



Briefing Note: EPL programme benefits reporting

To:	Hon Chris Hipkins		
Date:	5 November 2021	Priority:	Low
Security Level:	In Confidence	METIS No:	1268944
Drafter:	Marie France	DDI:	+64 4 439 5401
Key Contact:	Ian Dennis	DDI:	+64 4 463 7727
Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

The purpose of this report is to:

Advise you on the appropriate time for Education Payroll Limited to provide the benefits realisation report for the Education Payroll Development Programme required under Cabinet Office circular CO (19) 6: Investment Management and Asset Performance in the State Services¹.

Note that the Ministry and Education Payroll Limited propose that the benefits realisation report required under CO (19) 6 be provided to Cabinet by 30 March 2023, when EdPay will be fully implemented.

Note that you may wish to share this briefing with the Associate Minister of Finance Hon Megan Woods, given her ownership interest in Education Payroll Limited.

Agree that this Briefing will be proactively released. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

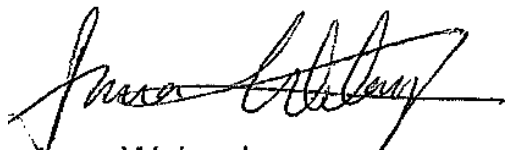
Agree / Disagree

Summary

- Cabinet Office circular CO (19) 6 mandates that agencies report to Cabinet 12 months after the 'in-service' date on the actual level of benefits achieved compared with those outlined in the Cabinet-approved investment, that is, the Education Payroll Development Programme.

¹ CO (19) 6: Investment Management and Asset Performance in the State Services. (This supersedes CO (15) 5.) <https://dpmc.govt.nz/publications/co-19-6-investment-management-and-asset-performance-state-services>

- The Ministry proposes that the benefits realisation report required under CO (19) 6 be provided to Cabinet by 30 March 2023, that is, within six months of the agreed in-service date of 30 September 2022. Education Payroll Limited agrees with this timing, and Treasury endorses this approach.
- In the interim, Education Payroll Limited will report:
 - a. 6 monthly on the progress of the Education Payroll Development Programme and benefits realisation to the Ministry and the Minister of Education. EPL advises that the first of these reports will be provided by December 2021, and six monthly thereafter.
 - b. to the Treasury on its investment intentions and performance, and on the actual level of benefits achieved compared with those outlined in the Detailed Business Case, as per CO (19) 6, paragraphs 70 and 71.



Anna Welanyk
Deputy Secretary
Te Puna Ohumahi Mātauranga | Education Workforce

05/11/2021



Hon Chris Hipkins
Minister of Education

23 /12/ 2021

Background

1. The EPDP Detailed Business Case was approved through Budget 2016, when funding was provided, and was expected to deliver a range of financial and non-financial benefits.
2. Your office requested further information on the appropriate timing of the report on benefits realisation required under CO (19) 6: Investment Management and Asset Performance in the State Services following receipt of EPL's report to you on 28 January 2021 entitled *Closure Report: Education Payroll Development Programme*.
3. EPL's report was intended to satisfy requirements under CO (19) 6. The Cabinet Office circular mandates that agencies report to Cabinet 12 months after the 'in-service' date on the actual level of benefits achieved compared with those outlined in the Cabinet-approved investment.
4. EdPay functionality, as specified in the Detailed Business Case, provides around 92% of the expected financial and 33% of the operational benefits making it key to the realisation of EPDP benefits. Given this, EPL's report to the Minister was based on the in-service date being December 2019 – the date that the first tranche of EdPay functionality was made available to all schools. This initial release provided limited functionality which has been steadily increased as EPL introduces new features based on feedback from schools.

Determining the in-service date

5. EPL, the Ministry, and Treasury met to discuss the provisions of the Cabinet Office circular, in particular the in-service date and reporting requirements. The Ministry and EPL agree the appropriate in-service date is 30 September 2022.
6. The in-service date is based on the following:
 - a. EdPay financial benefits were largely predicated on a reduction in payroll operational staff with the implementation of straight through processing of most payroll instructions.
 - b. EPL advises that when completed in September 2022, the EdPay work package will result in 90% of payroll instructions being straight through processed.
7. CO (19) 6 requires the EPDP benefits realisation report to be provided to Cabinet within 12 months after the in-service date. Given the period that will have passed from funding of the Detailed Business Case, it is proposed that EPL delivers the report within 6 months of the in-service date, ie, by 30 March 2023. In drafting the report, EPL will work with the Ministry to ensure both parties are satisfied with the content being provided to Cabinet.
8. In the interim, EPL will report 6 monthly on the progress of EPDP and benefits realisation to the Ministry and the Minister of Education. EPL advises that the first of these reports will be provided by December 2021, and six-monthly thereafter. Treasury has assisted with the interpretation of the in-service date and reporting requirements and endorses the proposed approach.

Next Steps

9. EPL will provide a report on the progress of EPDP and benefits realisation to the Ministry and the Minister of Education by December 2021.

Proactive Release

10. We recommend that this Briefing is proactively released as per your expectation that information be released as soon as possible. Any information which may need to be withheld will be done so in line with the provisions of the Official Information Act 1982.

Proactively Released