

Date: 23 January 2009

ST-5-2-4-3-2

To: Minister of Finance

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AIDE MEMOIRE: VALUE FOR MONEY GUIDANCE FOR VOTE MINISTERS

Key messages:

- At a time of global recession, I expect the public sector to lead by example. We need to get more out of what we spend (or more for less in some cases), hold ourselves to account, reform bad habits and improve the performance of every taxpayer dollar we spend
- The line by line reviews are a first step. We are looking for a culture change, one which shifts the burden of responsibility for value for money on to chief executives
- We expect all chief executives to demonstrate that they have fully engaged in the line by line review process. This will mean being honest about what they know works, what does not, and what they cannot judge because of poor information on performance
- This is an excellent opportunity for you to ask the fundamental questions about your vote (the money departments are spending in your name) – use it while you have it

Questions Vote Ministers can ask their CEs about line by line reviews:

- How confident are you that you have identified all opportunities for savings – from programmes that do not work, that cost a lot to deliver for little apparent gain, or that are inconsistent with our priorities?
- Have you identified areas for further investigation – such as programmes that *could* be inconsistent with our priorities or those where you cannot make a judgement because of poor information on performance?
- Have you demonstrated how much spending is on front line services versus back office functions? Have you demonstrated how funding could be shifted?
- Have you identified ways to save on overheads and corporate services (e.g. human resources, IT, communications)?
- Have you identified credible actions you can take to make improvements over the next three years?
- Are there any fundamental changes we could make to the vote e.g. balance between State versus private/voluntary provision?
- Is an independently chaired value for money review needed for any part of the spending you administer?
- Have you considered scope creep e.g. things that your department is doing that is not core business, or which duplicates the work of other departments?