

Applying to the Better Public Services Seed Fund:

Process Guide for Government Agencies

March 2016



© Crown Copyright



This work is licensed under the Creative Commons Attribution 4.0 International licence. In essence, you are free to copy, distribute and adapt the work, as long as you attribute the work to the Crown and abide by the other licence terms.

To view a copy of this licence, visit <https://creativecommons.org/licenses/by/4.0/>. Please note that no departmental or governmental emblem, logo or Coat of Arms may be used in any way which infringes any provision of the [Flags, Emblems, and Names Protection Act 1981](#). Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo or Coat of Arms.

ISBN: 978-0-908337-65-1 (Online)

The Treasury URL at 24 March 2016 for this document is
<http://www.treasury.govt.nz/statesector/betterpublicservices/bpsseedfund>
The PURL for this document is <http://purl.oclc.org/nzt/g-abpssf>

Contents

Contents	1
The Better Public Services Seed Fund.....	2
Background.....	2
Who can apply?	2
Submission criteria.....	2
Making an Application	3
Application process.....	3
Successful applications.....	4
Assessment and Prioritisation	5
Annex 1: BPS Seed Fund – Application Form Including Tips for Success	6

The Better Public Services Seed Fund

Background

The Better Public Services (BPS) Seed Fund was established in 2013 to speed up the development of cross-agency initiatives that contribute to BPS reform priorities and that deliver improvements widely across the state sector. 2016/17 is the final year of the Fund. Around \$19 million is available across two funding rounds in May 2016 and November 2016. The purpose of the fund is to:

- speed up the development of initiatives and innovation
- reduce transaction costs and the administrative burden of cross-agency collaboration
- create incentives for lead and early adopter agencies to be more proactive in testing and experimenting with new ways of working that cut across organisational boundaries.

Funding from the BPS Seed Fund covers one-off development costs such as exploration, business case development, and design. The intention is for the state services as a whole to experiment with and test ideas to the point where ministers and other decision makers are able to make decisions, based on good evidence, about whether these new ideas are viable and worth progressing to the next stage of development, and if so, how best to deploy them.

The ongoing business-as-usual delivery costs are outside the scope of the BPS Seed Fund.

The Treasury manages the BPS Seed Fund on behalf of the central agencies. Decisions about funding initiatives from the BPS Seed Fund rest with the Minister of Finance, the Minister of State Services and the Associate Ministers of Finance, on the advice and recommendations of central agency chief executives.

Who can apply?

Any state sector agency that leads a cross-agency or all-of-government BPS initiative that meets the submission criteria below can apply.

Submission criteria

To be considered the application is required to:

- demonstrate how the initiative contributes to BPS Results targets and delivers improvements widely across the state sector, reflecting ministerial priorities
- demonstrate commitment from several agencies willing to collaborate (may include staff time, expertise and information contributions)
- be supported by the involved chief executives and relevant ministers
- identify the lead agency which will become accountable for any funds allocated and the development of the initiative
- seek one-off funding to cover development costs only, not on-going business-as-usual delivery costs.

Making an Application

Before making an application, agencies should obtain the agreement of all involved agency chief executives. In some cases, Ministers' support for an application should also be sought if there is likely to be political interest in the initiative.

Applications can be made via the attached *Better Public Services Seed Fund Application Form* and submitted electronically to bpsseedfund@treasury.govt.nz. The next round closes at 5.00pm on Friday 20 May 2016.

Annex 1 of this guide includes a copy of the application form along with tips for success to better illustrate what is required. Applications that do not meet the submission criteria will be referred back to agencies. The Treasury is available to provide advice and assistance prior to submitting an application. For further information or advice please email bpsseedfund@treasury.govt.nz with your query and your contact details - including your department or agency, or contact your Treasury Vote Analyst directly.

Application process

The Treasury anticipates two funding rounds each year. The dates for these rounds will be published on the BPS Seed Fund webpage, www.treasury.govt.nz/publications/guidance/planning/bpsseedfund. The Treasury has flexibility to consider putting applications forward for decisions outside the funding rounds if the project is urgent or a high priority.

The table below sets out the roles and responsibilities of the different parties involved in the BPS Seed Fund application and approval process. The Treasury will aim to complete the approval process within a month of the application being submitted pending ministerial availability and the volume of applications received.

Who	What
Agencies leading initiatives	<ul style="list-style-type: none">• Apply for BPS seed funding using the submission criteria in this Guidance and the Application Form on the Treasury website: www.treasury.govt.nz/publications/guidance/planning/bpsseedfund/bps-seedfund-form.doc• Be accountable for approved funding
The Treasury, on behalf of central agencies	<ul style="list-style-type: none">• Advise agencies prior to their submitting applications• Assess the BPS Seed Fund applications, in collaboration with central agencies• Provide recommendations to central agency chief executives (recommendation may be to “approve”, “decline” or “defer”)• Prepare advice for ministers' approval, reflecting central agency chief executive recommendations• Advise the lead agency of decisions and set out expectations and conditions for approved funding
Central agency chief executives	<ul style="list-style-type: none">• Make BPS Seed Fund recommendations to Ministers
Finance Ministers and the Minister of State Services	<ul style="list-style-type: none">• Approve the prioritisation and allocation of the BPS Seed Fund, including appropriations, conditions and expectations• Approve/Decline/Defer applications to the BPS Seed Fund

Successful applications

Where funding applications are successful, lead agencies will be required to:

- Ensure expectations and requirements are met
- Report to the Treasury as required, including six monthly and at completion.

