

STATE SERVICES COMMISSION
Te Komihana O Ngā Tari Kāwanatanga



State Services Commission

Te Komihana o ngā Tari Kāwanatanga

Four-year Plan 2016-2020

Strategic Intentions



Presented to the House of Representatives pursuant to Section 39 of the Public Finance Act 1989

Crown copyright ©

ISBN 978-0-478-43455-2 (Online)



This copyright 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 <http://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 or would infringe such provision if the relevant use occurred within New Zealand. Attribution to the Crown should be in written form and not by reproduction of any such emblem, logo or Coat of Arms.

Table of Contents

Part 1: Strategic Intentions	3
Introduction	3
Priority Areas	4
Collective Impact.....	7
Ambition	7
Priorities	7
Performance management and recruitment.....	7
Collective governance	7
Providing advice on system design	7
Strengthening connections with Auckland	8
Outcomes	8
Investment Statement	8
Demonstrating success	8
How we will get there	9
System stewardship	11
Ambition	11
Priorities	11
Leadership capability, development and deployment.....	11
Employment relations and effective people strategy	11
Strengthen the integrity of the State Services.....	12
Outcomes	12
Investment statement.....	12
Demonstrating success	12
Learning culture.....	15
Ambition	15
Priorities	15
Performance Improvement Framework (PIF).....	15
Continuous Improvement Centre of Expertise	15
Information strategy.....	16
Outcomes	16
Investment Statement	16
Demonstrating success	16
Better Every Day SSC.....	21
Ambition	21
Priorities	21
Value for money	21
Valued and engaged workforce	21

Key enablers	22
Effective engagement and communication	22
An efficient and sustainable working environment	22
Planning and performance	22
CASS services	22
Outcomes	23
Investment statement	23
Demonstrating success	23
 Demonstrating our overall success	 26
 Risks to sustainability and delivery	 27

Part 1: Strategic Intentions

“Our purpose is to lead a high-performing State Services that New Zealanders can be proud of and trust to deliver outstanding results and value for money.”

Iain Rennie, State Services Commissioner

Introduction

The State Services Commission (SSC) values the fact that New Zealand operates one of the most respected public administrations in the world. SSC is committed to State services that function collectively and enable an efficient, effective and relevant government–citizen relationship for a better New Zealand.

SSC has ownership of, and responsibility for, New Zealand’s public management system. SSC’s core functions and activities are, quite simply, what we need to do to keep the system working well – not just today, but next year, in four years, in twenty years and beyond.

SSC creates the environment for agencies to perform successfully. SSC’s purpose is to work with State services chief executives (CEs) and other leaders to help them deliver results that make the most positive difference to the lives of New Zealanders.

Central to this role is appointing CEs, supporting their development, managing their performance and that of their agencies and supporting them to improve it. SSC is identifying and developing future leaders, working on system change, system improvement and integrity. SSC provides the evidence and analysis that keeps improvements on track, works constructively and effectively with the Government, as well as communicating well across the State services and beyond.

SSC has a unique perspective and overview of the State services system as employer and leader. This allows SSC to influence and lead system change where and when it is needed. SSC has visibility of what is in the pipeline and can meet those challenges in a proactive way. SSC has the greatest impact and authority with the Public Service Departments, but SSC’s support and influence extends across the whole of the State sector.

From an organisational perspective the SSC finance strategy and workforce strategy enable the shift in capability required to deliver on the leadership role SSC has in system improvement. By building in agility and flexibility, resources can be deployed in areas of greatest value, and moved across SSC as needed to deliver our work programme. Leading and then supporting the evolution of State services that have New Zealanders at the front and centre is embedded in SSC’s priorities.

Priority Areas

The expectations set by Government for State services are reflected in SSC's priorities. These are mutually reinforcing and help SSC to lead CEs to drive the focus and pace of performance improvement across the State services.

Priorities are delivered through a portfolio model. This approach has already effectively improved SSC's prioritisation. The portfolios work together to support agencies to improve performance. They are:

- collective Impact, which focuses the work programme on priority areas,
- the Stewardship portfolio, which provides the infrastructure and tools to agencies to grow talent and develop leadership,
- the Learning Culture portfolio, which provides the support and approaches for agencies to better understand performance from a 'people' perspective, and
- the Better Every Day SSC portfolio, which provides the corporate structure to SSC to enable value driven and adaptable resources.

SSC's three customer-facing portfolios encompass the five priority areas:

Portfolios	Priority areas	Interventions	Outcomes
Collective Impact	<ul style="list-style-type: none"> • CE recruitment • CE performance management 	Development of CE engagement approach tailored to the needs of CEs and their agencies. Aligning CE recruitment, expectation setting and appraisal to incentivise collaboration to deliver results.	Plans will determine the timing and nature of SSC's work programme. CEs take collective responsibility and work together to ensure that State services make the greatest possible difference for New Zealanders.
System Stewardship	<ul style="list-style-type: none"> • Leadership and talent development and deployment • Employment relations 	Investing in infrastructure and tools to support system-wide approaches. Building agency capability in talent management, workforce planning and employment relations.	The State sector has the people, institutions and approach to anticipate and respond effectively to the needs of New Zealanders today and in the future.
Learning Culture	<ul style="list-style-type: none"> • Performance Improvement Framework 	Evolving the PIF to support agencies to improve performance for customers. Extending the roll-out of the Continuous Improvement approach to the State Services.	State services learns about what works best and uses this to improve its performance for customers.

