The Treasury

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[1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government

[2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial

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In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

STATE SERVICES COMMISSION FOUR-YEAR PLAN

2013/14 – 2016/17

Introduction

This document sets out the Four-year Plan for the State Services Commission (SSC) for the period 2013/14 to 2016/17. This is SSC's first Four-year Plan. It is anchored to SSC's Business Strategy and sets out the agency's medium-term plan to meet government priorities.

SSC operates as part of the Corporate Centre. Accordingly, this Four-year Plan includes priorities for the Corporate Centre, developed with input from all three central agencies. More information on the Corporate Centre is provided under Strategic Direction.

Strategic Direction

The Corporate Centre

The State Services Commission, The Treasury and Department of Prime Minister and Cabinet, working together as a “Corporate Centre”, have a role in providing strong and coordinated leadership to improve how the State sector performs. This is done by leveraging the respective strengths and collective expertise of the central agencies to support the State sector to deliver the results that matter to New Zealanders.

The central agencies need to act as a strong and coordinated Corporate Centre to:

- assist State sector agencies to meet New Zealanders’ expectations of better public services, delivered in more immediate and flexible ways
- gain better traction on the results that matter most
- increase the efficiency and effectiveness of the State sector to deliver more with less.

In recent years, the central agencies have collaborated on a number of initiatives and issues, including the development of key management and performance tools, such as the Performance Improvement Framework (PIF). These have demonstrated how, together, the central agencies can drive better and higher performing services and make value-for-money improvements, both across the State sector and within the agencies themselves.

However, more can and needs to be done to drive the coordination of the centre further and faster. New Zealand faces the most challenging international economic environment in generations, as the Government endeavours to raise the quality of public services while managing or cutting costs. This requires a fundamental shift in how the State sector operates and demands new ways of working and operating, in terms of system design, culture and behaviours.

The vision for the Corporate Centre, which reflects the Corporate Centre’s role, is:

We collectively lead the State sector to deliver outstanding results for New Zealanders.

We will do this through:

- standing up and leading the system to better performance
- having the best performance management system in the world
- owning the performance of the State sector and enabling others to better performance.

SSC's outcome framework

SSC's purpose is: *Leading a State sector New Zealand is proud of.*

SSC has developed a new business strategy to support the achievement of its purpose. The business strategy was developed to refocus SSC, taking into account the current strategic environment and priorities of the Government and to ensure the State Services and SSC are delivering quality services for New Zealanders.

SSC works with and through the State sector. This relationship with the State sector and, in particular the Public Service, is reflected in how we articulate our outcome framework and monitor our achievements. Achievement of SSC's strategic direction reflects the performance and integrity of the whole system.

To achieve its long-term purpose and deliver on its strategic priorities, SSC works towards one outcome: *A higher performing State sector that New Zealanders trust, delivering outstanding results and value for money.*

The State sector outcome has changed to better encapsulate an outcome that the Corporate Centre can achieve collectively, and do not fundamentally change SSC's intervention logic. Over 2013 the Corporate Centre will develop a shared outcome framework.

Four pillars support SSC's outcome and purpose. The pillars set out the impact of SSC's work. In turn, SSC's outputs contribute to the impact achieved by each of the pillars. The four pillars are:

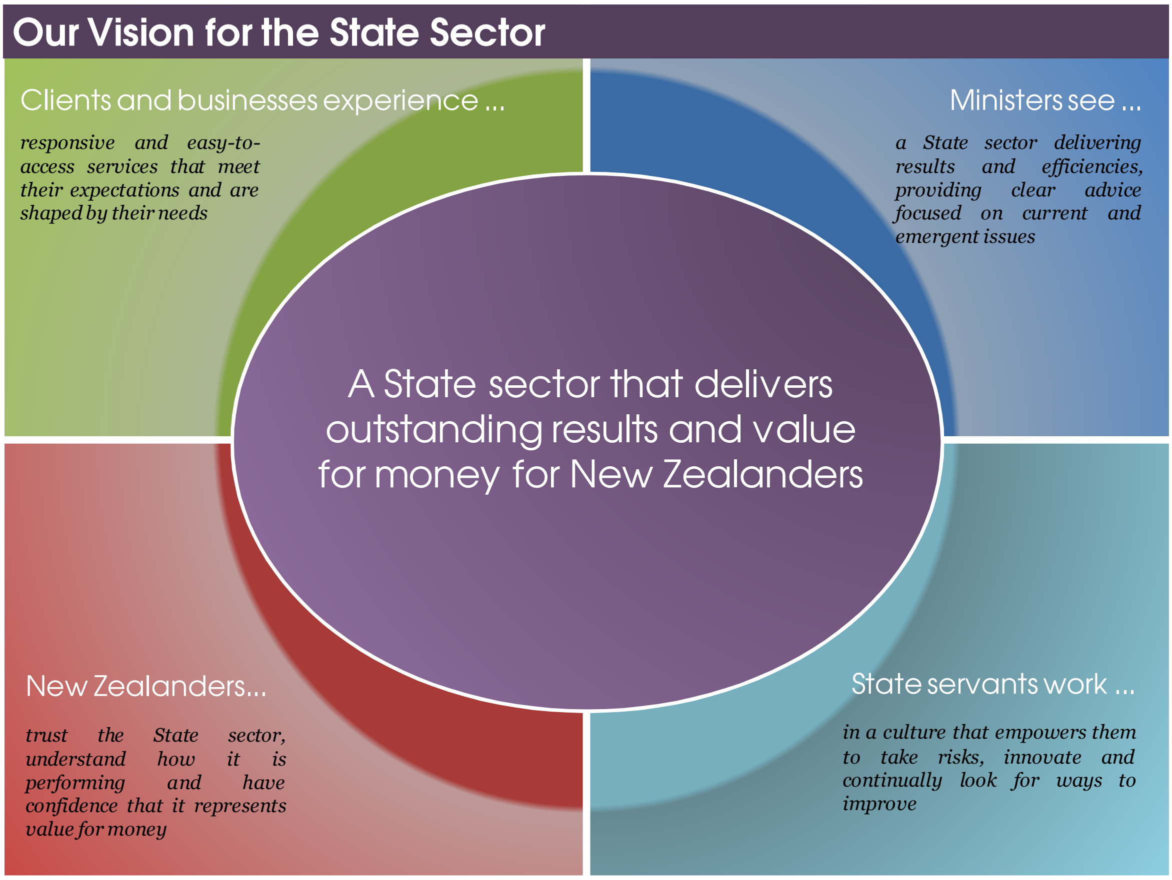
- leading the system
- delivering performance excellence
- building system capability
- strengthening trust and integrity.

Our Purpose	Leading a State sector New Zealand is proud of
Our Outcome	A higher performing State sector that New Zealanders trust, delivering outstanding results and value for money

Our Pillars *Impact: What do we want to achieve?*	**Leading the System**	**Delivering Performance Excellence**	**Building System Capability**	**Strengthening Trust and Integrity**
	Our impact: To lead a State Services that can deliver better public services. Through system, structural or functional improvements to the State Services, SSC will design and steer a State Service that is innovative, efficient and focussed on results that matter to New Zealanders	Our impact: To set, support achievement of, and monitor clear expectations for the State Services that ensure excellent performance and encourage innovation, efficiency and a focus on results	Our impact: To build a resilient, responsive and adaptable State sector through improving the capability and tools available across people, processes and systems	Our impact: To set and advise the State Services on maintaining high standards of integrity, which are integral to ensuring the State Services are trusted by government and the public

Future state

SSC, in conjunction with its Corporate Centre partners, owns the performance of the State sector. Therefore, SSC's vision for the State sector is a 'State sector that delivers outstanding results and value for money for New Zealanders'. The following diagram explains what this means for key stakeholders.