The Treasury, on behalf of the central agencies, is responsible for reporting to Ministers and central agency chief executives on the allocation of the BPS Seed Fund. The Treasury is also responsible for monitoring progress of funded initiatives.

Assessment and Prioritisation

The Treasury will assess and prioritise applications to the BPS Seed Fund. The Treasury will keep the lead agency informed throughout the assessment process. Factors to be considered when prioritising applications include:

- Contribution to Better Public Services reform objectives (with Result 9, Result 10 and All-of-Government ICT being priority areas)
- Level of commitment from participating agencies
- Nature, scale, spread and timing of the changes, costs and benefits
- Fit with any all-of-government directions, sector strategies and change programmes.

Treasury will use the following Template to assess applications:

Short title	Title of project/initiative
Expectations	What Ministers can expect if BPS Seed Funding is approved
Agencies	List of Agencies involved
Funding requested	How much BPS Seed Funding is requested, and over what period
Summary assessment	Recommendation: Approve, Decline, Defer
BPS contribution	A judgement about what the funding will deliver, the extent to which it would contribute to the BPS reform objectives, and the extent to which it would deliver benefits widely across the state sector
Commitment	Assessment of the level of commitment from lead and contributing agencies, taking into account: <ul style="list-style-type: none"> • resource commitments (eg, funding/FTE/data) • level of involvement (eg, steering/reference/working group) • level of ministerial visibility/engagement
If not funded	Assessment of: <ul style="list-style-type: none"> • whether agencies could reasonably be expected to cover funding • the effect of not providing BPS seed funding
Fit with direction	Assessment of the initiative's fit with existing government, sector, cluster or agency strategies and priorities
Scale and timing	Assessment of the size of the initiative, including scalability and the speed with which initiative can be rolled out if successful
Benefits	Assessment of the benefits identified
Other considerations	May include ministerial expectations, dependencies

Annex 1: BPS Seed Fund – Application Form Including Tips for Success

Since the BPS Seed Fund was introduced in 2013, we have learnt a lot about what makes a successful application. The application form is included in this annex along with tips for success to give you a better idea of what is required.

We strongly recommend you talk to your Treasury Vote Analyst early on, even before starting the first draft of your application. We will also give you feedback on your first draft. We can help you shape your approach to make sure you have the greatest chance of success. Your Treasury Vote Analyst can be contacted at bpsseedfund@treasury.govt.nz.

Overall tips:

- Keep the application sharp and focused. Aim for about five pages. Append extra information if relevant.
- Use plain English – pitch the language to a non-expert audience.
- Focus on initiatives that meet the purpose of the Fund, in particular those which involve true cross-agency collaboration and speed up decision-making. Activities that are an agency's core business are unlikely to receive BPS seed funding.
- Be specific about what will be delivered to ministers with the funding. Be clear that seed funding will only be used for one-off development costs rather than funding on-going implementation. Outline a plan for covering the implementation costs if the initiative proceeds to the next stage.
- Make sure support for the proposal from all of the agencies participating in the initiative is in place before an application for funding is lodged – the level of commitment to the project across all of the agencies involved is a key factor in our assessment.

Better Public Services Seed Fund Application Form

Application for agencies seeking Better Public Services (BPS) seed funding for development of cross-agency BPS initiatives.

Background

A BPS Seed Fund has been established to support the upfront exploration and development of cross-agency initiatives that contribute to better public services and deliver improvements. The funding does not cover the ongoing implementation of initiatives.

The purpose of the fund is to:

- speed up development of initiatives and innovation
- reduce transaction costs and the administrative burden of cross-agency collaboration, and
- remove disincentives for lead and early adopter agencies.

Who Should Complete an Application?

A state sector agency that leads a cross-agency or all-of government BPS initiative that meets the criteria can submit an application electronically to bpsseedfund@treasury.govt.nz.

Advice and assistance prior to completing an application can also be obtained via the Treasury. Visit the BPS Seed Fund webpage

www.treasury.govt.nz/publications/guidance/planning/bpsseedfund for further information about the application process and assessment criteria.

The Treasury manages the BPS Seed Fund on behalf of the central agencies. Decisions on allocation of the BPS Seed Fund are made by Finance Ministers and the Minister for State Services on the recommendation of Central Agency Chief Executives.

Contact Details

For further information or advice contact

bpsseedfund@treasury.govt.nz

Application Form: BPS Seed Fund Initiative

Short Title:

Lead Agency:

Key contact:

name, phone and e-mail

Tip: The title should be as descriptive as possible to help decision makers quickly understand what the proposal is attempting to achieve.

Seed Fund initiative expectations

Elevator pitch description of the key deliverable for Ministers resulting from seed funding [1-3 bullet points]

eg, "This initiative seeks seed funding to develop a [eg, business case/pilot/prototype etc.] on [subject] for consideration by Ministers by [date]".