The fourth portfolio, Better Every Day SSC, takes a practical approach to improving corporate operations. The Better Every Day SSC portfolio also models the culture and behaviours of a good employer that are expected across the State sector.

To deliver on its leadership role, SSC will:

- develop the direction and priorities for systems stewardship,
- develop a tailored engagement approach with CEs, focussed on personal, agency and sector needs,
- take a life-cycle approach to CE development, including recruitment, induction, performance management and succession planning,
- implement initiatives to identify and develop a stronger and more diverse pipeline of future State services leaders,
- build our analytical capability,
- develop effective engagement and communication strategies to better understand the needs of our stakeholders, and
- continue to develop the central government work programme in Auckland.

In support of these priority areas SSC will continue to:

- assist agencies to comply with their health and safety obligations,
- provide advice on machinery of government and system design, and
- develop guidelines on behaviour and integrity.

This Four-year Plan positions SSC to work in the same collaborative and customer focused way expected of State services.

Purpose Leading a State sector New Zealand is proud of.
Outcome A higher performing State sector that New Zealanders trust, delivering outstanding results and value for money.
Values Own system leadership; Mobilise others; Deliver through agility

Government & Minister's Priorities <i>Our operating environment</i>	Outcomes <i>What we are aiming to achieve</i>	Impacts <i>The difference we want to make</i>	Priority Activities <i>The activities we do</i>	Measures <i>Demonstrating success</i> <small>(Note: key stakeholders for all survey measures are Ministers and Chief Executives)</small>						
Government Responsibly manage the Government's finances Build a more productive and competitive economy Deliver Better Public Services (BPS) to New Zealanders Support the rebuilding of Christchurch Minister Demonstrate excellence in our business, in particular: CE performance management <i>Collective Impact</i> CE recruitment <i>Collective impact</i> Leadership and talent development <i>System Stewardship</i> Employment relations <i>System Stewardship</i> Performance Improvement Framework <i>Learning Culture</i>	Collective Impact				Policy Outputs: (policy may relate to any portfolio) <u>Policy advice:</u> Minister of State Services has 80% satisfaction with policy advice <u>Policy quality:</u> technical quality of policy advice papers rated at 70% <u>Policy cost:</u> Total cost per output hour at \$160	Outcomes: (reflect the activities of all portfolios) <u>Results Achievement:</u> 80% of BPS results are on track to be achieved <u>Service Quality:</u> Overall Kiwis Count service quality score of 75 <u>Trust:</u> 80% of Kiwis Count respondents agree or strongly agree that, based on their last service experience, they could trust public servants to do what is right <u>Employment relations:</u> The Labour Cost Index indicates that Central Government wage growth does not exceed private sector wage growth				
	CEs take collective responsibility and work together to ensure that State services make the greatest possible difference for New Zealanders.	SSC supports system leaders to drive sustainable improvements in: <ul style="list-style-type: none">the results Government wants to achieve,customer experience year on year, andthe capability of agencies and system leaders.	Performance management and recruitment: <ul style="list-style-type: none">Support the delivery of resultsIncentivise collaborative leadership Collective governance: <ul style="list-style-type: none">Focus CEs and senior officials on key issues and opportunities to improve how the State Services work.Support Ministers to ensure agencies deliver Government priorities and results for New Zealanders. Providing advice on system design <ul style="list-style-type: none">Develop government services tailored to the needs of specific communities. Better position the State sector to respond to and support Auckland's growth. Undertake an evaluation of what works in State sector reform to guide effective investment.	Impacts: <u>CE quality:</u> Percentage of stakeholders agreeing that NZ Public Service Chief Executives are effective leaders of the Public Service increases (average score of 4 out of 5, or better in stakeholder survey) <u>CE performance:</u> 95% of Public Service Chief Executives' who have been in the role for one year or more meet or exceed the State Services Commissioner's performance expectations <u>Collective impact:</u> Percentage of stakeholders agreeing that agencies are working together more effectively than two years ago to deliver results increases (average score of 4 out of 5, or better in stakeholder survey)						
	System Stewardship									
	State services has the people, institutions and approach to anticipate and respond effectively to the needs of New Zealanders today and in the future.	A robust leadership pipeline develops and deploys future system leaders at all levels. The Public Service has capacity and capability to anticipate and respond effectively to the changing needs of New Zealanders. The system's institutions and public servant's behaviour supports and builds system legitimacy.	Leadership capability development and deployment Work with agencies to build the leadership pipeline – implement a common approach to developing and deploying leaders for the State services. Employment relations and effective people strategy Grow system capability to design and implement effective and efficient people strategy and provide employment relations advice. Strengthen integrity of the State Services Support the delivery of the Integrity Strategy for the State Services and New Zealand's Open Government Partnership commitments.	Impacts: <u>Talent pool:</u> Percentage of stakeholders agreeing that tier 2 and tier 3 capability in the NZ Public Service is fit-for-purpose increases (average score of 3.3 out of 5, or better in stakeholder survey). <u>Employment relations:</u> Stakeholders are satisfied that SSC's oversight role of state sector employment relations achieves solutions within Government Expectations and provides for effective management of risk within and across agencies (average score of 3.6 out of 5, or better in stakeholder survey). Outputs: <u>Talent deployment:</u> 12 deployments of senior leaders through Career Boards. <u>Leadership development:</u> 90% of the Career Board cohort have been assessed using a standard framework and have agreed development objectives.						
	Learning Culture									
	The State sector learns about what works best and uses this to improve its performance for customers.	The system methodically uses customer information and insights to improve performance. The design and delivery of public services to better meet the needs of New Zealanders.	Performance Improvement Framework (PIF) Develop the model for sectors and support agencies to improve performance around understanding their customers. Continuous Improvement (CI) centre of expertise To support State Services leaders to improve services for New Zealanders, including across agency boundaries. Information strategy Enable efficient and effective use of information to lift system performance.	Impacts: <u>PIF:</u> Percentage of chief executives agreeing that Performance Improvement Framework reviews have led to changes that improve agency performance increases (average score of 4 out of 5, or better in stakeholder survey). 100% of chief executives surveyed within three months of the Performance Improvement Framework reviews response that they gained valuable insights. <u>Continuous improvement:</u> 100% of 'Better Every Day' continuous improvement engagements result in agencies reporting customer or performance benefits.						
	Better Every Day SSC									
	SSC is a respected system leader.	SSC internally and externally models the behaviours we expect of others. SSC is sought out and respected for its leadership, advice and innovative, usable products and services.	Corporate services Supporting the rest of SSC to deliver.	Outputs: <u>Administrative costs:</u> administrative and support service costs reduce to less than 15% of total running costs. <u>Staff engagement:</u> SSC employee engagement improves and is above public sector benchmark.						
	Inputs <i>The way we use our resources</i>									
	People	Systems	Processes	Vote State Services						
	Develop and retain a capable and engaged workforce.	Use technology to more effectively share information and transfer knowledge.	Embed a culture of continuous improvement.	Year			<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>
				DOE			\$27.2m	\$26.5m	\$25.4m	\$25.4m
			NDOE	\$14.1m	\$14.1m	\$14.1m	\$14.3m			

