

Date: Tuesday 19 March 2024
Time: 10.00am
Meeting Room: Room 1, Level 26
Venue: 135 Albert Street
Auckland

Komiti mō te Moni Whiwhi, mō te Whakapaunga me te Uara / Revenue, Expenditure and Value Committee

OPEN MINUTE ITEM ATTACHMENTS

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Te Kaunihera o Tāmaki Makaurau

Quarter Two savings update

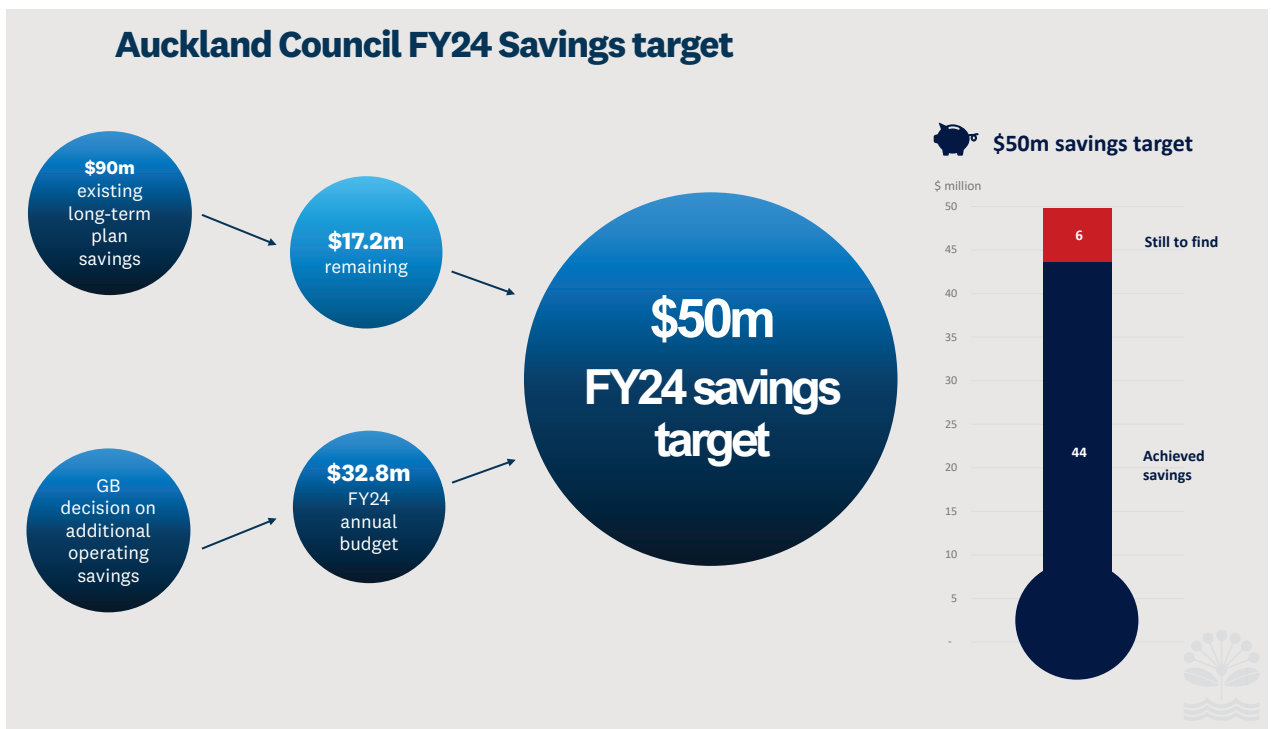
19 March 2024

1 aucklandcouncil.govt.nz



Item 9

Attachment A



Auckland Council FY24 savings programme overview as at 31 December 2023

| BUDGET ITEM | Status | TARGET \$m | ACHIEVED SAVINGS | IN DELIVERY | STILL TO FIND | STATUS | RAG |
|---|--|-------------|------------------|-------------|---------------|---|-----|
| Annual Budget operating cost reductions | Regional services reduction | 7.8 | 6.7 | - | 1.1 | \$1.1m of additional regional services reductions still to be identified. | ● |
| | Early childhood education | 1.0 | - | - | 1.0 | Delayed withdrawal from the provision of ECE services will result in no net savings in FY24. \$0.5m savings are on track from FY25, with a remaining \$0.5m to be confirmed. | ● |
| | Fees and charges | 3.0 | 1.9 | 0.5 | 0.6 | \$0.5m identified initiatives. The focus is on regional revenue generation opportunities. | ● |
| | Strategy, planning and group shared services | 5.0 | 2.0 | - | 3.0 | Savings from group shared services have been identified and are expected to be achieved from FY25 onwards. Further savings from group strategy simplification is underway but not expected to achieve savings in 2023/24. | ● |
| | Maintenance – open space | 5.0 | 5.0 | - | - | Complete | ● |
| | ARAFA, AWM Museum and MOTAT lower grants | 2.0 | 2.0 | - | - | Complete for 2023/24 | ● |
| | Reductions to local board funding | 4.0 | 4.0 | - | - | Complete | ● |
| | Unallocated savings to the Chief Executive | 5.0 | 2.7 | - | 2.3 | Initiatives noted below have been identified with validation and planning underway. | ● |
| Subtotal | | 32.8 | 24.3 | 0.5 | 8.0 | | |
| Existing CE target | Remaining existing LTP savings target | 17.2 | 19.4 | - | (2.2) | Savings exceeded by 13% but includes one-off savings through careful financial management. Initiatives with a focus on enduring savings continue, including functional leadership implementation (centralisation of support services), simplification and other savings programmes. | ● |
| | TOTAL | 50.0 | 43.7 | 0.5 | 5.8 | | |

Corporate Support Services

Update for the Revenue, Expenditure and Value Committee

19 March 2024



Item 9

Attachment A

Corporate Support Services

Provide shared services to Auckland Council and some of the CCOs

Examples:

Workplace Services



Shared Support Services



Corporate Property



Workplace Travel



Category Procurement (e.g. PPE, stationery, print, consumables)



Catering Services



Group Corporate Property Optimisation

In 2020, the Council Group began implementing a corporate property optimisation programme to ensure the efficient use of our corporate office space.