To deliver on this vision, by 2016 we will have a State Sector characterised by:

A focus on results

- clear priorities
- collaboration
- performance reporting that drives improvement

A new leadership culture

- strong cross-boundary leadership of key aspects of the system
- sustainable organisations that are able to meet the challenges of the present and the future

Innovation and continuous improvement

- delivering better services through new ways of working

Strong client focus

- services designed with and for the people who use them.

A clear picture of what success looks like for the Corporate Centre is outlined in Appendix 1

Operating or business model

SSC's senior leadership team have defined key aspects of the future operating model, and these are set out below. Most of these are already encapsulated in the way SSC works and, in particular, in recent improvements to the operating model for the System and Agency Performance Group (SAPG) which delivers most of SSC's front facing services.

Leadership

SSC's leadership role means taking responsibility for the performance of the system: we are not just there to observe and report but to participate by helping lead performance improvement across the State sector. The performance of sectors and agencies reflects the Corporate Centre's performance; their success or failure is our collective success or failure, particularly if significant early action has not been taken.

Trusted advisors

SSC places a high importance on its ability to build relationships with Ministers and chief executives and other senior staff within the system to be able to lead and influence. To be credible as trusted advisors, SSC employs experienced senior public service managers to lead its front facing services. These people bring not only a wealth of experience but have credibility with leaders across the system.

Expertise

SSC builds and maintains some specialist expertise in house but also contracts specialist expertise as needed. This is often delivered through suppliers who have been selected as a panel of preferred suppliers to provide specific services. This contracting model ensures we can supplement our scarce resources with specific expertise. This external expertise also brings an external and different perspective to SSC which improves the quality of our services. SSC is able to deploy a highly skilled workforce as needed, without having to permanently employ specialist contracted resources.

A number of our services operate in this way, including:

- Performance Improvement Framework with the use of external Lead Reviewers
- Gateway have a contracted panel to bring experts in on specific, major capital projects
- chief executive recruitment uses a preferred supplier panel for recruitment and candidate testing services.

Flexible workforce

While much of SSC's workforce needs to have a high degree of expertise and maintain critical knowledge and relationships, SSC is looking to establish a more flexible workforce so it can operate more effectively and efficiently when responding to the needs of the system.

This will mean SSC has staff that can be actively diverted to priorities as they arise. It means that while structures within SSC provide clear accountability lines, staff may be moved between groups to meet resourcing needs. This means building the capability of the advisor and analytical talent within SSC to be able to work on different issues, deal with ambiguity and work much more collaboratively across organisational structure boundaries. It also means planning and monitoring processes need to support flexibility while ensuring SSC is able to deliver on its core business.

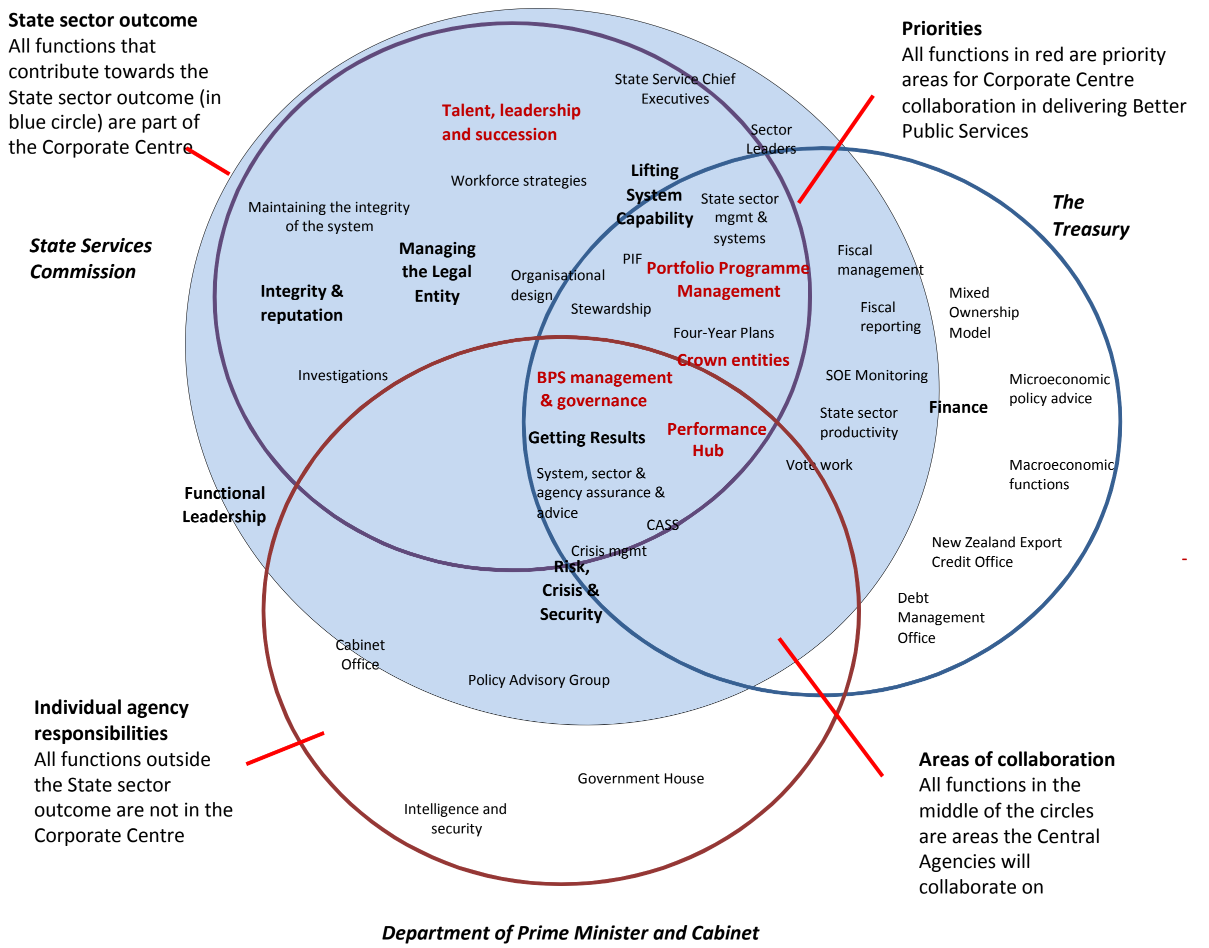
The wider State services

The SSC is evolving from a very Public Service focused organisation to a broader concern with the State services and State sector generally. This is consistent with the recommendations of the Better Public Services Advisory Group and with the designation of the State Services Commissioner as Head of State Services. In the future SSC will work more closely with Crown entities and the broader public sector. This includes understanding how the State sector can work with private organisations and the public to deliver services for New Zealanders in the most efficient and effective way.

Corporate Centre

Currently, the operating model for the Corporate Centre reflects a variety of ways of operating; from working individually but alongside each other; working collaboratively; or (occasionally) working together as part of temporary cross-agency teams (for example, the Better Public Services Programme team). In future, the Corporate Centre operating model will see the three central agencies working collaboratively on all areas where there is a shared interest and jointly prioritising efforts in these areas. A co-located, joint policy team or Performance Hub is being established in early 2013 to provide an integrated view of performance information and a co-ordinated approach to system design. At this stage, the Corporate Centre has not determined the desired end state for its operating model. This will be considered over the next few years, informed by learnings from the initial steps in establishing the Corporate Centre.

What has been decided is what the Corporate Centre encompasses. The following diagram outlines how central agencies' current functions align with the Corporate Centre.



Operating environment and strategic challenges

SSC's strategic direction is set within an environment where government and the public have rising expectations about the quality of public services, while operating within capped public spending.

The operating environment that the State sector works in includes: an increasingly diverse and ageing population; a networked and ICT-enabled world that is changing the flow of information and increasing expectations for easily accessible services that can be shaped by the user; and rebuilding and learning from the significant natural disasters that have affected Christchurch and the wider Canterbury region.

SSC's role is to lead and support the State sector to perform. SSC must work with the State sector to tackle these challenges to deliver results for New Zealanders.

For SSC, specific challenges to achieving its strategic direction are:

- responding to rising expectations of the SSC to lead reform and performance improvement within the State sector, placing extra burden on its limited resources, which may limit its impact
- recognising that to achieve its strategic direction SSC needs to work differently, that is, working:
    - collectively with central agency partners to utilise all of the levers and resources available to the Corporate Centre in a more efficient and effective way
    - collaboratively with State sector agencies to support their ability to perform and deliver
- remaining ambitious for SSC, the Corporate Centre and the State sector in what we can achieve in the next four years, despite fiscal challenges and the amount of change that needs to occur in not only what services are delivered, but also how they are delivered and how they are supported through a culture of improvement, innovation and taking acceptable risks.

Baseline profile – OBU 2012	**2012/13 ($0.000m)**	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Operating expenditure – departmental	24.389	23.599	24.134	24.144	24.144
Operating expenditure – non-departmental	14.064	14.334	14.609	14.627	14.627

Decision points and trade-offs

SSC is continuing to realign services to deliver on our Business Strategy. The medium term intentions set out below reflect the high priority placed on developing new or revamped system leadership roles to deliver on the business strategy. SSC is a lean organisation which, over the past several years, has divested itself of peripheral and operational functions, and cut costs, in order to focus its resources on strategic areas.

The strengthened role of SSC is creating pressure on our limited resources. There is a need to be able to do more with less. SSC's ability to deliver on its ambitions is constrained by limited resources. Therefore, trade-offs have to be made to ensure SSC is as impactful as possible and focused on the most important areas.

The 'Medium-term intentions' outline the priority areas of focus for SSC and the Corporate Centre, and how SSC is managing resource tradeoffs is outlined in the 'Summary of total financial impact'.

Medium-term intentions

Provided below are draft outputs for SSC for 2013/14. These will be confirmed during early 2013 for input into SSC's Statement of Intent.

<table>
<tr><th>Leading the System</th><th>Delivering Performance Excellence</th><th>Building System Capability</th><th>Strengthening Trust and Integrity</th></tr>
<tr><td rowspan="2">Improve State sector design

Ensure the organisations and structures are fit for purpose</td><td>Lifting performance of sectors and agencies in the State Services

Lifting chief executive performance

Improving crown entity governance

Provide assurance on the management of major government priorities and projects

Provide sectors and agencies with products that can assist with performance improvement</td><td>Identify , recruit, and develop current and future senior leaders

Ensure agencies are developing effective workforce strategies

Provide advice on employment conditions and employment relations</td><td rowspan="2">Providing advice on standards of integrity and conduct

Investigate issues regarding the integrity and conduct of State servants</td></tr>
<tr><td colspan="2">Assess the effectiveness of agency performance</td></tr>
</table>

There are several changes to the outputs described in the 2012 SSC Statement of Intent. In addition, there are a number of significant initiatives that SSC will be investing in over the four year period. Some of these initiatives are immediate priorities for the Corporate Centre, including:

- Better Public Services management and governance
- bringing together system performance information and system design (Performance Hub)
- supporting functional leadership (substantively driven by the Treasury)
- public sector leadership, and
- the Crown Entity Strategy.

The material changes aligned to SSC's outputs and initiatives are outlined in the following table:

<table>
<tr><th colspan="2">Intention</th><th>Type of action</th><th>Success measures</th></tr>
<tr><td>A</td><td>A more effective Corporate Centre – the three central agencies will work together as part of the Corporate Centre for the State sector</td><td>Enhance services</td><td>There is a single State sector strategy and view of performance
There are clear, coherent and focused plans to achieve results
The Corporate Centre takes collective responsibility for the success of agencies and sectors</td></tr>
</table>

			The Corporate Centre supports CEs, sector-leads and functional leads to achieve Better Public Services
B	Better Public Services – management and governance of State sector reform	Change	
C	Leadership & Talent Management Programme – high performing State services leadership	Enhanced services	At least two strong "internal" candidates from the talent pipeline for every senior leadership role including chief executive roles There are agreed successors for each critical role There is system agreement on the talent pipeline and targeted formal and experiential development is in place for each individual Movement of senior leaders around the system for critical roles will be seamless and supported by common terms & conditions of employment
D	Performance Hub – bringing together system performance information and system design	Change	
E	Crown entity strategy– improving Crown entity governance and monitoring performance	New	Review cycles are built in to the implementation of the strategy, which also includes a review led by SSC of the operation of the new approach to monitoring ACC and HNZC as an existing Cabinet requirement.
F	Investment decision-making – applying portfolio programme management	Change	Monitor and regularly review the progress of major projects in the Public Service (and in Crown Agencies where directed by responsible Ministers) focusing particularly on high risk projects The project monitoring process demonstrates cost savings/avoided costs over the year through advice/interventions Maintain Gateway as the essential assurance methodology for major capital investments in the system
G	Provide sectors and agencies with products that can assist with performance improvement	New	

Summary of financial implications from medium-term intentions – intended changes

Financial implications arising from changes to outputs, services or deliverables	2012/13 ($0.000m)	2013/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Operating impact – departmental	0.113	0.412	0.436	0.445	0.455
Operating impact – non-departmental					
Capital impact – departmental					
Capital impact – non-departmental					

Summary of new funding sought from the Corporate Centre

Value of new funding sought	2012/13 ($0.000m)	2013/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Operational expenditure – departmental					
Operational expenditure – non-departmental					
Capital expenditure – departmental					
Capital expenditure – non-departmental					

Organisational Capability and Workforce

Our environment

The three central agencies are expected to experience and deliver significant change over the next four years. To do this SSC, working with our central agency partners as the Corporate Centre, will need to work differently. This means changing how the Corporate Centre operates and how each agency manages its workforce to ensure we have capacity and capability to deliver.

The Commission in still in the first year of its new Business Strategy. It has undertaken restructuring, changes to teams, systems and processes and the products and services it delivers to create alignment with the Strategy. It has also undertaken a number of reviews of operating models within the Commission to improve efficiency and effectiveness. Further reviews will be completed in 2013.