Tip: Keep this short and focused. Be explicit about what ministers will get for their investment – for example a programme business case, a detailed business case, a prototype, or a pilot. If your initiative is a pilot, explain how you will know if it has been successful. Any evaluation will need to be built in at the beginning and will be a key deliverable.

Outline of the initiative

Brief description of the key points of the initiative.

Please note: the Seed Fund covers only one-off development, not ongoing implementation.

Tip: Use plain English as much as possible. Avoid putting information here that will be repeated in another section of the application, such as a lengthy description of the benefits.

Tip: Append any relevant strategies and material rather than including them here. Just include key points relevant to the initiative.

How does the initiative contribute to Better Public Services?

Brief description of BPS problem / opportunity that the initiative addresses.

Tip: Try to avoid repeating information already provided elsewhere.

Anticipated benefits

Brief details of the key benefits of the resulting BPS initiative including, where possible:

- nature (cashable/non-cashable)
- size
- timing
- distribution across agencies.

Tip: An explanation of the assumptions behind these savings could make your case stronger, although we appreciate that in some cases this is difficult to determine before a proper business case has been carried out. An attempt to estimate the magnitude of any benefits however is worthwhile.

Which agencies are involved?

Brief details of the involved agencies and nature of their involvement and commitment, including:

- contribution and provision of resources (expertise/FTE/funding/data)
- steering group/reference group membership.

Tip: We are looking for initiatives that are truly collaborative. Participating agencies should have significant involvement prior to applying for seed funding. Outline where agencies are making a firm resourcing commitment – this will make your case stronger

Tip: Participating agencies can include a wide range of bodies, including local government and NGOs.

What will be delivered?

Brief details of the key milestones, deliverables and decision points, including indicative timeframes for initiative, such as when Ministers will consider a business case.

Tip: Think about the timing of deliverables with budget cycles, so any proposals that are taken forward following the development of a business case or other development activity can be considered for funding through the budget process.

Tip: Be realistic about time frames. For example, think about how long it will take to recruit the staff you will need, set up any governance bodies, and arrange workshops. It is very easy to underestimate how long these activities take.

Fit with direction

Brief description of how the initiative fits with existing Government, sector/cluster or agency strategies and priorities.

Tip: No need to repeat information elsewhere in the application form. A key question is the relative priority or importance of your initiative compared to others.

Funding requested

Fill in the \$ table and provide costing basis.

Tip: If your initiative will generate cashable savings further down the track, we will ask you to consider repaying all or some of the Seed Fund in future years. If this is the case, you will need to be explicit about how this will happen, eg, through a memorandum account or changes in appropriations. We recommend you talk to your finance team about this, as it can be quite technical.

Tip: We will need confidence that the figures you supply are robust. Be clear about how you have arrived at the costing you provide.

Tip: Include options here, including a smaller-scale funding option in addition to a preferred option. As funding rounds are often oversubscribed, options will help us assess different funding packages and may mean you have a greater chance of receiving some seed funding.

Tip: Fill in the vote and appropriation name, and use the correct format for the expenditure, eg, 1.200

BPS Seed Funding requested	\$m – increase / (decrease)*
Vote:	2016/17 only
Appropriation:	
Operating Expenditure	
Capital Expenditure	
Total	

* eg, cashable savings coming back to the BPS Seed Fund.

The BPS Seed Fund expires after 2016/17.

Alternatives

Indicate the alternative development path if BPS seed funding is not approved. For example:

- will proceed, but on smaller scale
- will proceed, but with phasing or longer timescale
- will proceed with club funding
- will not proceed.

Tip: Describe the barriers your initiative is currently facing. Why is it difficult to get it moving without seed funding?

What next after this development?

Brief outline of anticipated arrangements if the initiative proceeds to next development stage or implementation, including:

- ministerial decisions and timing
- agencies likely to be affected by a rollout, and to what extent
- estimated implementation costs and likely funding sources for meeting ongoing BAU costs (eg, club funding, fee-for-service, new Crown funding).

Tip: While this section may seem difficult to answer without knowing the outcome of a business case or other development activity, we need a good sense of whether agencies will be in a position to rollout, implement or scale-up any preferred options if business cases stack-up. You will need to do some initial thinking about how this could happen, how costs will be apportioned and budgeted for, and any special governance arrangements required.

Attachments: Yes/No, if yes please list.

Tip: All chief executives of lead and collaborating agencies must endorse the application before it is submitted for consideration. A key part of our assessment is the level of support and commitment to the initiative across all participating agencies

Lead and Collaborating Agencies

By including an agency in this section, you are confirming chief executive support from that agency for this proposal.

Lead Agency - x	Collaborating Agency - x
Name:	Name:
Position:	Position:
Nature of Commitment:	Nature of Commitment:
Collaborating Agency - x	Collaborating Agency - x
Name:	Name:
Position:	Position:
Nature of Commitment:	Nature of Commitment:
Collaborating Agency - x	Collaborating Agency - x
Name:	Name:
Position:	Position:
Nature of Commitment:	Nature of Commitment: