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Minister of State Services

Joined-Up Approach to the Regional Arm of Government
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- section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials

In-confidence

Office of the Minister of State Services

Chair, Cabinet Government Administration and Expenditure Review Committee

A More Joined-Up Approach to the Regional Arm of Government, Starting with the Skills and Social Sectors

Proposal

1. This paper seeks agreement to changes to how the public service is working at a regional level to more effectively deliver on the Government's objectives in the regions.
2. In the first instance, the implementation of these changes include a strong focus on the skills and social sectors.

Executive summary

3. At a system wide level we are working to change the public service so it operates as one, joined up system to tackle the big, complex challenges facing New Zealand. Under the current model citizens often must deal with several different agencies on a single issue. This is particularly true in the regions where the variations in agency presence and connections require more work for local communities to do the joining up.
4. This work supports the shifts signalled by the State Sector Act Reforms. It is about ensuring the public service is making the biggest possible difference to the wellbeing of New Zealanders, delivering services that are easy to access and joined up around their needs, and serving an ever more diverse and changing community. It is also about the cultural change of ensuring all public servants feel that they are part of one system, regardless of which agency they work for.
5. This paper sets out the future direction for what a modern and agile public service, as envisioned by the State Sector Act Reforms, will mean for the regions. We are building on the work that public servants in the regions are already doing, and ensuring they are supported and empowered to make the connections they need through:
 - 5.1. *shifting organisational boundaries* onto a common basis built around communities of interest, reflecting territorial authority boundaries in general
 - 5.2. driving change through the designation of *regional leadership roles* within the public service with a mandate for convening cross-agency decision makers
 - 5.3. communicating public service activity and focus areas within each region through a *regional profile and priorities* for the whole public service, and

- 5.4. developing *shared property and IT models* to support the operation of regional offices and the greater integration of services for communities.

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7. We are proposing to start implementing this work by focussing on the skills and social sector due to its strong regional presence and delivery roles. This also reflects several major skills and social sector reforms that have regional implications.
8. We recognise that to be effective, working at the regional level needs to genuinely involve local stakeholders and leadership at an early stage. Following the cabinet mandate for this direction, implementation will be designed using expertise and leaders from the regions. Public sector leaders within the regions work alongside other stakeholders including leaders within local government, iwi, businesses and community groups to achieve outcomes for their regions. In this paper the specific role of the Regional Leader is a person within the public sector who has the mana and mandate to convene public sector decision makers to contribute to regional outcomes.
9. The staging of some of the implementation will also rely on report backs commissioned through this paper along with the initial decisions as outlined below:
 - 9.1. agree to the principles for establishing common boundaries
 - 9.2. direct a report back on the implementation options for boundary changes within the skills and social sector
 - 9.3. direct the State Services Commissioner, in consultation with public service chief executives, to designate regional leads, the area they will cover and to establish a clear process for regional leads to be supported and empowered to enhance public service coordination
 - 9.4. invite the Minister of State Services to report back to Cabinet in October on the progress of these initiatives, including how the regional lead and regional profile work will support the engagement with local stakeholders on the development of regional priorities for public service activity.
10. We are proposing two key principles of this work. The first is that existing Provincial Growth Fund (PGF) delivery is maintained, including the effective ongoing engagement with regional partners in delivering PGF objectives. The second is that cross-agency input and engagement with our Treaty partner is maintained, including the ongoing engagement on the Te Hiku Social Accord.

Background

11. Our regional focus builds on the State Sector Act reform and its aims to develop a public service that puts people at the centre of how it organises services, responds flexibly as needs and priorities change, and works with integrity and a spirit of service to the community. Part of the process of

creating a modern, agile and adaptive New Zealand public service is about how we work in the regions and support people and resources to work more flexibly across present departmental boundaries. The State Sector Act reforms also emphasise the culture change needed to build a unified public service.

12. The existing Senior Regional Official (SRO) for economic development are working to enhance the coordination of economic public service agencies. This cross-agency working is important to build alliances around the package of initiatives that is relevant for each region. The SROs operate in the regions to establish networks with businesses, local authorities, community groups and iwi to understand their needs and coordinate within and across regions to facilitate applications to the Provincial Growth Fund (PGF).
13. The new regional leads proposed here will be able to support and enhance the work of the SRO by focusing on the coordination within the public service, with initial social sector focus. It will not reduce the role or responsibilities of the SRO.
14. Our Government is committed to building strong regions. We are already progressing a range of initiatives on region specific plans, stronger government leadership in regional partnerships and greater alignment and access to government services in the regions as set out in the Table below.

Table 1: Active areas of work in the regions

Regional work	Direction of change	Update
Provincial Development Unit	Regional leadership and cross-cutting priorities	<p>There is a strong focus in the surge regions of Northland, Bay of Plenty, Gisborne, Hawke's Bay, the West Coast and Manawatu-Whanganui.</p> <p>A Senior Regional Official role supports the identification and delivery of initiatives in a region by coordinating with communities, businesses, local authorities, iwi and public service agencies.</p> <p>Cross-cutting priorities for social, environmental and economic change are included within the specified objectives of the PGF e.g. increasing social inclusion and participation and Māori development.</p>
Just Transitions	Regional plan - Taranaki	The Just Transitions team is working towards a Summit in May 2019 to support the roadmap development for a transition away from oil and gas exploration, drive community engagement in the process and hear from global experts.
Te Puni Kōkiri (TPK) regional network	Supports regional leadership and priorities	<p>The regional network provides a key advantage through its relationships with Māori communities across the country to support the achievement of priorities across the whole of government. These relationships provide valuable insights into the innovations that are making a difference in the lives of whānau.</p> <p>The regional network will:</p> <ul style="list-style-type: none"> • actively broker with whānau, hapū, iwi and Māori on the government's strategic priorities (e.g. housing and PGF) • provide core hub support for other agencies to engage and work with whānau, hapū, iwi and Māori on areas of strategic importance for the government • invest in innovative initiatives

Regional work	Direction of change	Update
		<ul style="list-style-type: none"> build capacity to capture local level policy learnings with an emphasis on the principle of co-design
Te Hiku Social Accord	Regional priorities	<p>Te Hiku o Te Ika Iwi – Crown Social Development and Wellbeing Accord (the Accord) provides the framework for Te Hiku o Te Ika Iwi (Te Hiku Iwi) and the Crown to work together towards the shared vision that the communities, whānau, hapū and iwi of Te Hiku Iwi are culturally, socially and economically prosperous.</p> <p>The government agencies signed up to the Accord are the Ministry of Education, Ministry of Business, Innovation and Employment, Tertiary Education Commission, Ministry of Justice, NZ Police, Department of Corrections, Department of Internal Affairs, Statistics New Zealand, Te Puni Kōkiri and the Ministry of Social Development. In October 2018 the government signed letters of intention for Oranga Tamariki and the Ministry of Health to join the Accord through new portfolio agreements.</p> <p>The Ministry of Social Development, in partnership with Te Puni Kōkiri, are the Crown lead on the Te Hiku Social Accord with responsibility for coordinating between Crown agencies and Te Hiku Iwi signatories.</p>
Predator Free 2050	Regional plans	Regional partnerships are developing plans for large-scale predator control work supported by DOC, OSPRI and Predator Free 2050 Ltd to produce environmental and economic gains
Spatial planning through partnerships under the Urban Growth Agenda (UGA)	Regional leadership	<p>As part of the UGA's focus on addressing the fundamentals of land supply, development capacity and infrastructure provision, we are seeking to build a stronger partnership or joint work programme with local government as a means of developing integrated spatial planning.</p> <p>We are now engaged in early stages of a partnership/relationship model with some high growth areas (e.g. Auckland, Waikato [Hamilton-Auckland Corridor], Queenstown, Christchurch and Wellington). Each partnership has different drivers and urban growth objectives.</p>
Government Property Group (GPG)	Shared property and IT	The GPG is working with agencies on understanding opportunities across the portfolio of government leases and looking at integrated property and IT changes to deliver on its objectives. This includes centralised leasing by GPG to remove agency risk and improve colocation options.

15. The current initiatives have a strong economic and environmental focus. We recognise that the skills and social sectors are also crucial for regional wellbeing. For instance, the workforce in the large social sector agencies represented around 55% of the 2018 public service department workforce. The skills and social sectors need to play a key role in delivering government goals at a regional level and it will be a focus for the initial stage of this work.
16. This work will also draw on the lessons learned through previous collaborative initiatives including the Children's Teams and Social Sector Trials. We have learnt that there are benefits in having engaged leaders who have sufficient decision making rights within their agency to make commitments as part of the delivery of partnership projects.
17. Once the work is at a partnership and delivery stage it may also benefit from changes to funding and accountability models and the ability to use new models through the State Sector Act reforms.

Overview of the proposed future direction: building services, leadership and priorities around communities and regions

18. The government is an active partner and participant in the regions and there are many services that are delivered at a local level. The Kiwis Count survey regularly shows the high level of trust that people have for the government services based on their personal experiences and we want to build on this success. The changes that we set out here are about organising government around the people we serve, not the needs of separate agencies.
19. Public servants who are working in the regions are doing good work, we want to support and empower them to respond to what they see in their regions. This paper seeks a Cabinet mandate to support that work, the State Service Commission will then work directly with regional leaders to develop an implementation pathway.
20. A regional presence is also important for the Māori Crown relationship. A strong, effective and joined up regional public service presence is vital for improving outcomes for and with Māori. Deep and strong iwi relationships are crucial to success in driving change for people at the local level.
21. Achieving change will require a focus on multiple aspects of how the public service is working to effectively deliver regional outcomes:
 - 21.1. *From boundaries arranged according to administrative need to common boundaries based on communities of interest:* At the moment agencies use a range of different locational boundaries to organise their leadership, services and operating model. There is no common model and each agency has tended to develop their approach in isolation.
 - 21.2. *Embedding cross-cutting regional leadership roles alongside management roles defined by agency:* an enhanced mandate for a designated regional leader to work across the system, involving a mix of convening the relevant decision makers across public service departments and supporting stakeholders in navigating the public service environment.
 - 21.3. *Embedding regional priorities shared by all and a clear regional profile:* regional priorities will communicate what the public service is focused on to support a region sitting alongside a regional profile that allows people in the region to get a picture of 'government' within the region.
 - 21.4. *From separate accommodation to shared accommodation and IT and improved access for people:* using shared accommodation and IT that support the public service to work collaboratively rather than through agency silos.
22. A summary of the approach is set out in **Appendix One. Appendix Three** summarises the actions that are underway or that are being initiated through this work and the types of options that may be considered in the future.

23. I propose that a key principle of this work is that existing PGF delivery is maintained, including the effective ongoing engagement with regional partners in delivering PGF objectives.

Working in partnership with regional leaders across the public service

24. It is important that any work to power up the regions is not overly centralised or top-down. Implementation of the work proposed will require significant input from, and empowerment of, regional public sector leaders to identify the ways of working, information and collaboration that will make the difference in their region.

From boundaries arranged according to administrative need to common boundaries based on communities of interest

25. At the moment agencies use a range of different locational boundaries to organise their leadership, services and operating model. There is no common model and each agency has tended to develop their approach in isolation. This creates a barrier to effective and enduring coordination between regional offices of different departments.

26. Establishing clear and consistent agency boundaries to reflect the communities we serve will better enable the public service to join up around those communities, starting with the skills and social sectors.

27. The Government was already in a position of needing to consider how we want to organise boundaries in these sectors as there will be several upcoming decisions with options for how resources are distributed at a regional level. 9(2)(f)(iv) confidentiality of advice

28. Regional public service leaders and stakeholders will be able to provide their input on how regions will be delineated as we want to provide opportunities for regional voices to contribute to and shape this work as it develops.

Establishing principles for common boundaries based on communities of interest

29. The key initial step for supporting the shift to common boundaries is to set the principles to inform all future boundary changes. We propose using the following principles to inform boundary changes:

29.1. build around communities, being mindful of whakapapa connections,

29.2. use existing territorial authority (TA) boundaries to build up regions, with variations by exception,

29.3. consult with key public service partners to maximise boundary alignment between departments to better enable cross-agency collaboration at a regional level, and

29.4. ensure changes continue to allow for reporting on regional outcomes.

30. Having some all-of-government principles for agencies' boundaries will ensure that future changes are maximising the potential benefit for collectively organising around people and communities. For instance, when the Ministry of Justice restructured their court management structure this increased their alignment with other justice sector agencies' service delivery areas. These changes were to enable stronger collaboration among service delivery areas with better results for people moving within the justice system.
31. There may continue be some variation over how to use TA boundaries and how many regions to aggregate from these building blocks with appropriate exceptions. For instance the environmental sector may have stronger alignment with the 16 regional council boundaries based on water catchment areas. Seven of the 67 TAs sit across multiple regional council areas as shown in **Appendix Two**.