Collective Impact

Portfolios	Priority areas	Interventions	Outcomes
Collective Impact	<ul style="list-style-type: none"> CE recruitment CE performance management System design and governance 	<p>To incentivise collaboration to deliver results:</p> <ul style="list-style-type: none"> Align CE recruitment, expectation setting and appraisal. Provide advice on machinery of government and system design for effective service delivery including consideration of “place”. Support collective governance of the State Services system. 	CEs take collective responsibility and work together to ensure that the State Services make the greatest possible difference for New Zealanders.

Ambition

SSC offers an increasingly tailored package of services to support leaders across the system to create collective impact. The result is that:

Chief Executives take collective responsibility and work together to ensure that the State services make the greatest possible positive difference for New Zealanders.

Priorities

Performance management and recruitment

Chief executives have been appraised for the first full year (2014/15) against new common expectations that balance the delivery of short-term results with a longer-term ‘stewardship’ requirement. SSC is maturing the approach to CE recruitment, appraisal and support. Further building the continuous improvement approach will create a more flexible platform for CE recruitment. SSC continues to take a whole-of-career approach to developing talent.

Collective governance

SSC will work with CEs to steward a system recognised for meeting the priority needs of New Zealanders and delivering for the Government of the day. This includes CEs making New Zealanders central to their agency’s objectives and work, and operating collectively and shifting resources across the system when that is what it takes. SSC will be instrumental in developing CEs as a leadership group across the system. To that end, SSC supports sector governance mechanisms such as the Social Sector Board. SSC also is working through the State Services Leadership Group to develop a 10 year ambition and four year plan for system improvement that the CEs own and are held to account for. This will be in place from mid-2016.

Providing advice on system design

SSC’s ongoing advice on the machinery of government and system design, with a key role in working with Central agencies and the sector, means that effective social sector investment mechanisms that support service delivery are in place and barriers to collaboration are addressed.

Strengthening connections with Auckland

The growing size, diversity and importance of Auckland to New Zealand has major implications for the work of the State services in our largest city. Recognising this, the new role of SSC Deputy Commissioner (DC), Auckland was established in May 2015. Two key responsibilities of the DC to better position the State services to respond to and support Auckland's growth are to:

- strengthen engagement between Wellington and Auckland-based leaders, and
- lead work across government.

While the precise nature and form of that response will evolve over time, it is clear is that the challenges and opportunities Auckland presents are enduring. For this reason SSC has committed to continued investment in its Auckland operations.

Outcomes

We will know our ambition has been achieved when:

- We offer a bespoke package of support to CEs.
- Senior leaders are working collectively on key issues and opportunities to drive improvement and deliver results. New approaches to CE recruitment, appraisal and support deliver efficiency gains.
- A modest ongoing reduction in resourcing is realised from 2015/16.

Investment Statement

SSC invests in building capable CEs who are aligned and working together to deliver results for New Zealanders. SSC takes a whole of SSC approach to its relationship with CEs, targeting the work programme to balance CE and overall system need, and making better use of information. Further integration of products, services, and resources, including analytical capability, enable SSC to redesign its processes. These are then less resource intensive and use external recruitment and other consultants more strategically. Alongside this SSC continues to provide policy and design advice on the broader public management system so that it is fit for the future, but only in areas where SSC is best placed to do this.

