Period</th>
<th>December 2019</th>
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</thead>
</table>

### Status of implementation recommendations

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Start date</th>
<th>Completion date</th>
<th>RAG</th>
<th>Completed</th>
<th>Comment (If RAG not GREEN – Got to Green plan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shared services strategy</td>
<td>October 2019</td>
<td>September 2019</td>
<td>●</td>
<td></td>
<td>• Scope to include Auckland Council Group and other local government organisations</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Developed steering group to develop policy, strategy and operating model</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>• Working with Tauranga City Council on use sharing SAP Finance system technology code</td>
</tr>
<tr>
<td>Group Financial Information strategy</td>
<td>July 2020</td>
<td>June 2021</td>
<td>●</td>
<td></td>
<td>• Concept plan developed – dependent on planning and reporting simplification before further work</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Some progress has been made in better using existing technologies</td>
</tr>
<tr>
<td>Simplify planning and reporting processes</td>
<td>July 2019</td>
<td>June 2020</td>
<td>●</td>
<td></td>
<td>• Process improvements completed</td>
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<td></td>
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<td>• Standardised, focused quarterly reporting to councillors</td>
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<td>• Monthly performance dashboard implemented for ELT</td>
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<td></td>
<td>• Organisation changes made reducing 12 FTE – further savings anticipated</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>• Requirements gathered for budget technology solution – procurement February 2020</td>
</tr>
</tbody>
</table>
Value for Money Programme

<table>
<thead>
<tr>
<th>Review</th>
<th>Group legal and risk management</th>
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<tbody>
<tr>
<td>Responsible officer</td>
<td>Kevin Ramsay</td>
</tr>
<tr>
<td>Implementation Health</td>
<td>Benefit planning</td>
</tr>
</tbody>
</table>

**Implementation Overview**
- Recommendations incorporated into departmental improvement plan.

**Key achievements in last quarter**
- Risk Champions (representatives from business) approach gaining traction to increase maturity of risk culture throughout council.
- Proposed approach to insurance renewals for 2020 ascertained.

**Key activities for next quarter**
- Quality assurance of data for insurance renewals and compilation of materials for insurers roadshows.
- Continuing work on alternate insurance mechanisms.
- Review completed with ELT of Risk Appetite Statement and confirmation of Risk Management Framework.

**Benefit Realisation summary**

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Opportunity $M</th>
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<th>Variance to Forecast $M</th>
<th>Benefit realisation plan developed</th>
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<tbody>
<tr>
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</tbody>
</table>

**Benefit realisation**
- Benefits are still difficult to quantify at this stage.
- The VFM review did not identify any financial benefit.

**Key risks and issues**
- Separate systems across the group make it harder to consolidate the risk stories into a single enterprise perspective.
- “Hardening” of the insurance market means a reduced number of suppliers and increased premiums.
# Value for Money Programme

**Review** | **Group legal and risk management** | **Reporting Period** | **December 2019**
---|---|---|---

## Status of implementation recommendations

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</tr>
</thead>
</table>
| Group assessment of risk | Oct 2019 | TBD | | | • Quarterly reporting now being produced on a more common basis across the group.  
• However further work required to assess benefits of moving to a common system, as well as ensuring that assessments and definitions are being used consistently, before a true group assessment of risk can be made. |
| Business case for technology investment to improve legal efficiency and effectiveness | Oct 2019 | TBD | | | • Business case for new file management/document management system in progress; awaiting ICT support for implementation of system. |
| Adopt a more strategic approach to insurance | Oct 2019 | TBD (May require public consultation) | | | • All entities across the group are represented on an insurance leadership group that is meeting regularly to assess levels of cover, acceptable deductibles and limits, before the insurance renewals in June 2020. Alternate mechanisms (such as self-insurance) are also being explored. |
Auckland Council savings progress for the period ended 31 December 2019

File No.: CP2019/21629

Te take mō te pūrongo
Purpose of the report
1. To provide an update on the progress towards meeting the 10-year Budget 2018-2028 operating budget savings target for Auckland Council.

Whakarāpopototanga matua
Executive summary
1. The 10-year Budget 2018-2028 includes total cumulative operating savings for Auckland Council of $565 million over the 10 years. The target for the 2018/2019 financial year was $23 million, out of which $24.6 million of savings were realised. There is a further target of $23 million for the 2019/2020 financial year.
2. A centralised process for identifying, measuring and reporting on savings to improve transparency was developed and has been used for savings progress reporting since last financial year.
3. This approach captures benefits across six key workstreams, being:
   • procurement – reducing contract spend with third parties through negotiating better terms for the council
   • organisational design – implementing structures that remove duplication and leverage capability and capacity more efficiently
   • technology and process improvement – leveraging existing investments for better outcomes or implementing new tools and process improvements that create efficiencies such as automation
   • increasing non-rates revenue – identifying new or growing existing revenue streams
   • prudent financial management – a strong focus on costs through a culture of questioning and challenging all expenditure, managing spend against budgets and applying controls around activities such as travel and recruitment
   • Value for Money – capturing benefits that have been identified through the Value for Money reviews.
4. For the period ended 31 December 2019, $10.2 million of savings have been realised for the current financial year, leaving a balance of $12.8 million to be achieved by 30 June 2020.
5. The majority of the savings have been realised from organisational design changes ($5.5 million) and process improvements in Regulatory Services ($2.5 million), with the balance being achieved primarily from prudent financial management.
6. The balance of the savings target is expected to be achieved from further organisational design changes, other initiatives currently in the pipeline and a continued focus on prudent financial management.