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36. Currently, there is no single place where citizens, Ministers or public servants can go to see how government is organised. SSC is currently working with LINZ to gather and analyse the current organisational boundaries of public service agencies. The analysis will compare boundaries with territorial authority boundaries and look at clusters of related agencies to understand where there are opportunities for improving sector connections through having more similar boundaries. This information and analysis will be critical for informing future decisions.

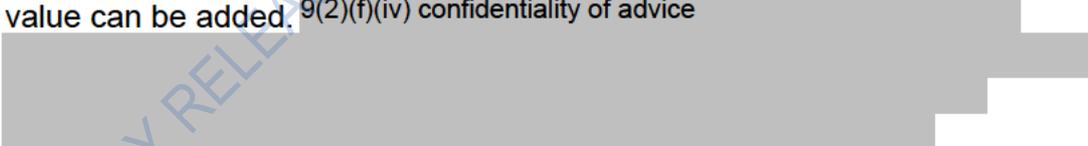
Embedding cross-cutting regional leadership roles alongside management roles defined by agency

37. Leadership is the key enabler of change in the New Zealand public service. We have an opportunity to strengthen cross-system leadership and ensure that we make effective use of the proposals occurring across multiple sectors to strengthen the regions. There are great leaders across all agencies and regions. What we want to do is to empower them to be better placed to work across the system and enhance the coordination of services between public service departments.
38. There is a need for a clear point of public sector contact within a region with appropriate authority with which to raise regional issues and convene the relevant public service leads to address these needs. Regionally led approaches need to be supported nationally, including through the provision of flexibility for regional leaders to make decisions and assign resources according to regional need.
39. I will establish an enhanced mandate for a designated regional leader to work across the system, starting with the skills and social sectors. This will involve a mix of convening the relevant decision makers across public service departments and supporting stakeholders in navigating the public service

environment to ensure the appropriate engagements are occurring, with appropriate support arranged through a chief executives' group.

40. Currently, the public service leadership in the regions is joining up in some pockets but it often depends on the work of individuals, or the availability of new money. The system settings could do more to enhance these initiatives. Our system too often reinforces leadership within the vertical accountability relationships of a single agency. The communities we serve come to government for a range of services and we can do more to support regional leaders to be able to connect across agencies and better respond to communities.

Establishing regional leaders

41. Currently, there are sector or agency based examples of regional leadership. For instance, the Provincial Development Unit has appointed some Senior Regional Officials (SRO) while major service agencies, such as MSD, also have well established Regional Commissioners.
42. I propose to direct the State Services Commissioner to work with a chief executives' group to identify existing regional leaders who can provide system leadership and designate them as the regional lead. The choice of person for each regional lead is critical. It is not about which agency they represent as this is a system role for all of government. It is about having the mana, skills and mandate to convene government stakeholders from across the public service including the social, economic, cultural and environmental sectors. Capability for Māori engagement is of particular importance.
43. Local input is particularly important for the selection of regional leads in order to give the role the mana and capability for engagement needed. The State Services Commission will work with regional leaders to develop and implement this new way of working and identify the areas where the best value can be added. ^{9(2)(f)(iv) confidentiality of advice}

44. Coordination within the skills and social sectors will be the focus for this phase of work for regional leads. This reflects the existing material for economic profiles at a regional level and the roles of SROs. The skills and social sector focus of the regional lead will also allow the regional lead to complement the work and networks of the SRO in the region. However, social and economic outcomes are inter-dependent and the regional lead and SRO role will both need to be engaging with some similar groups.
45. Initially the regional lead role does not involve the transfer of any decision rights or funding. It will be up to individual agencies to reassess any delegations. The regional lead will also be supported by a chief executives' group who will work together on providing the mechanisms and support for the regional leads to increase public service coordination and engagement. This

will include consideration of any necessary secretariat support and an escalation pathway where there are issues with achieving coordination.