Capacity, capability, culture

We need to be confident in the sustainability of our workforce – including our ability to attract, develop and retain the right people. We also want to focus on developing a blend of specialist positions and flexible positions to ensure our people can be focused on priority work.

Over the past year, our *Developing People* programme has aimed, at pace, to put in place initiatives to:

- improve "line of sight" for staff, between the Commission's new business strategy, and the contributions that they make each day. This included development of a new performance agreement and Professional Development Plan. Work on the latter has also enabled the Commission to collate information on development needs across the organisation so that development initiatives can be better targeted.

- reinforce the importance of "how" we contribute, including embedding a new set of key behaviours and values included in the Business Strategy.

- improve employee engagement by strengthening our focus on teams taking action to change ways of working within their control.

- provide workshops on general skills development for staff, including coaching skills/having courageous conversations.

Our workforce strategy, which will be completed by 30 March 2012, will build on the success of the Developing People programme and will focus on:

- *working from information and evidence*: creation of a new information and evidence base around the Commission's workforce, including a clearer understanding about individual and Commission-wide capability needs, and which interventions best lead to the desired increase in capability.

- *improving our agility*: a new approach to recruitment, job descriptions and employment agreements to enable the Commission, with the consent of staff, to deploy a core group of staff to work on areas of greatest priority. This is about increasing flexibility within our workforce.

- *recognising our specialist capability*: continued recognition of the importance of credible technical specialists within the Commission, and earmarking of roles which fulfil this purpose.

- *managing our talent*: a new approach to talent management and succession management within the Commission; ensuring we are recognising and developing high potential staff, while continuing to support and develop the entire workforce.

- *developing people and developing leadership:* continued focus on appropriate development opportunities for staff, including development of management and leadership skills.

- *improving employee engagement:* through work on team dynamics, clarity of expectations and management skills.

Examples of anticipated changes to our workforce and operating models to support SSC's leadership role across the system are:

- increased resources in the office of the HOSS (Head of State Services)/Office of the Executive Board
- increased long-term resources within the Strategy and Agency Performance Group
- reviews of the business units within the Organisational Strategy and Performance Group to enable efficiency gains and create more effective support functions for SSC.

Further decisions in this area will be made early in 2013 as medium term intentions firm up – these will be incorporated into the workforce strategy being developed at that time. Some initial changes have been made with the aim of ensuring that the SSC's wider workforce needs are taken into account in appointment processes.

Workforce capacity and capability impacts – intended changes

Capacity Change	**Capability Change**	**Context**	**Change in Capability**
Increased resources in the office of the HOSS/Executive Board		To support the Commissioner in his role as Head of State Services To support the Corporate Centre CEs in their role as the Executive Board	Putting in place a second tier leader to manage the office as well as further analytical and co-ordination resources
⇧	⇧		
Increased resources within SAPG		The increase of long term resources within SAPG to manage increased workload.	Increase resources and analytical capability in relation to the management of performance of the State Services
⇧	⇧		
Reviews of business units within OSPG		As with all government agencies there is a need to reduce costs in relation to back office functions	Increase capability to cope with increase in productivity as resources are reduced and realigned to support the organisation to deliver, manage and measure organisational performance
⇩	⇧		

Identified capability pressures

Capability gap/pressure	**Reason for capability gap/pressure**
Requirement to increase our capability within our workforce to become more mobile. To be able to shift focus or to deliver multiple outputs at the same time.	SSC has identified that its workforce needs to be flexible. This means increasing the ability to shift resources, across different functions dependent on work priorities. This means building the capability of staff to deal with ambiguity, changes of focus and team, and being comfortable dealing with multiple competing priorities.
SSC has had difficulty recruiting and developing suitable applicants for the Assistant Commissioner positions within SAPG.	The Assistant Commissioner position was introduced into the SAPG in 2011. However, it has taken a prolonged period of time to recruit suitable applicants from across the public sector due to the complex mix of skill sets and experience required. This poses a risk for the organisation in its ability to support the State sector due to a possible capability gap when vacancies arise in the future.

Part of developing the Commission's capability will involve supporting the Commission's people to work in a way which reflects the values, spirit and character expected of the organisation. We have moved to be more explicit about the behaviours and values which are considered integral to the Commission, and integral to delivery on our Business Strategy: *Courage; Agility; Innovation; the ability to Inspire; a willingness to Own, Mobilise, Deliver; Respect; Trust; Ambition;* and *Vibrancy.*

Workforce costs

Our workforce strategy will also include consideration of the Commission's ability to manage its workforce costs, both within the Commission itself and within the context of the wider Corporate Centre. Services may look different or they may be delivered differently. Options may include:

- ongoing work to ensure the Commission's operating models are as efficient and effective as they can be, and that appropriate frameworks are in place for continuous improvement
- more use of graduate positions, where appropriate – while ensuring graduates are appropriately supported and developed
- focusing on the best value way to accomplish more administrative tasks within the Commission
- rotating staff to develop their skills and experience with on-the-job learning
- pro-active performance management activity with under-performers
- partnering with external organisations and across the system to achieve SSC outcomes as appropriate, e.g., contracting out some tasks if this would be efficient and cost-effective.

Total workforce costs

	2012/13 ($0.000m)	2013/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Workforce costs – departmental	15.849	15.551	15.704	15.633	15.945
Workforce costs – non-departmental	14.064	14.334	14.609	14.627	14.627
Total workforce costs	**29.913**	**29.374**	**29.448**	**29.403**	**29.688**

FTE numbers

	2012/13	2013/14	2014/15	2015/16	2016/17
FTE numbers – departmental	129.6	123.6	119.6	119.6	119.6
FTE numbers – non-departmental	29	29	29	29	29
Total FTE numbers	**158.6**	**152.6**	**148.6**	**148.6**	**148.6**

Summary of Total Financial Impact

SSC is able to balance over the four year period. There are a number of unknown costs associated with a a number of the medium-term intentions that are currently in development to support Better Public Services. Provision has been made, through establishment of a contingency, to invest in these initiatives to support system shifts. How SSC makes further efficiency savings to maintain the contingency will impact on the level of available funding to invest in further system level interventions.

The fund will be administered using a competitive bidding process overseen by an SLT-led governance group. This will ensure that any initiatives demonstrate a sound investment by being aligned to SSC's Business Strategy and also to Corporate Centre priorities, and by being as efficient and effective as possible and therefore providing value for money.

The contingency fund will also be used to manage cost pressures, consultancy and one-off issues. This will be managed by ring fencing spend within the fund to deal with development work, reactive issues management, and specific cost pressures and consultancy requirements to ensure that SSC outputs are delivered.

Savings

SSC has undertaken considerable change to ensure services and structure aligned to strategy and has created efficiencies by reviewing how services are delivered. However more needs to be done to realise more efficiencies.

A 5% savings target would require annual savings of $1.897 million (including both departmental and non-departmental appropriations). The non-departmental appropriation can manage 5% savings within the current contingency maintained in that appropriation. However additional savings will begin to impact on the ability to recruit and retain high performing chief executives, who are seen as essential in leading performance improvements across the system.

Additional savings to the departmental appropriation will mean a reduction in capacity and capability given that most of SSC's costs are personnel related. This will impact on SSC's ability to deliver on outputs and/or invest in further system level interventions. This may mean: prioritising what services it delivers and when it deliver these; delivering different levels of service to agencies depending on the required impact; and investing in new services that will add greater value.