What has been delivered

Exited







- The Strand, Takapuna
- Graham Street
- Pukekohe
- Henderson Admin
- Henderson Central One
- Orewa Tasman/Pacific Building
- Kotuku House
- Bledisloe House
- Wyndham Street (Eke Panuku)
- Victoria Street West (TAUL)
- Mayoral Drive Fleet Carpark
- Stand-alone AEM site (was avoided)

Optimised / Refurbished / Implemented

- Auckland House
- Henderson Civic
- Hawiti (Albany)
- Manukau Civic
- Viaduct Harbour Avenue (AT)

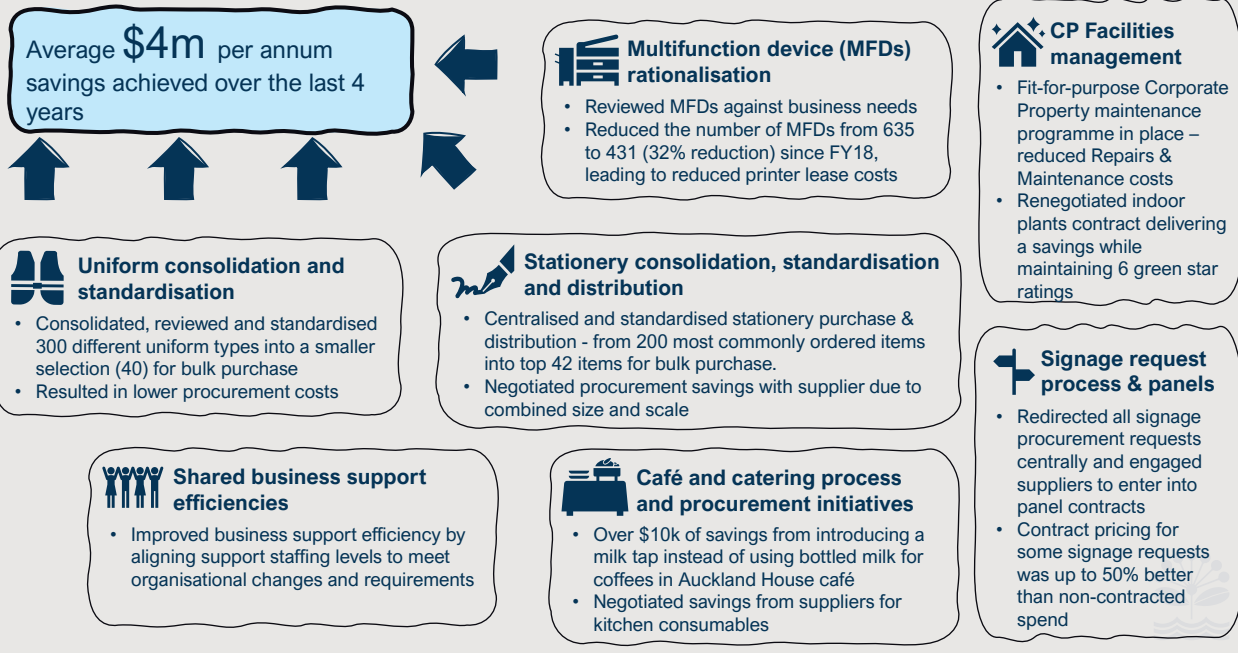
Exits underway

- Papakura
- Corinthian Drive (AT)

| | Outcomes achieved to date |
|---|---|
|  | Decreased floor space from 128,000 sqm to under 70,000 sqm |
|  | Reduced operating costs by \$13m per annum |
|  | \$184 million in renewals cost avoidance over the next 10 years |
|  | Increased group collaboration |
|  | Delivered fit for purpose corporate sites |
|  | Improved environmental outcomes |

Excludes Local Board and service facility offices

Focus on continuous improvement



Value is more than just \$\$\$



What's next?



Continue looking for new opportunities



Expand our services to deliver more value across the group

In the pipeline:

- Process simplification
- Storage consolidation
- Uniform catalogue (reducing our range, delivery further savings and sustainability targets etc)
- Catalogue management system
- Shared corporate property services with Auckland Transport
- Fleet optimisation
- POAL and Watercare leveraging our PPE, signage and wide-format print suppliers



Full Facilities Contract Performance Open report

Parks & Community Facilities

March 2024



Item 10

Attachment A

Confidentiality

| | |
|-------------------|---|
| Reasons: | The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reasons for withholding exists under Section 7 |
| Interests: | 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 confidential report contains detailed financial information pertaining to the contract and penalties that if shared would prejudice current and future negotiations with suppliers. |
| Grounds: | 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 reasons for withholding exists under section 7. |