46. An important feature of the implementation of this model will be that existing Provincial Growth Fund (PGF) service delivery is maintained. This includes the effective ongoing engagement with regional partners in delivering PGF objectives. In the initial phase the function of the regional leads is separate to the activity of the SRO. An SRO may be an appropriate person for the role of regional lead. However, any such appointment would need to ensure that the SRO is not required to trade-off the activity on the PGF.
47. In the future, the changes being proposed under the State Sector Act Reform may allow for the collective management of regional resources and staff that relate to multiple departments using Interdepartmental Executive Boards. For instance, the use of Interdepartmental Executive Boards to collectively manage assets and employ staff for cross-agency regional priorities. These may not be appropriate for all resources in all regions but can provide stronger and enduring coordination where regional leads have identified priority areas that would benefit from enhanced cross-agency working.
48. The work on regional leads, profiles and priorities will require practical decisions about how we define the regions, which will be considered alongside the work boundary changes across the skills and social sectors.

Embedding regional priorities shared by all and a clear regional profile

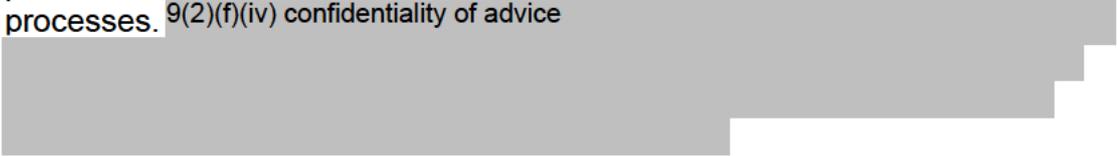
49. I want to shift the system to establish a set of integrated and joined-up priorities for each region. Our government needs regional priorities that communicate what the public service is focused on to support a region and that take an all-encompassing view on social, environmental, cultural and economic change. Establishing regionally based priorities allows these to align with the divergent wellbeing needs of each region. The priorities will be alongside a regional profile that allows people in the region to get a picture of 'government' within the region, and support engagement through the regional leads.
50. The scope of the priorities and the process for developing these in partnership with the community and with Māori will evolve over time and will need to reflect the regional context. The purpose of the priorities and the regional profiles is to articulate what the public service is doing in a region and provide a platform to open discussion with local government, Māori and stakeholders about the opportunities and needs they see in their communities.
51. Over time there is scope for these priorities to develop out of partnership with local government, communities, Māori, iwi and hapū, businesses and community organisations. Identifying shared priorities provides a foundation for establishing partnerships to achieve positive changes. Future work on partnerships will benefit from using the principles for building closer partnerships with Māori [CPC-18-MIN-001 refers]. 9(2)(f)(iv) confidentiality of advice

52. The current system of public service planning tends to be based on agencies and appropriations. It does not reflect the needs and priorities of each region and our diverse communities. There are some local initiatives where priorities are developed in partnership between government agencies and local communities, but these have not been comprehensive in covering the country or the full scope of public service activity.

Establishing regional profiles

53. There are various regionally based initiatives that form around different outcomes and are supported by alliances and partnerships. But not all regions have a common understanding of the activity underway and the priorities that are shared across government. We are proposing to start by establishing a draft set of regional profiles across New Zealand by the end of 2019. The profile will include what the region is about, such as its key sectors, along with a summary of key indicators for the region.
54. The profiles will be led by regions, drawing together the information that regionally leaders believe will support their work. They will draw on the existing work across the public sector including: the living standards framework and indicators; TPK's work on the Māori Wellbeing Report; DHB profiles of health in their region; regional labour market summaries; Regional Economic Development growth studies and action plans; and the Child Wellbeing indicators.

Moving towards regional priorities with a report back in October

55. What is new in this work is to establish a clear set of regional priorities that can help drive public service work and coordination. This requires a new way of thinking for public service agencies that tend to look at national priorities. It may also require a dialogue between local, regional and national stakeholders to engage in the discussion of regional outcomes, informed by both local community and national perspectives.
56. The process for establishing regional priorities will also take time and build over each iteration. We expect to move faster in regions where there is coherence and capability in place, and then share learning to other areas. Our first step is to get the regional leads and regional profiles in place. This is why we propose to use the October report back as the forum for engaging on the process for regional priority setting in more detail, including an engagement strategy for how this work will involve Māori, local government, representative engagement (including a gender and disability perspective), and other community organisations.
57. The October report back will allow Cabinet to provide direction about the balance between a centrally and a locally driven approach to regional priorities for the public service, including any cost implications for these processes. ^{9(2)(f)(iv) confidentiality of advice}
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Development options for future iterations on the regional priorities

60. In the future, the regional priorities could enhance the engagement with local government, Māori and stakeholders through providing support for local groups to organise themselves and be in a place to engage in a joint exercise with central government on the regional priorities. This is where the lessons from the Just Transition Summit and 9(2)(f)(iv) confidentiality of advice will be critical for informing effective means of enhancing that engagement.
61. In addition, the work on regional priorities may support future investment decisions or partnership initiatives. This may help shift future investment decisions to ensure more tailored responses in different areas and establish shared goals for working with Māori or local government on local initiatives.