Savings that are reflected in SSC financial position include:

- $288K in efficiency savings from the implementation of the Central Agency Shared Services
- Reviews of the Organisational Strategy and Performance Group to realise greater efficiencies
- Reduction in LDC funding from $500K to $200K in 2013/14 with bulk funding arrangements not guaranteed beyond 2013/14, as we review the Leadership and Talent Management programme and look to where LDC and other suppliers can provide greatest value.

To achieve further savings SSC will look at:

- further efficiencies from CASS in addition to the $288K being realised in 2013/14.
- assessing how back office functions are supported across the Corporate Centre to reduce duplication.
- The processes for discharging the Commissioner's statutory responsibilities relating to State sector employment relations activity

- reducing costs across our more administrative functions such as:
  - Chief executive recruitment
  - Crown entity remuneration

It is likely that SSC will need to make savings in these areas over the course of the four-year plan. However, a requirement to make savings in 2013/14 would require a more rapid change management process. Changes in these areas would require change in the relevant operating models. Until this work is undertaken it is not possible to itemise savings across the areas listed at this time, e.g. further savings from CASS would require agreement from the Treasury and DPMC.

Corporate Centre

If additional outputs are required to be delivered by the Corporate Centre, particularly investment opportunities for improving the performance of the State sector, then SSC and the other Corporate Centre agencies will need to look at how these are resourced. This may mean reprioritisation across the Corporate Centre, reprioritisation within the system or alternative funding streams.

The Corporate Centre is looking at integrating how it plans and reports to support development of a work programme and how it resources to deliver on this work programme.

Currently there are a number of transfers of funds between the three central agencies. Those that effect SLT include: a contribution of $470K from the Treasury and DPMC to support the PIF; ongoing support for governance of the Better Public Services programme of around $70K, and payment of around $4.0 million for CASS to the Treasury.

Funding arrangements for Portfolio Programme Management and the Performance Hub have not been finalised. This may involve transfer of some or all funds relating to these functions, or purely co-location of teams with no transfers involved.

Summary of Corporate Centre inter - department flows

Inter-department Flows In / (Out)	Department	*FY 12/13 $(000)*	FY 13/14 $(000)	FY 14/15 $(000)	FY 15/16 $(000)	FY16/17 $(000)
PIF	DPMC	*50*	50	50	50	50
PIF	Treasury	*420*	420	420	420	420
BPS Activities	Treasury	*706*	116	71	71	71
CASS Charges	Treasury	*(4,026)*	(3,938)	(3,886)	(3,886)	(3,886)

Operating – departmental

	2012/13 ($0.000m)	2013/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Current operating expenditure	24.389	23.599	24.134	24.144	24.144
Financial Implication of Planned Changes and Cost Pressures					
Financial implication arising from changes to outputs, services or deliveries **(copy from table in Section 2.1.1)**					
Direct employment cost pressures **(copy from table in Section 6.2.1.1)**		0.291	0.587	0.881	1.181
Operational cost pressures arising from capital **(copy from table in Section 6.2.1.2)**					
Other operational operating cost pressures **(copy from table in Section 6.2.1.3)**					
Total of all changes and pressures on operating expenses					
Funding for Changes and Cost Pressures Available From					
Operational efficiencies/reprioritisation **(copy from tables in Section 6.2.2.1)**		0.113	0.412	0.436	0.445
Changes to third-party revenue **(copy from table in Section 6.2.2.2)**		0.116	0.070	0.070	0.070
Transfers to/from other Votes **(copy from table in Section 6.2.2.3)**					
Total funds available	24.389	23.599	24.134	24.144	24.144
Savings required but not yet identified	0.313	0.568	0.588	0.674	0.970
Savings required as % of baselines	1.3	2.6	0.3	.6	1.4
New Funding Sought from the Centre					
Total new funding sought **(copy from table in Section 2.1.1)**					
Savings required if new funding received					

Operating – Non-departmental

SSC's non-departmental appropriation relates to the remuneration and costs relating to the employment of chief executives employed by the State Services Commissioner. The Commissioner is responsible for managing these costs within the appropriation with the rises in operating expenditure reflecting likely remuneration changes. The incremental change to the appropriation over the four year period provides for changes to chief executive remuneration.

SSC maintains headroom within the appropriation to manage unforeseen workforce costs such as redundancy payments, remuneration increases and performance payments, remuneration for new hires and other expenses such as payout of leave entitlements. Any potential for not spending the headroom is forecast in the March Baseline Update.

SSC is reviewing where additional costs relating to the recruitment of chief executives that, consistent with the Treasury's guidance, can be funded from the non-departmental appropriation.

	2012/13 ($0.000m)	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Current operating expenditure	14.064	14.334	14.609	14.627	14.627
Financial Implication of Planned Changes and Cost Pressures					
Financial implication arising from changes to outputs, services or deliveries **(copy from table in Section 2.1.2)**					
Direct employment cost pressures **(copy from table in Section 6.2.1.1)**					
Operational cost pressures arising from capital **(copy from table in Section 6.2.1.2)**					
Other operational operating cost pressures **(copy from table in Section 6.2.1.3)**					
Total of all changes and pressures on operating expenses					
Funding for Changes and Cost Pressures Available from					
Operational efficiencies/reprioritisation **(copy from tables in Section 6.2.2.1)**					
Changes to third-party revenue **(copy from table in Section 6.2.2.2)**					
Transfers to/from other Votes **(copy from table in Section 6.2.2.3)**					
Total funds available	14.064	14.334	14.609	14.627	14.627
Savings required but not yet identified					
Savings required as % of baselines					
New Funding Sought from the Centre					
Total new funding sought **(copy from table in Section 2.3)**					
Savings required if new funding received					

Capital

Capital expenditure

Departmental Expenditure	Increase/(Decrease)				
	2012/13 ($0.000m)	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Opening balance funding available	0.840	0.625	0.625	0.625	0.625
Depreciation funding					
Sale of assets					
Other (please specify)					
Total baseline funding available (a+b+c+d)	0.840	0.625	0.625	0.625	0.625
Capital investments funded from baselines					
New capital funding sought from the centre **(copy from table in Section 2.1.2)**					
Closing baseline funding available					

Non-departmental Expenditure	Increase/(Decrease)				
	2012/13 ($0.000m)	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Baseline funding available for the purchase or development of Crown capital assets					
New capital funding sought from the centre **(copy from table in Section 2.1.2)**					
Capital investment in organisations other than departments					
Total					

Key Operational Risks

The following table summarises significant operational risks that could compromise the delivery of SSC's medium-term intentions.