Ngā tūtohunga
Recommendation/s
That the Value for Money Committee:

a) note the Auckland Council savings progress for the period ended 31 December 2019.
b) request staff to send the presentation to all councillors and local board members for their information.
Horopaki

Context

7. Savings are an important mechanism for Auckland Council to achieve a high level of cost efficiency and value for money. Savings targets are set at a level to provide enough focus on efficiencies without detriment to agreed service levels or health and safety.

8. Since Auckland Council was formed, savings targets have been included in its annual and long-term budgets. From amalgamation to financial year 2017/2018, $270 million per annum savings have been realised.

9. Building on this progress, additional savings targets are included in the 10-year Budget 2018-2028, consisting of total cumulative operating savings for Auckland Council of $565 million over the 10 years.

10. The target for the 2018/2019 financial year was $23 million, out of which $24.6 million of savings were realised. There is a further target of $23 million for the 2019/2020 financial year.

11. The savings target relates to operating expenditure. It excludes any benefit relating to capital works and cost avoidance. These benefits are tracked separately.

Tātaritanga me ngā tohutohu

Analysis and advice

12. In the six months to 31 December 2019, $10.2 million of savings have been realised, leaving a balance of $12.8 million to be realised in the second half of the financial year.

13. The majority of the savings have been made through organisational design changes ($5.5 million) and process improvements in Regulatory Services ($2.5 million), with the balance being achieved primarily from prudent financial management.

Procurement

14. Savings to date of $0.1 million have been achieved.

15. This was achieved through negotiations with MBIE for capping the administration fee for the All-of-Government (AOG) recruitment contract.

16. Procurement for the replacement of the council’s contact centre technology platform has been completed, as the current software was at the end of its life and no longer meeting our internal and external customer needs. A globally leading platform was selected using a Lean Agile Procurement Approach, which shortened the procurement timeframe from months to weeks and enabled better assessment of qualitative attributes such as cultural fit. The new platform is in the implementation phase and will allow improved customer engagement and simplified workflows for staff.

17. Work is also underway to complete the procurement for waste collection services. The new integrated waste collection model has one supplier per area providing all three waste collection services (refuse, recycling and food scraps). These contracts are expected to deliver financial benefits in the medium term and involve the implementation of electric collection vehicles which will help reduce carbon emissions, air pollution and other environmental harm.

18. A full procurement process is underway for mobile voice and data services. Given these services have similar requirements, a group strategy approach has been taken to achieve the best outcomes that can be leveraged across the council entities. This collective procurement will enable the mobile voice and data services requirements to be met at a very competitive rate and save staff time and effort across the group.
Organisational design

19. Savings to date of $5.5 million have been achieved.

20. As Auckland continues to grow, there is increasing pressure on council services and investment in infrastructure. With constraints on budgets and staffing, council remains focused on efficiency and effectiveness to ensure frontline services and delivery functions are sufficiently supported.

21. Organisational design expectations include minimisation of duplication, targeting spans of control (allowing for flexibility based on geographical challenges, risks and the nature of the service), minimisation of supervision layers and creation of a more flexible structure.

22. By the end of December 2019, change processes had been completed in six areas across the council. Key structure changes implemented include disestablishment of vacant positions, increases to spans of control by reducing middle management, and a reduction of management layers.

23. The changes contribute towards meeting the chief executive’s objectives for full-time equivalent employees (FTE) and efficiency savings. Where an employee is affected by the disestablishment of a role, we are committed to providing re-deployment opportunities where possible in addition to providing career support services. However, in some cases redundancy costs are incurred in order to generate enduring savings.

24. For the period ended 31 December 2019, salary savings of $5.5 million have been achieved from a reduction in current and planned staffing, totalling 106 FTE, for this financial year.

25. Staff cost savings have been realised from the following areas:
   - Finance including ICT: $4.2 million
   - People and Performance $1.0 million
   - Legal & Risk: $0.3m

26. Reviews are currently underway for areas in Customer and Community Services, Regulatory Services and Governance, which are expected to deliver further savings on completion.