From separate accommodation to shared accommodation and IT and improved access for people

62. I want to move towards shared property. This is about using shared accommodation and IT that support the public service to work collaboratively rather than through agency silos. It is also about improving access to services for citizens. Future design of the property portfolio will also need to consider what is required to deliver services for the public and ensure reasonable conditions for workers, this includes accessibility features and access to childcare spaces in public areas where appropriate.
63. The state sector property portfolio we have inherited has been developed through the isolated decisions of separate agencies. In December 2018 Cabinet agreed to update the property functional lead to strengthen the ability to establish shared property and systems.
64. I also recognise that the operating model for the public service is changing, particularly in relation to how we deliver transactional services. At a national

level this means continuing the work on digital collaboration around life events, which is happening in parallel to our work on shared property.

Establishing shared accommodation and IT, with improved access for people

65. MBIE is developing its property programme including seeking further information about where agencies deliver services and the strategic aims for location and colocation opportunities.
66. The Government Chief Digital Officer is leading work on two pilot projects for a technology enabled way of working in a shared property space in Auckland and in Wellington, with support from the Government Property Group (GPG). This will provide a basis to inform future change across the system, including in other regions. The pilot is about shifting to a property, technology and operating model that allows the public service to coalesce around core priorities instead of organising solely around agencies.
67. The GPG is preparing an Accommodation Programme to focus on the drive to regional growth, the future of work, a standardised approach to fit out and design and share public interface spaces with an all-of-government brand. Where regional leadership roles are clearly established then colocation options and shared public interface areas may be initiatives driven out of regional decisions.

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Strengthening the Auckland partnership

69. Auckland requires a different approach. As a significant growth area it is increasingly struggling to cope with its infrastructure needs. In addition, it is the site for multiple place based social sector initiatives that reflect the diversity of incomes, ethnicity, challenges and opportunities within the city.
70. Intra-regional boundaries within Auckland may also need a different approach to the TA based boundaries proposed elsewhere.
71. We are building a stronger partnership with Auckland Council. Initiatives including the South Auckland Social Wellbeing Board, the Auckland Social Sector Leaders Group, the Southern Initiative and the co-design lab all involve representation from both central and local government entities. The Minister of Housing and Urban Development and Transport and the Minister for the Environment and Economic Development are working with Auckland's Mayor and Deputy Mayor on a proposal for a joint housing and urban growth work programme with the Council.
72. The housing and urban growth proposal, which builds on the success of the Auckland Transport Alignment Project (ATAP), is intended to ensure central and local government efforts to address Auckland's housing and related

infrastructural challenges are focused and well integrated. Ministers intend to report to Cabinet shortly on this initiative.

Consultation

73. The State Services Commission has prepared this paper in consultation with the Ministries of Business, Innovation and Employment, Te Puni Kōkiri, Te Arawhiti, Education, Social Development, Housing and Urban Development, Internal Affairs, Primary Industries, Conservation, Land Information New Zealand, Justice, Health, Oranga Tamariki, Environment, Social Investment Agency, Statistics New Zealand and the Treasury.
74. At this stage, the State Services Commission has not yet consulted with regional leaders across the public service. This will be a critical aspect of implementation, following Cabinet mandate for the direction described.
75. The Department of Prime Minister and Cabinet were informed.