Description	Likelihood	Consequences	Financial impact and timing by year(where applicable)	Treatment/ mitigation
Corporate Centre does not deliver on improvements in services	Possible	Severe	Negligible. Potential savings from joining functions not realised	Work programme is being developed to further establish how the Corporate Centre operates, including culture change requirements to support it
Implementation costs arising from new programmes	Likely	Severe	Ongoing costs are unknown, however like to be in the several hundred thousand dollars	Development of new programmes being funded from competitive contingency money. Clearly established cap on resources. Trade-off decision to be made once implementation costs are known
Projected savings from CASS not realised	Possible	Severe	$280K	Expectations through CASS partnership board to realise savings.
Additional savings options will require increased costs to manage change processes	Possible	Moderate	Unknown	If additional trade-off decisions made, change management procedures will need to be implemented to manage employment considerations. Costs will have to be borne
Treasury and DPMC contribution to delivering the PIF programme is discontinued after 2013/14	Possible	Severe	$470K	SSC will seek assurance with Treasury and DPMC about continuing this contribution, as well as looking at options to reduce further costs from delivering the PIF programme
SSC staff become disengaged due to high workload and change fatigue	Possible	Severe	Unlikely to have financial impact, but will impact ability to deliver outputs	SSC has an engagement programme called 'Teaming Up'. Implementing a continuous improvement model to change that is sustainable and manageable. SSC will endeavour to create a more flexible workforce that is capable of adapting.

Likelihood of risk event with existing controls in place	
Almost certain	The event is expected to occur in most circumstances. Probability: 80%-100% expectation that the event will occur.
Likely	The event will probably occur in most circumstances. Probability: 50%-80% expectation that the event will occur.
Possible	The event could occur at some time. Probability: 30%-50% expectation that the event will occur.
Unlikely	The event could occur at some time. Probability: 5%-30% expectation that the event will occur.
Rare	The event may occur only in exceptional circumstances. Probability: Less than a 5% expectation that the event will occur.

Magnitude of consequences	
Major	Extensive senior management attention or resources diverted to recovery from a crisis event affecting service quality, a programme or major project, the viability of the agency overall. This level of risk would have extreme consequences for the organisation both financially and politically.
Severe	Significant senior management attention to manage issues or prevent a crisis that may threaten the viability of a branch, service quality, programme or project. This level of risk would have very high consequences for the organisation financially and/or politically.
Moderate	Consequences could require review or changes to operating procedures with management effort required to prevent escalation. Although the consequences would not threaten the viability of the programme or organisation, service quality or performance could be affected.

Level of risk exposure						
Consequences	Major	Moderate	High	High	Very high	Very high
	Severe	Moderate	Moderate	High	High	Very high
	Moderate	Low	Moderate	Moderate	Moderate	High
	Minor	Very low	Low	Low	Moderate	Moderate
	Routine	Very low	Very low	Low	Low	Moderate
		Rare	Unlikely	Possible	Likely	Almost certain
		Likelihood of event				

Detailed Activity and Financial Planning

Medium-term Intentions – intended changes

Many of the medium-term intentions outlined in this section are in varying stages of development, with costs unlikely to be known for the next few months as the work programme and implementation costs are identified. SSC's approach, as outlined under the financial summary, to provide assurance that these intentions can be funded, given the uncertainty, is through establishment of a significant contingency fund for 2013/14.

The contingency fund will support development and initial implementation costs. Once business as usual costs are known, decisions will then be made as to whether trade-offs need to be made against business as usual activities, or whether some of the contingency funding transfers back into business groups. It is envisaged that the contingency fund will reduce over the four year period as SSC's large development programme moves to business as usual.

Given that the fund will be fixed, the development programme will need to balance within this constraint. This will ensure development and implementation is sustainable.

Intention name: A more effective Corporate Centre	
Outcome: The performance of the State Sector is improved and its integrity is strengthened.	
Type of action	Change
Motivation for change (bold)	Generating funds for reprioritisation
	Seeking greater performance from current spending
	Responding to government priorities
	Other..

The Corporate Centre needs to cement how the three central agencies work together. This means working differently and delivering different services. The Corporate Centre needs to develop how it is going to operate, change to the culture, and establish and improve existing services required to lead the State sector to deliver better public services. The activities to further establish the Corporate Centre include:

- developing a joint strategic direction including vision, purpose and outcome framework.
- working on culture change programme to establish how the Corporate Centreoperates
- developing an integrated planning process for the Corporate Centre
- Implementing immediate priorities to drive change including establishment of the Performance Hub

Financial impacts.

The financial implications of the Corporate Centre have yet to be determined; however SSC has put aside $226k in 13/14 to provide for establishment and development costs.

Financial impact of intended change	**2012/13 ($0.000m)**	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Operating impact – departmental	0.113	0.226	0.000	0.000	0.000
Capital impact – departmental					

Implications for workforce capacity and capability.

The Corporate Centre will require staff in the three agencies to work and behave differently. This includes understanding, respecting and valuing each other's respective roles and expertise. The central agencies need to be able to work much more collaboratively to enhance their influence on and leadership of the State sector.

Other significant capability implications. To be determined.
The success of the Corporate Centre will be known or measured by: • there is a single State sector strategy and view of performance • there are clear, coherent and focused plans to achieve results • the Corporate Centre takes collective responsibility for the success of agencies and the State sector • the Corporate Centre supports CEs, sector-leads and functional leads to achieve Better Public Services.

Intention name: Better Public Services - management and governance of State sector reform	
Outcome: The performance of the State Sector is improved and its integrity is strengthened. This also delivers on SSC supporting pillar: Leading the System	
Type of action	Change
Motivation for change (bold)	Generating funds for reprioritisation
	Seeking greater efficiency/performance from current spending
	Responding to government priorities
	Other..

The Corporate Centre is a key enabler for delivering Better Public Services. The State Services Commissioner, as Head of State Services, is responsible for the overall delivery of the programme. The three Corporate Centre CEs (the Corporate Centre Executive Board) also have roles on the Better Public Services Programme Board, which governs the programme.

The Corporate Centre focuses on all three Better Public Services workstreams:

- results – this includes leadership of the assurance work to support delivery of results/priorities for key agencies and sectors
- better services and value for money – this includes functional leadership of government ICT, property and procurement, State sector performance measurement, and BPS investment funding
- leadership – this includes lifting the performance of Crown entities, and senior leader career development and deployment across the State Services.

As a result, the BPS will be able to move from being a discrete work programme focused on some key deliverables, to a broader programme of change in how the State sector operates across the board. One way in which the Commissioner intends to support this shift is through the establishment of an Office of the Head of State Services which will support him and the Executive Board in leading and supporting the State sector to improve performance.

Financial impacts.

The financial impacts are through the establishment of new roles within the Office of the HoSS, offset by reduction in costs of the BPS team. This will potentially cost up to an additional $350K

Financial impact of intended change	**2012/13 ($0.000m)**	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Operating impact – departmental	0.000	0.186	0.436	0.445	0.455
Operating impact – non-departmental					

Capital impact – departmental					
Capital impact – non-departmental					

Implications for workforce capacity and capability.

This change will impact on the current Better Public Service Programme team which is made up of programme and communication specialists who have been seconded or are on fixed term contracts. The programme team was only established for a fixed period.

Instead, the Office of the HOSS is looking to establish a new position of Director who will essentially sit over the existing Office of the Commissioner. This is a senior management position with the capability to work with Ministers, sector and functional leaders to ensure the State sector reforms are being implemented. In addition, extra advisory resources will be put into the Office of the HOSS and existing BPS communication functions will be combined with the existing SSC communications team.

Other significant capability implications.

None.

Success of the intended change will be measured as follows:

The HOSS and the Executive Board receive the support needed to lead the Corporate Centre to deliver on the State sector reform programme.

Intention name: Leadership & Talent Management Programme – high performing State Services leadership

Outcome: The performance of the State Sector is improved and its integrity is strengthened.