Technology and process improvement

27. Savings to date of $2.6 million have been achieved.

28. This was achieved primarily through process improvements in Regulatory Services.

29. As reported previously, a mobile consents inspection platform was rolled-out last year, giving inspectors new devices and tools for inspection bookings, scheduling and onsite checklists. These tools along with billing process improvements such as automated travel time charging, and cancellation fees for inspection bookings have resulted in a net favourable year end forecast of $1.0 million for the building inspections activity, representing improved productivity.

30. The Regulatory Engineering department of Regulatory Services has undertaken an in-sourcing programme to increase the number of technical engineers by 13 and reduce the reliance on external providers. Together with volume growth, this has enabled the department to forecast a net favourable year-end result of $1.5 million. More efficient and cost-effective processes are reflected in the calculation of fees and charges.

31. Further to this, the robotics process automation programme has developed two BOTs to automate steps involved in the direct debit and credit control processes for payments for membership at our swimming pools. This includes sending out reminder letters to customers who have missed payments, sending final invoice letters and flagging non-paying customers with credit control.

32. The above automations have reduced staff time and effort spent on manual data entry tasks, improved the customer experience on dealing with payment issues and allowed staff to spend more time with customers at our pools.
33. Other work underway that will be delivering benefits in the future include:
   - Regulatory billing enhancements
   - Dog registration renewal improvements
   - Customer data improvements stage 2
   - Development contributions data entry process automation
   - ICT procurement request process automation

**Increasing non-rates revenue**

34. No specific non-rates revenue initiatives have been realised to date.

35. However, the process improvements in Regulatory Services above have led to improved billing accuracy, completeness and overall quality of information. This supported the favourable revenue result of Regulatory Services for the half-year.

36. Given the revenue increase was also a result from other factors such as an increase in volume, it is difficult to quantify the increase portion due to process improvements only.

37. The Business Opportunities Advisory Group (BOAG) at the council has been meeting regularly and discussing the non-rates revenue growth opportunities with a focus on new revenue streams. There are currently 14 commercial initiatives identified, two of which are currently in delivery phase, and the rest are mostly at the ideation and planning stage.

38. These initiatives have the potential to generate additional non-rates revenue in future financial years upon completion.

**Prudent financial management**

39. Savings to date of $2.0 million have been achieved.

40. This is primarily due to a continued focus on controlling costs through a culture of questioning and challenging all expenditure.

41. Specific initiatives include:
   - Improved workforce planning and reporting
   - Monitoring and reporting against sensitive spend such as professional services
   - Tracking project spend closely and return of any underspend

42. The savings have been achieved primarily across the Finance, Planning and Governance functions.

43. This workstream also captures the savings resulted from minor technology and procurement process improvements that are not captured under specific workstreams.

**Value for Money**

44. A separate item on the Value for Money s17A programme is included in the agenda for this meeting.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

45. Several completed savings initiatives and initiatives in the pipeline consider climate change impacts and deliver non-financial benefits such as reducing carbon emissions and improving the environment.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

46. The savings target for 2019/2020 currently only applies to Auckland Council. The council-controlled organisations (CCOs) have their own internal targets.

47. However, new tools and process improvements successfully implemented in Auckland Council can potentially be introduced to the CCOs for greater efficiencies and other benefits.
Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
48. The centralised savings approach has been set at a regional level. None of the initiatives delivered or in delivery have specific impacts on local board service levels.

Tauākī whakaaweawe Māori
Māori impact statement
49. The savings initiatives delivered or in delivery have no specific impact on Māori outcomes.

Ngā ritenga ā-pūtea
Financial implications
50. This report provides visibility on how council is performing against its savings target which supports meeting the annual budget for 2019/2020.

51. There are financial implications on the annual budget if the savings target is not met for 2019/2020. This may result in slightly higher debt levels and will have flow on effects through to financial year 2020/2021.

52. Any additional budget pressures may also result in additional savings being required.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
53. Some of the initiatives in the savings pipeline are active projects currently being delivered. As with any project there are risks to delivery including resource availability, competing priorities and technical dependencies.

54. Ongoing structural changes across the council may also have an impact on business led project delivery and prioritisation, increasing risks of not realising savings in the pipeline.

55. Progress of these initiatives are monitored and reported regularly within the savings reporting project overview group.

Ngā koringa ā-muri
Next steps
56. The next update will be provided after the council’s quarter three results are finalised.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Tracy Xu - Senior Analyst</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorisers</td>
<td>Pramod Nair - Head of Group Financial Planning</td>
</tr>
<tr>
<td></td>
<td>Nicola Mills - General Manager Financial and Business Performance</td>
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<tr>
<td></td>
<td>Matthew Walker - Group Chief Financial Officer</td>
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Exclusion of the Public: Local Government Official Information and Meetings Act 1987

That the Value for Money Committee

a) exclude the public from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Review of operating model for council maintenance services

<table>
<thead>
<tr>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Particular interest(s) protected (where applicable)</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
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<td>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
<td>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. In particular, the report contains commercially sensitive information.</td>
<td>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</td>
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