Financial Implications

76. The new leadership roles in the system will enhance the role and reach of existing leaders, it is not about adding in new people to the system. It is likely that there will be indirect costs for agencies to support a more collaborative way of working in the short term. More information about ongoing costs and new initiatives will be provided to Ministers through the October report back as the operational details of different options are worked through in partnership with regional leaders. The October report back will include options around any costs with a more collaborative way of working. If these additional costs are to be absorbed within existing baselines, the October paper will outline how departments plan to absorb these costs.
77. Future decisions on changes to organisational boundaries or to property initiatives are likely to have costs that would be considered alongside those decisions. The decisions in this paper do not require commitments to future boundary changes and Cabinet will retain decision making over proposals with fiscal impacts. ^{9(2)(f)(iv) confidentiality of advice}

Legislative Implications

78. There are no legislative implications from this paper.

Impact Analysis

79. No Regulatory Impact Assessment is required for this paper.

Human Rights

80. There are no inconsistencies between the proposals contained in this paper and the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Gender Implications

81. The future work on regional priorities may look at the themes of social inclusion and participation. In some regions this may consider gender implications.

Disability Perspective

82. The future work on regional priorities will look at the themes of social inclusion and participation, including a disability perspective.

Publicity

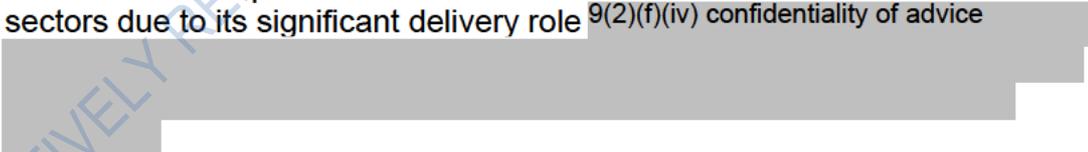
83. I intend to cover this programme of work in my announcements around the State Sector Act Reforms. The October report back will consider options for publishing regional profiles alongside the decisions on the process and engagement on regional priorities.

Proactive Release

84. This paper will be proactively released at the time of release of State Sector Act Reforms material.

Recommendations

The Minister of State Services recommends that the Committee:

1. **note** that our Government is already working to strengthen the regions but there are further opportunities to enhance how the public service is joined up to achieve regional wellbeing in line with the direction set by State Sector Act Reforms
2. **invite** the Minister of State Services to report back in October 2019 on the implementation of the work identified below and any future decisions for how the public service can support enhanced regional wellbeing, including the financial recommendations
3. **note** the initial implementation of this work will focus on the skills and social sectors due to its significant delivery role ^{9(2)(f)(iv) confidentiality of advice}

4. **note** that implementation of this work will require significant input from, and empowerment of, regional public sector leaders to identify the ways of working, information and collaboration that will make the difference in their region.
5. **agree** that in implementing this work, a key principle will be that existing Provincial Growth Fund service delivery is maintained, including the effective ongoing engagement with regional partners in delivering Provincial Growth Fund objectives
6. **agree** that in implementing this work, the cross-agency input and engagement with our Treaty partner is maintained, including the ongoing engagement on social accords and other Treaty agreements

From boundaries arranged according to administrative need to common boundaries based on communities of interest

7. **agree** to the following principles for all public service departments to use when considering changes to their boundaries
 - 7.1. build around communities, being mindful of whakapapa connections
 - 7.2. use existing territorial authority boundaries to build up regions, with variations by exception
 - 7.3. consult with key public service partners to maximise boundary alignment between departments to better enable cross-agency collaboration at a regional level
 - 7.4. ensure changes continue to allow for reporting on regional outcomes

9(2)(f)(iv) confidentiality of advice

Embedding cross-cutting regional leadership roles alongside management roles defined by agency

10. **agree** to establish system leads in each region, starting in the skills and social sectors, to provide cross-cutting strategic leadership and have a convening mandate to bring together decision makers from across the public service
11. **direct** the State Services Commissioner to work with chief executives to identify people from within the public service who can take a system leadership role as the regional lead
12. **direct** the State Services Commissioner to work with chief executives and regional public sector leaders to establish a clear process for regional leads to be supported and empowered in their public service coordination and leadership role

Embedding regional priorities shared by all and a clear regional profile

13. **note** that establishing regional profiles are an opportunity to provide a comprehensive view of the social, environmental, cultural and economic changes driven by the public service that are contributing to regional wellbeing
14. **agree** to develop and publish regional profiles, with the initial analysis to inform the October report back to Cabinet