This also delivers on SSC supporting pillar: Building system capability

The objective for this work is: The performance of the State services continues to improve through the identification and mobilisation of strengthened capability.

Type of action	Enhancement
Motivation for change (bold)	Generating funds for reprioritisation
	Seeking greater efficiency/performance from current spending
	Responding to government priorities
	Other..

Delivering on State sector reform requires significant change in the way agencies collaborate to deliver services. A key to success in this area is having strong leadership. PIF system results show that leadership is a weakness across the system. SSC is working to improve senior leadership over time by identifying high performing talent, focusing on intentional individual development, succession planning for chief executives and other system-critical roles with a resultant talent pipeline. This will represent a shift away from the previous hands-off approach to leadership development, and past focus on course-based development, to a much more intentional approach of identifying and developing high performing leaders through experience- based interventions. Knowing where the system's talent is located will also enable us to shift the best resource to address the Government of the day's priorities.

Financial impacts.

The Leadership & Talent Management Programme is underway with an initial focus on identifying and developing an agreed system talent pipeline. We are working to scope the desired future state (over the next five years) for State services leadership and talent management and ongoing implementation. The programme scale and speed of implementation may be constrained by available resources. This will be supported through SSC's contingency fund in 2013/14.

Financial impact of intended change	2012/13 ($0.000m)	2013/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Operating impact – departmental					
Operating impact – non-departmental					
Capital impact – departmental					
Capital impact – non-departmental					

Implications for workforce capacity and capability.

At this time it is unknown how many additional roles will need to be created to support the programme, but it is likely to be at least two. A key decision which will impact on the requirements for future resourcing at SSC is the future role of the Learning Development Centre.

Other significant capability implications.

The existing web based Talent profiling product is not capable of scaling as the overall programme develops. It is critical foundation infrastructure and needs to be resolved in early 2013. Capex will be required ($80k to $100k)

The success of the intended change will be measured as follows:

- at least two strong "internal" candidates from the talent pipeline for every senior leadership role including chief executive roles
- there are agreed successors for each critical role
- there is system agreement on the talent pipeline and targeted formal and experiential development is in place for each individual
- movement of senior leaders around the system for critical roles will be seamless and supported by common terms and conditions of employment.

Intention name: Performance Hub - Bringing together system performance information and system design

Outcome: The performance of the State sector is improved and its integrity is strengthened.

This also delivers on SSC supporting pillar: Leading the System

Type of action	Change
Motivation for change (bold	Generating funds for reprioritisation
	Seeking greater efficiency/performance from current spending
	Responding to government priorities
	Seeking greater effectiveness by leveraging off the resources across the Corporate Centre

For the Corporate Centre to deliver on its vision, a clear view of State sector performance is needed. While individual teams in the Treasury and State Services Commission carry out activities that help understanding of how well the public management system is performing, there is no shared picture of performance across the system and where improvements need to be made. The Corporate Centre's strategic policy advice on the State sector needs to be informed by central agencies' collective understanding of performance. For this reason a Performance Hub for the Corporate Centre is being established.

The Performance Hub will be a co-located, central agency policy team that will:

- bring together performance information to provide an integrated picture of system performance
- provide strategic advice on effective system design to drive the highest level of performance.

The objectives of the initial work programme are to:

- engage with other SSC and Treasury teams to establish how the Hub's work relates to existing programmes of work
- start to develop and report on a picture of overall state sector performance, building off work already begun through Lifting the Game and SSC's system dashboard work
- develop any business cases required to support future investment and the future role of the Hub
- advise on strategy for achieving our vision for the State sector
- define State sector system design processes and frameworks, and work alongside existing examples (such as functional leadership) to start capturing lessons for the wider system
- lead by example as a Corporate Centre team.

Financial impacts.

The Performance Hub will be established with existing resources from the State Sector Results group.

Financial impact of intended change	2012/13 ($0.000m)	2013/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Operating impact – departmental					
Operating impact – non-departmental					
Capital impact – departmental					
Capital impact – non-departmental					

Implications for workforce capacity and capability.

The Performance Hub will be established using existing resources. Further capacity and capability needs will be identified once the Performance Hub's work programme has been agreed.

Other significant capability implications.

To be determined.

The success of the Performance Hub will be measured as follows:

- performance dashboard is being produced
- there is a clear policy programme which is being delivered.

Intention name: Crown Entity Strategy	
Note strategic outcome(s) related to this intention: Delivering performance excellence	
Type of action	New (and change)
Motivation for change (bold)	Generating funds for reprioritisation
	Seeking greater efficiency/performance from current spending
	Responding to government priorities & senior Ministers' concerns
	Other: Reflects Better Public Services focus on State Services, not just Public Service
Vision: Well-governed, high performing Crown entities working effectively as part of the State Services to deliver priority results. The focus is on lifting entity performance through effective board leadership, and providing assurance on performance through high quality monitoring.	

Financial impacts.

For State Services: better value from the $33.7 billion expenditure by Crown entities (financial year to June 2012). Ministers have described "value destruction" across Crown entities. Exact State Services financial impacts not quantified, though set up is expected to be close to approximately $500K with ongoing costs of approximately $300K. This will be supported through SSC's contingency fund in 2013/14.

Financial impact of intended change	**2012/13 ($0.000m)**	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Operating impact – departmental					
Operating impact – non-departmental					
Capital impact – departmental					
Capital impact – non-departmental					

Implications for workforce capacity and capability.

Strategy not yet agreed. Suggested resourcing, some of which may be sourced from existing resourcing in SSC and Treasury:

- strategy manager (leadership, change management, programme management)
- guidance staff (reallocate existing staff, plus new capability for supporting chairs on chief executive employment, performance management etc if required)
- expert support and review staff, e.g. virtual team across Corporate Centre and monitoring departments and/or external reviewers (contracted) resources
- consultancy support.

Other significant capability implications.

Potential impacts for Jobsite or COMU database if proposal to advertise all board vacancies (where advertising agreed by Ministers) goes ahead.

The success of the Crown Entity Strategy will be measured as follows:

Review cycles are built in to the implementation of the Strategy, which also includes a review led by SSC of the operation of the new approach to monitoring ACC and HNZC as an existing Cabinet requirement.

Intention name: Investment decision-making & delivery management	
Outcome: The performance of the State Sector is improved and its integrity is strengthened. This also delivers on SSC supporting pillar: Delivering Performance Excellence	
Type of action	Change
Motivation for change (bold)	Generating funds for reprioritisation
	Seeking greater efficiency/performance from current spending
	Responding to government priorities
	Other..
The Corporate Centre undertakes a range of interventions in relation to capital investments, including collecting agency capital intentions, promulgating the Better Business Cases methodology, managing Gateway reviews, and monitoring high risk projects. The Corporate Centre is re-examining this model, with the aim of creating a more coherent and better targeted set of interventions around capital. Information on major non-capital projects is also collected. SSC and Treasury will be examining how the techniques applied to understanding and managing capital investments could be applied more widely to large/risky projects. As part of re-examining the model, the Corporate Centre is reviewing the most efficient and effective way of delivering these services. At this time, the outcome of that review is unknown.	
Financial impacts. The financial implications of this change have yet to be determined.	

Financial impact of intended change	**2012/13 ($0.000m)**	**2013/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Operating impact – departmental					
Operating impact – non-departmental					
Capital impact – departmental					
Capital impact – non-departmental					

Implications for workforce capacity and capability.