Demonstrating success

Success is agencies working together seamlessly on cross-cutting issues, overcoming barriers and disincentives to collaboration and shared results. The clearest demonstration of this will be an increasing number of results on track to achieve their targets (with seven out of eleven or 64% of targets reported as on track in July 2015).

Measure		Target 2016/17
Impacts	Stakeholders agree that NZ Public Service chief executives are effective leaders of the Public Service (SSC stakeholder survey).	Average score of 4 out of 5, or better
	Public Service chief executives who have been in the role for one year or more meet or exceed the State Services Commissioner's performance expectations.	95%
	Stakeholders agree that agencies are working together more effectively than two years ago to deliver results (SSC stakeholder survey).	Average score of 4 out of 5, or better

How we will get there: Collective Impact work programme by year

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
Chief executive performance management and recruitment to deliver results and incentivise collective leadership	Chief executive management	Review approach	Implement review recommendations		
	Cabinet fees framework	Update current framework to better reflect market range			
		Design for new framework	Implement new framework and online database		
	Chief executive appointments / reappointments	Appointments / reappointments as needed			
		Integrate improved succession planning		Review succession planning approach	
		More targeted use of recruitment and assessment consultants			
	Remuneration framework	Review framework	Implement review recommendations		
Collective governance of system priorities to improve State Services performance and drive the delivery of results	Oversight and advice to lift system performance	Anticipate and respond to emerging needs			
		Coordination of advice on system workforce specialist capability			
	Commissioning and contracting provision of services	Advice and supporting implementation of: Four-year Plan for system reform Contracting model Health & safety Social Sector Investment Change Programme (SSICP) including place-based service delivery models Productivity Commission report on social services			
	Deliver refresh of BPS results	Measuring against refreshed BPS results	Evaluate revised measures and trends		
		BPS results for Auckland			

Collective Impact work programme by year continued

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
Providing advice on system design issues including tailoring government services to the needs of specific communities and evaluating what works in State sector reform	Advice on organisation structures, functions and governance (Machinery of Government)	Anticipate and respond to emerging needs			
		Advise on and support implementation of decisions arising from CYF expert panel report			
	Strengthening connections with Auckland	Leadership of, and plan for developing the Auckland Policy Office	Link opportunities and people	Devolve or handover	
			Seamless dialogue between Auckland Council and central government		
		Identify and give effect to government's top priorities for Auckland			
		Auckland career board actively building a network of leaders			

System stewardship

Portfolios	Priority areas	Interventions	Outcomes
System Stewardship	<ul style="list-style-type: none"> Leadership and talent development and deployment Employment relations 	<p>Investing in infrastructure and tools to support system-wide approaches to support targeting and talent development.</p> <p>Building agency capability in talent management, workforce planning and employment relations.</p>	<p>The State Services has the people, institutions and approach to anticipate and respond effectively to the needs of New Zealanders today and in the future.</p>

Ambition

SSC works with its central agency partners and State Services CEs to build a culture of stewardship across the system. The result is that:

The State services have the people, institutions and approach to anticipate and respond effectively to the needs of New Zealanders today and in the future.

Priorities

Leadership capability, development and deployment

SSC continues to work with CEs and the Leadership Development Centre to implement a cross-agency approach to developing and deploying leaders for the State Services. We:

- support CEs,
- treat the State Services talent pool as a system asset,
- work with Career Boards and the HR community to implement a consistent approach for assessing leadership capability and potential,
- use the talent management information system (TMIS) to improve identification and development of leadership talent, and
- support the recruitment of an increasingly diverse pipeline of new leaders, sourced from within and outside the public sector.

Employment relations and effective people strategy

SSC supports agencies to implement effective employment relations strategies that balance the Government's fiscal priorities with the need to attract and retain talented people. We work with agencies to:

- align workforce and employment relations strategy to business strategy,
- achieve people capability shifts in agencies and across the State Services,
- leverage Four Year Plans to build workforce capability within and across agencies, and
- build workforce planning and employment relations networks and communities of practice between agencies.

Strengthen the integrity of the State Services

SSC:

- supports partner agencies to deliver New Zealand's Open Government Partnership and increase awareness of appropriate workplace behaviour, and
- supports agencies to maintain high levels of integrity and positive work place behaviours, including guidance on creating positive workplaces¹.

Outcomes

We will know our ambition has been achieved when:

- there is a robust pipeline of leaders at all levels of the State Services,
- the State services have the people capacity and capability to respond effectively to the changing needs of New Zealanders, and
- government institutions' and public servants' behaviour support and build system legitimacy.

Investment statement

A strong diverse pipeline of future leaders and productive and engaged workforces are both central to the delivery of high quality results that meet the needs of New Zealanders. SSC will invest in identifying, developing and deploying leaders, and assisting agencies with their workforce planning and priorities for SSC. The current focus is on developing tools and systems, and building agency capability, which will continue for the next two to three years. To support this work SSC will invest in a combination of technical specialists, staff who can be deployed flexibly, and secondees with the skills and expertise required for particular projects.

Demonstrating success

Success means the State Services are seen by key stakeholders as having strong leadership capability and are effective at working across different agencies and sectors. Employment relations are managed effectively in accordance with Government expectations. New Zealanders will have high levels of trust in confidence in the State Services.

Measure		Target 2016/17
Impacts	Stakeholders agree that tier 2 and tier 3 capability in the NZ Public Service is fit-for-purpose (SSC stakeholder survey).	Average score of 3.3 out of 5, or better
	Stakeholders are satisfied that SSC's oversight role of state sector employment relations achieves solutions within Government Expectations and provides for effective management of risk within and across agencies (SSC stakeholder survey).	Average score of 3.6 out of 5, or better
Outputs	Deployment of senior leaders through Career Boards.	12 deployments
	Career Board cohort have been assessed using a standard framework and have agreed development objectives.	90%

¹ SSC is implementing this internally, as referenced in our workforce strategy on page 31.

How we will get there: System Stewardship work programme by year

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
Leadership capability, development and deployment to build the leadership pipeline and implement a common approach to developing and deploying leaders for the State Services	Succession and development	CE succession plans developed and implemented Engage key talent sources outside the Public Service	Mature the approach to CE succession and development Longer term (8-10 year) view on succession in priority areas		
	Senior leaders	Talent Information System (TMIS) and leadership insight assessment tool enables the effective use of data/insights/trends to steward career board leader cohorts			
		Deeper reach for career boards		Career boards continue to mature as stewards of system talent	
		Centralise investment for high-cost leadership development	Broader career board investment Analyse return on investment	Career boards oversee all significant investment in senior leadership development	
	Early in career work	Three additional Fast Stream programmes			
		High potential people tracked through TMIS	Employer value proposition developed	Strong employee value proposition utilised across State sector	
	Supporting infrastructure and tools LSP, TMIS, Leadership Insight	Embed in State Services agencies	LSP embedded as leadership framework for public service, driving consistency in HR practices		
		Mature approach to triangulating data / insights / trends with other key data sets	Leadership and talent development and deployment decisions informed by robust data and analysis		
	HR head of profession	Embed common practice in key HR functional areas	Build approach to career progression and talent management for HR function		
			Increased use of common tools and approaches by the HR profession		

System Stewardship work programme by year continued

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
Employment relations and effective people strategy to provide employment relations advice and grow system capability to implement effective people strategies	State sector bargaining	Moderate bargaining round (expiry of several key collective agreements) Review govt expectations	Significant bargaining round (expiry of collective agreements in health & education sectors)	Likely moderate bargaining round	
	New employment relations delegation and engagement framework	Implement in selected agencies (phase 1)	Review phase 1 Roll out to other agencies (phase 2)	Review phase 2 Phase 3 (if needed)	Post implementation evaluation and review
	Future workforce framework	Pay equity principles agreed	Pay equity principles implemented in State sector		
		Pilot flexible work initiatives	Embed and expand workplace flexibility for women and other groups (e.g. older workers, disabled people)		
		Diversity and inclusion f/work agreed	Diversity and inclusion f/work implemented across the State sector		
	Assist agencies to build workforce planning capability and review Four Year Plans	Assess and analyse agencies' workforce strategies within Four-year Plans			
		Strengthen diversity intentions and workforce costings capability in Four year Plans	Development focus on matching workforce capacity and costs to expected demand	Four-year Plans' analysis shows strong workforce capability / cost and capacity alignment with service deliver intentions	
		Complete joint work with Government Chief Information Officer on ICT workforce strategy			
Strengthening integrity of the State Services to deliver integrity strategy and OGP	Open Government Partnership (OGP)	Agency self-assessments			
		Supporting partner agencies to deliver OGP commitments	Meeting International obligations incl. Action Plan 3		Meeting International obligations incl. Action Plan 4
	Behaviour / integrity	Anticipate and respond to emerging needs			

Learning culture

Portfolios	Priority areas	Interventions	Outcomes
Learning Culture	<ul style="list-style-type: none"> Performance Improvement Framework (PIF) 	<p>Evolving the PIF to support agencies to improve performance for customers.</p> <p>Extending the roll-out of the Continuous Improvement (CI) approach to the State Services.</p>	The State Services learns about what works best and uses this to improve its performance for customers.

Ambition

Embedding a culture of customer-centred improvement is a critical component of SSC's approach to an effective State Services system. The result will be that:

The system learns about what works best and uses this to improve its performance for customers.

Priorities

Performance Improvement Framework (PIF)

Although PIF Reviews are a well-established intervention, the model is continuously improving. A renewed emphasis on customer-centricity in agency operating models will help support agencies to improve performance.

Over 2016-20, the framework will continue to evolve to meet the agency and sector needs.

To meet demand from across the system, SSC is improving and adapting the framework and extending its reach to the wider State sector in two ways:

- testing the PIF's use across systems in 2015-16 by working with the education agencies to co-design a PIF project for the system. Based on the outcome of this trial, SSC may work with another sector in 2016-17 and, if the approach proves valuable, extend the offering in future years, and
- developing an enhanced self-review option that provides greater external support and guidance for agencies assessing their readiness to deliver against the framework's lines of enquiry.

An impact evaluation of the framework is planned for 2016-17. The results of this evaluation will influence ongoing investment.

Continuous Improvement Centre of Expertise

The unit provides practical assistance to agency leaders by deeply understanding their customers and the improvement opportunities within and between agencies.

This increases customer focus in the design of state services and equips agencies to improve the timeliness, suitability and effectiveness of their services. Agencies participating in engagements to date indicate that they have realised benefits in productivity and customer and staff experience.

In the 2016-20 period, a particular aim of the unit is to seek out and take advantage of opportunities to work across agency boundaries.

In 2016/17, SSC will pursue at least one major system or multi-agency engagement.

The provision of CI will continue through 2016-20. This has been enabled by bringing forward a budget allocation in May 2015.

Information strategy

Information underpins SSC's assessment of system, agency and CE performance. Over the four-year period SSC will continue to improve how we use information to learn about what works best, target interventions at areas where it can be most effective and efficient, and look for opportunities to lift system performance. This includes the sharing of information from others to draw on insights.

Outcomes

We will know this has been achieved when:

- the PIF and 'better every day' continuous improvement programmes are integrated and aligned with other SSC and central agency levers, e.g. the Leadership Success Profile, CEs' Performance Expectations and Four Year Plans,
- successful improvements are visible across the State sector and aggregated State sector findings are available to be acted on by leaders of the State Services as a result of SSC's work,
- SSC uses its performance improvement and information offerings strategically with the State Services to address wicked problems, and
- SSC is more adept at identifying customer needs and responds in new ways.

Investment Statement

SSC will be more deliberate about the use of the PIF to support CEs at a particular point in their tenure and for particular system challenges. SSC provides the expertise to support CI. Agencies make improvements in vertical processes contained within their agency. The bigger gains for New Zealanders are at the interfaces between agencies and across agencies. SSC increasingly provides support in horizontal improvement activity. As the system matures SSC has options about the investment in CI, including franchise the service, partner with other providers, or continue to coach using SSC resources.

Demonstrating success

A planned evaluation of the PIF's first six years provides insight into its effectiveness in helping State services lift their performance. It also informs the future development and implementation of the PIF.

As agencies expand their use of CI methodology and thinking, customer-centred improvements are embedded not just within agencies but across the State services. As the number of State servants coached in the methodology grows, the frequency of improvements across the State sector increases organically.

Success in embedding a customer-focused learning culture is evidenced by improvements in New Zealanders' perceptions of the quality of services they receive from government agencies. This is measured by the Kiwis Count survey with results benchmarked against the latest overall service quality score. Individuals and businesses report that it is easier for them to access information from, and do business with, government.

Measure		Target 2016/17
Impacts	Chief executives agree that Performance Improvement Framework reviews have led to changes that improve agency performance (SSC stakeholder survey).	Average score of 4 out of 5, or better
	Chief executives surveyed within three months of the Performance Improvement Framework review respond that they gained valuable insights.	100%
	The State Services Commission's 'Better Every Day' continuous improvement engagements result in agencies reporting customer or performance benefits.	100%

How we will get there: Learning Culture work programme by year

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
PIF to support agencies to improve their performance and better understand their customers	Service mode	Agency reviews ...used more deliberately ...for new CEs only			
		Follow-up not just through reviews... ...also on reappointment, or major shifts in priorities			
		Self-reviews more commonplace, with assistance offered			
		System / sector reviews		System / sector / result area reviews	
		Multi-agency reviews (result area / functional lead)			
	Product development	Finalise design of System Review	Adapt to look at BPS Result Areas or other government initiatives like functional leadership	Evolving and flexible product suite to meet changing environment	Culture of self-review embedded in the State Services
		Refresh PIF model to align with LSP			
		PIF external evaluation			
	Sustainability	Engage with CEs, central agencies and other stakeholders			
		Develop community of practice with associates/experts	Support community of practice		
		Develop and implement approach to enhanced self- reviews			
		Develop agency leaders' capability in self-review			
Refresh lead reviewer cadre					
Cost recovery (20% of Performance Review Manager time on engagements)					

Learning Culture work programme by year continued

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
Continuous improvement centre of expertise to assist State Services leaders to improve services for New Zealanders, especially across agency boundaries	Service mode	Single agency engagements ...more major system engagements			
		Bespoke coaching and support			Connecting agencies with providers
		Post engagement support			
	Product development	Enhance and test method, particularly cross agency approach Raise profile of 'better every day' approach	Further refine 'better every day' cross system approach At least three significant systems continuously improving	Leaders see value in cross system approach Widespread adoption for problematic systems	'Better every day' practiced in most State Services Culture past 'tipping point' Ongoing improvement of cross-sector systems the norm
	Sustainability	Quantify current and desired future capability Integrate capability into Central Agencies perspectives on leader role	Develop State sector leadership cadre Build community of practitioners Review capability against desired levels and act accordingly	Directory of good examples Develop, connect and support leadership cadre Review capability build against baseline Franchise delivery / partnership model	
		Explore partnerships with public and private sector	Pursue partnerships with public and private sector		
		Cost recovery (increase from 60% to 100% of Business Coach salaries)			

Learning Culture work programme by year continued

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20	
Information strategy to enable effective use of information to lift system performance	Information management and analysis	Established, mature practices for managing information embedded in SSC	SSC has the right data, with capability and systems to manage / analyse it	Value and return on investment from SSC information initiatives is understood Integrated information across SSC with a single, recognised and trusted source		
		Established, mature Business Intelligence (BI) environment	Future needs anticipated and invested in			
		Transfer all SSC held strategic information to managed database	Database maintenance			
			Research programme established and research undertaken on SSC data			
		Collections	Review existing collections with a view to rationalise	Greater automation of collection methods		
	Build better data sharing with central agency partners		Exploring shared data from agencies			
	Analysis and reporting	Better integration of reports		New bespoke reports across all SSC data based on research topics or aspects of performance	Whole of SSC performance of system reports	
				Enhance others' ability to use SSC data		
		More easily able to draw insights across SSC data		Improve users' awareness of data held by SSC	Public have more direct access to SSC information through digital channels	

Better Every Day SSC

Better Every Day SSC	<ul style="list-style-type: none"> • Acting as One SSC • Improving our customer focus 	Modelling collaborative behaviour, prioritising and aligning our work to maximise our impact.	SSC is a trusted and respected leader of the State Services.
-----------------------------	---	---	--

Ambition

Better Every Day SSC underpins the performance of all SSC. Better Every Day SSC is more than organisational health. It is about applying SSC products and services to SSC, working in a collaborative way, and putting people at the centre of its processes. The operating model is designed, now SSC needs to culturally and procedurally give effect to it.

The provision of corporate, IT and workforce support enables SSC to influence the broader State sector. SSC's role as Head of Profession in HR means that leadership, talent, workplace and workforce strategy need to be led by SSC, not just at a policy level but in implementation.

The result will be that:

SSC is a respected system leader.

Priorities

Value for money

A value for money approach to the baseline is critical to financial sustainability. SSC knows how much its products and services cost and understands the value they offer. To invest resources where they maximise return on investment, SSC needs agility in its funding and financial management practices with early identification of opportunities for reprioritisation.

SSC will deliver the work programme within the constraints of a shrinking baseline.

The detail of the finance strategy is covered in Annex 1: Finance.

Valued and engaged workforce

SSC develops a resilient and agile workforce.

Building on the updated operating model, the new workforce strategy will:

- determine the balance of specialist and generalist staff required,
- determine the balance of skills required to deliver the work programme, and
- provide a work force story to support investment in staff.

A culture of engagement means staff understand their contribution and are highly satisfied with both what they do and with doing it in SSC. The talent management process, used alongside the Leadership Success Profile (LSP), grows leadership in SSC. Professional competence increases with the ability to move staff across and in and out of SSC in a flexible and transparent way.

The detail of the workforce strategy is covered in Annex Two: Workforce Strategy.

Key enablers

To deliver on these priorities SSC needs effective engagement, internally and externally, an efficient and sustainable working environment and a transparent and accountable governance structure.

Effective engagement and communication

SSC strengthens its staff and stakeholder engagement and communication in the context of the growing momentum around public sector system reform and its leadership role.

The staff engagement survey and the PIF reinforced that SSC staff do not know each other as well as they could. An effective internal communications strategy supports staff and creates opportunities to collaborate.

An efficient and sustainable working environment

Better Every Day SSC ensures that SSC has the tools to do the job now and in the future. ICT is a key business tool, as is an infrastructure that provides for the mobility and flexibility essential to support our work programme.

The SSC ICT strategy is documented in the central agencies' Information System Strategic Plan (ISSP) which is aligned to the Government ICT Action Plan. The medium term strategy is to move to Infrastructure as a Service, to purchase services from a supplier who operates the technology on our behalf.

The ICT strategy is consistent with SSC's Information Strategy to better manage and share information.

Planning and performance

Work is commissioned effectively and project management support provided for portfolio deliverables. The clear and achievable Four Year Plan is executed via portfolio management methodology using visual management techniques. Risk is consciously managed and performance measures are both lead (internal) and lag (external), and relate to the achievement of SSC's strategic objectives.

These intentions will be achieved in line with the principles outlined in the finance strategy (outlined in Annex 1).

CASS services

In 2012/13 SSC changed its operating model to purchase back office services from Central Agency Shared Services (CASS), hosted in The Treasury and providing services to the three central agencies; the Department of the Prime Minister and Cabinet, SSC and The Treasury. The impact of this was twofold; total cost of support services dropped, and the average cost of FTEs in SSC increased as lower paid corporate FTEs transferred from SSC to Treasury.

SSC has a number of its support services for ICT, Finance, HR, Information Management and Web and Publications delivered through CASS.

The ICT work programme is attached in Annex 3, demonstrating the level of ICT investment and activity across the three central agencies.

Over the last 18-24 months, CASS has taken on increased scope, volume and complexity with the addition of the operational functions and activities. The central agencies CEs and CASS Partnership Board recognise the need and opportunity to improve the current CASS model to ensure that the services provided to the three agencies are effective and to establish the necessary foundations to meet future growth opportunities.

SSC is working with other central agencies to review the shared services model to ensure it is still fit for purpose and offering the services required to maximise the efficiency of back office functions. Central agency CEs and the CASS Partnership Board recognise that, in spite of cost reductions, the quality of the service has not yet met initial expectations.

Outcomes

We will know our ambition has been achieved when SSC:

- internally and externally models the behaviour we expect of others, and
- is sought out and respected for its leadership, advice, and innovative and usable products and services.