The workforce implications of this change have yet to be determined.

Other significant capability implications.

Unknown.

The success of the intended change will be measured as follows:

- monitor and regularly review the progress of major projects in the Public Service (and in Crown agencies where directed by responsible Ministers) focusing particularly on high risk projects
- the project monitoring process demonstrates cost savings/avoided costs over the year through advice/interventions
- maintain Gateway as the essential assurance methodology for major capital investments in the system.

Fiscal implications

Please note this section is designed to capture marginal changes from baselines, not total costs.

Cost pressures

SSC has a number of activities that are likely to increase, particularly as it looks to increasingly intervene in performance matters across the system, and broaden its focus beyond Public Service departments into sector, functional and wider State sector issues. Many of these activities are outlined in the medium-term intentions, where SSC has a large development programme to support implementation of State sector reform. In addition to these areas of change and growth, SSC has identified three areas that are likely to increase in the medium-term.

Performance Improvement Framework

Coupled with the Crown Entity Strategy, the Performance Improvement Framework is likely to be utilised to assess the performance of Crown entities. Not only is this broadening the pool of agencies to be assessed, but it will also require tweaks to the review framework as Crown entities have different governance arrangements to Public Service departments. Additionally at the end of 2013, the contract with the Lead Reviewers is set to end with conditions renegotiated. This is likely to increase the cost of Lead PIF Reviewers, some of which is recovered, but some of which is also managed within SSC budgets.

There is a range of options around to what extent PIF moves into assessment of Crown entity performance, given the large range and number of Crown entities. Depending on Ministers' expectations, this will impact on the cost of operating the Performance Improvement Framework within SSC's departmental budget. At this time, trade-offs may have to be made to support this growth.

Ensuring System and Performance Group remains sustainable.

The System and Performance Group (SAPG) is critical to managing the relationships and performance issues across the system with sectors, agencies and chief executives. SAPG is bearing much of the increased expectations of the Corporate Centre to directly intervene in performance matters. This is putting pressure on its resources, particularly at Deputy Commissioner level.

Over the four year period covered by this plan, SSC will look to increase SAPG resources. Initially, this will be done through increasing junior analytical capability to free up the capacity of more senior analysts. Ideally an additional DC position would be created. However, given the fiscal pressures on SSC and unknown costs of many of the new initiatives, this decision has been put on hold.

Employment growth

SSC needs to maintain a highly credible and capable workforce. To be able to retain and attract high calibre staff SSC must be able to continue to remunerate appropriately. As a result, SSC has factored in 2% growth in employment costs. This is consistent with other Public Service departments and is seen as a minimum. To offset rising costs, SSC will look at other opportunities to reduce employment costs through implementation of the recruitment strategy outlined in the workforce section of this plan.

Direct employment costs

It is noted that the figures provided below are based on assumptions at the time of preparing the Four-year Plan and are best estimates.

Summary of direct employment cost pressures

	2012/13 ($0.000m) %	2013/14 ($0.000m) %	2014/15 ($0.000m) %	2015/16 ($0.000m) %	2016/17 ($0.000m) %
Total departmental direct employment cost pressures		0.291	0.587	0.881	1.181
Total non-departmental direct employment cost pressures					

Cost pressure as a result of 2% annual remuneration increases.					
Describe pressure in further detail:					
Value of cost pressure	**2012/13 ($0.000m) %**	**2013/14 ($0.000m) %**	**2014/15 ($0.000m) %**	**2015/16 ($0.000m) %**	**2016/17 ($0.000m) %**
Departmental		0.291	0.587	0.881	1.181
Non-departmental					

Third-party revenue

Summary of third-party revenue changes

	2012/13 ($0.000m)	13/14 ($0.000m)	2014/15 ($0.000m)	2015/16 ($0.000m)	2016/17 ($0.000m)
Total departmental third-party revenue changes		0.116	0.070	0.070	0.070
Total non-departmental third-party revenue changes					

Appropriation name and type affected: State Services Performance Management`1					
Describe third-party revenue changes in further detail: Securing of 50% of BPA related activities on billed to Treasury					
Value of change in third-party revenue increase/(decrease)	**2012/13 ($0.000m)**	**13/14 ($0.000m)**	**2014/15 ($0.000m)**	**2015/16 ($0.000m)**	**2016/17 ($0.000m)**
Departmental		0.116	0.070	0.070	0.070
Non-departmental					

APPENDIX 1

The table below sets out where the Corporate Centre has come from and what success might look like in four years time. This will be subject to refinement in the coming months, particularly as SSC works with its Corporate Centre partners to better define new Corporate Centre products and services.

		Where we are now	Future Corporate Centre	Future State sector
Focus on results	**Clear priorities**	Priority results identified and sectors starting to work towards delivery	We own the Government's priorities, results and the four-year plans (we feel as accountable for these as the agencies do) We work with Ministers to identify the next set of priorities	The State sector is aligned and organised to achieve a core set of critical, measurable results The Government has confidence that the State sector is delivering on its key priorities
	Effective collaboration	Cross-agency collaboration is improving but still don't have full buy-in and commitment across the State sector	A range of tools, mechanisms and levers are available to support collaborative working	Agencies and sectors proactively work together and collaborate around priorities
	Performance reporting to demonstrate effectiveness	Corporate centre lacks an aggregated picture of performance at agency, sector and system level. Unable to diagnose problems in any systematic way	We have a sharp story on whether the State sector is on track to deliver priorities and results; if it is not on track we have a clear, coherent and focused plan of action to address this.	Agencies and sectors understand their purpose, what they need to do, and can demonstrate whether they are achieving their goals
New leadership culture	**Stronger cross-agency leadership of key aspects of system**	Leadership across system (eg functional leadership, HoSS) is still at an early stage Levels of trust in the State sector are good, but some recent high profile issues	We collectively own the performance issues we see in the system and draw together our distinct roles to lift State sector performance. We continue to support functional leadership We continue to focus on trust and integrity	Cross-agency leadership of key aspects of the system is well-established and demonstrates value through improved performance and efficiency Improved levels of trust
	Strong and sustainable public agencies	Weaknesses in core institutional capability eg ICT, HR, finance and asset management Weak on long-term strategy and sustained delivery Weaknesses in leadership capability	We support agencies to develop strong finance and workforce strategies We use chief executive performance levers to drive a greater focus on stewardship We provide active talent management and leadership development	Improved capacity for stewardship of agencies and resources Agencies set strategy for the future and position themselves to continuously deliver Improved leadership capability across the sector
Strong client focus	**Services designed with and for the people who use them**	Satisfaction with services is good and is improving but customer focus is often weak	We support agencies to engage with service users to ensure services meet their needs and expectations	Services are designed with New Zealanders and organised around their needs and expectations Satisfaction with services continues to improve
Innovation and continuous improve-ment	**Delivering better services and greater value for money through new ways of working**	Culture of risk aversion stifles innovation Agencies weak on improving efficiency and often seek to cut back services rather than looking to do things in new ways	We provide strong support to Chief Executives to drive innovation and continuous improvement Central Agencies Shared Services delivers increased effectiveness and efficiencies	Agencies manage risk rather than avoid it Agencies focus on driving better value for money through continuous improvement and finding new ways of working