Investment statement

All portfolios work together to enable improvements in agencies that make State services better for New Zealanders. The Better Every Day SSC portfolio provides the corporate structure to SSC to enable value driven and adaptable resources to support this goal. SSC will apply the Continuous Improvement approach to improve back office services. Support services are efficient and effective, processes improve, work is organised and aligned. These actions will result in a reduced cost.

Demonstrating success

SSC uses a number of measures to evaluate culture, management practice and performance.

	Measure	2016/17
Outputs	Administrative and support service costs reduce.	Less than 15% of total running costs
	SSC employee engagement improves.	Above public sector benchmark

How we will get there: Corporate Services work programme by year

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20	
Communications and engagement strategy	Stakeholder engagement	Use existing channels to full advantage	Adoption of appropriate channel mix	Proactive use of all channels	Reciprocal relationship with stakeholders	
		Bed-in modified survey approach for feedback from CEs and Ministers	Re-run survey and act on feedback	Align and compare with direct feedback	Scale back survey	
			Complementary mechanisms for direct feedback	Align and compare with survey feedback	Scale up direct feedback mechanisms	
	Staff engagement	Increased engagement and satisfaction – no more ‘weak’ results				
		Standardised engagement	Introduce a culture survey	Respond to culture survey results		
	Ministerial engagement	Continue to improve Ministerial engagement through strengthened planning and integration across SSC				
		Streamline processes	Working in partnership across SSC and with Minister’s office			
		Build capability across SSC				
Workforce strategy	Talent management	Fully implement talent management by improving talent conversations, development and succession planning				
		Future talent mix determined	Evolution of SSC to more generalist workforce, supplemented by specific skills			
	Recruitment	Recruitment informed by competency framework and evolving demand				
	Induction	Induction programme developed to build knowledge and support flexibility				
	Partnering for short-term resource	Flexible processes to rotate people skillsets in and out of SSC to meet demand for specialist skills		Initiatives co-designed with agencies and capability built across State sector		
Finance strategy	Four year savings strategy	Simplified internal support structure		Co-location and sharing of back office functions		
	Investment approach	Identify and apply resources to areas of greatest value		Whole of SSC approach to funding, flexible for changing priorities		
	CASS partnership	Work together to identify efficiencies and implement common infrastructure				
		Respond to review findings	Increase standardisation in Central Agencies	Review shared services model	Roll-out shared services to other agencies	

Corporate Services work programme by year continued

Priorities	Deliverables	2016/17	2017/18	2018/19	2019/20
Planning & Assurance	Corporate accountability documents	Annual Report	Annual Report	Annual Report	Annual Report
		Four-year Plan	Four-year Plan	Four-year Plan	Four-year Plan
	Performance management framework	Annual priorities clearly linked to Four-year Plan	Integrated reporting and visual management		
			Suite of reports for specific needs, using common basis		
	Protective security requirements and privacy	Manage security clearances for staff and public service chief executives			
		Review against new requirements	Improve across all areas of capability maturity model		
	Risk framework	Framework applied to all work programmes	Framework reviewed and updated	Risk awareness and subsequent management integrated into BAU	

Demonstrating our overall success

Each portfolio has targeted performance measures to demonstrate success in their areas of focus. To fully achieve the desired outcomes, portfolio activities must complement each other. Therefore, SSC has additional measures that apply across all portfolios. Achieving this illustrates how effectively all our activities work in unison for overall success.

	Measure	2016/17
Outcomes	Percentage of BPS results on track to achieve their targets.	80%
	Overall Kiwis Count service quality score.	75 points
	Respondents in the Kiwis Count survey agree or strongly agree that, based on their last service experience, they could trust public servants to do what is right.	80%
	The Labour Cost Index indicates that Central Government wage growth does not exceed private sector wage growth.	Less than or equal to private sector
Outputs	Technical quality of policy advice papers assessed by a survey with a methodical robustness of 90%.	70%
	Minister of State Services has satisfaction with policy advice.	80%
	The total cost per hour of producing outputs.	\$160

Risks to sustainability and delivery

As a Central Agency, SSC has both system and organisational aspects to consider in its strategic risks.

SSC's over-arching risk management framework brings the management of risks together in the context of SSC's risk appetite.

Risks are monitored, reviewed and updated regularly so they are managed and do not undermine SSC's goals.

The key strategic risks which SSC has identified and is actively managing relate to:

- maintaining stakeholder trust and confidence in our effective leadership,
- ensuring we deliver across our work programme and fully leverage opportunities,
- supporting CE's ability to deliver system-wide change, and work collectively to provide effective leadership for State sector reform and performance improvement,
- maintaining legitimacy by demonstrating in ourselves what we ask of others, and
- Central Agencies Shared Services' ability to support our core business.

More generally, achieving outcomes assumes that:

- we can reprioritise to increase investment in new activities in priority areas,
- agencies will increase their investment in SSC's services,
- future wage growth is consistent with recent experience in SSC and the public service,
- we have the capacity to successfully deliver multiple change programmes and new initiatives,
- we are able to engage effectively with stakeholders, and
- we can successfully deploy the Talent Management Information System (TMIS).

The finance and workforce strategies in the annexes articulate how this will be achieved.

The portfolio investment approach provides the means to prioritise and balance investment and move resources to where they will have most impact.