9(2)(f)(iv) confidentiality of advice

16. **invite** the Minister of State Services to report back on the process and approach to establishing regional priorities, including the provision for engagement with communities, Māori, local government and other local organisations as part of the October report back
17. **note** that each region will be expected to identify how their priority areas align with the government priorities to ensure there is both local ownership and clarity about how these fit with nationwide activity
From separate accommodation to shared accommodation and IT and improved access for people
18. **note** that Cabinet agreed in December 2018 to update the mandate for the Government Property Group who is working with agencies on opportunities for moving towards shared accommodation in either office space or public interface areas
19. **note** that the Government Chief Digital Officer is leading work with agencies on the establishment of technology enabled shared accommodation in Auckland and Wellington, which will inform any future regional changes

Developing the Auckland Partnership

20. **note** the Minister of Housing and Urban Development and the Minister for Economic Development will keep Cabinet updated on their work with Auckland Council on a housing and urban growth work programme

Authorised for lodgement

Hon Chris Hipkins
Minister of State Services

Appendix One: Summary of the future direction

JOINED-UP APPROACH TO THE REGIONAL ARM OF GOVERNMENT

building government services around regions, communities and citizens



APPLICATION QUESTIONS

Scope

Start with Public Service departments and departmental agencies

Work across all areas of New Zealand, with a different approach in Auckland

Different approach in Auckland?

Current state is moving towards having some elements of regional alignment with:

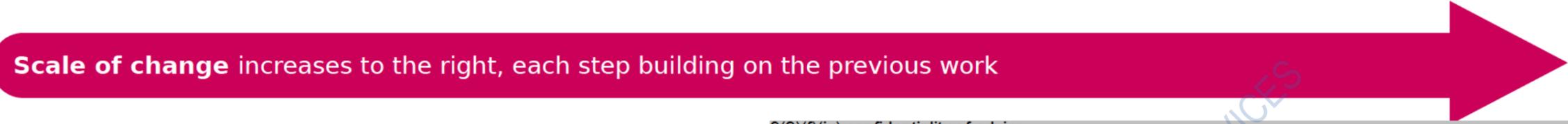
- co-location in the Auckland Policy Office
- some sector based planning
- convening power of Deputy State Services Commissioner, Auckland

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PROACTIVELY RELEASED BY THE MINISTER OF STATE SERVICES

IMPLEMENTATION OPTIONS for joining-up the regional arm of Government

Scale of change increases to the right, each step building on the previous work



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Boundaries

Leadership

Priorities

Property

GATHER INFORMATION	EMBED CO-ORDINATION
<p>Work underway - SSC working with LINZ to map public service boundaries</p>	<p>Agree to principles for future decisions on any public service boundary changes</p>
<p>Work underway – will learn lessons from Senior Regional Officer for PDU and ensure wider public service changes support success of the SRO</p>	<p>Direct State Services Commissioner to designate public service regional leads in consultation CEs</p> <ul style="list-style-type: none"> - regional lead to have power to convene public service agencies
<p>Work underway – Taranaki Just Transitions plan. No consistent approach across regions or sectors.</p>	<p>Agree to public services plans for [each regions] by early/mid 2020 with:</p> <ul style="list-style-type: none"> - stocktake of current public service activity in the region - statement of 3 – 5 priority outcome areas for public service collaboration
<p>Work underway - Government Property Group (GPG) is gathering information about public service property portfolio</p>	<p>GPG current work programme:</p> <ul style="list-style-type: none"> - trial cross-agency operating model through technology enabled colocation (Akl / Wgtn) - increase alignment of office leases

 Shading reflects work underway or sought through this paper



Cabinet Government Administration and Expenditure Review Committee

Summary

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Joined-Up Approach to the Regional Arm of Government

Portfolio	State Services
Purpose	This paper seeks agreement to changes to support a more joined-up approach to the regional arm of government.
Previous Consideration	In December 2018, GOV agreed to update the mandate for the Government Property Group, which is working with agencies on opportunities for moving towards shared accommodation in either office space or public interface areas [GOV-18-MIN-0091].
Summary	<p>To achieve a more joined-up public service, which delivers services that are connected and easy to access, changes need to be made to support the government to work effectively on a regional level, as well as centrally.</p> <p>To achieve this, agreement is sought to the following:</p> <ul style="list-style-type: none"> • shifting organisational boundaries onto a common basis around communities of interest, rather than administrative need; • establishing regional leadership roles within the public service that have a mandate for convening cross-agency decision makers; • embedding a regional profile and regional priorities for the whole public service; • developing shared accommodation and IT models to support the operation of regional offices and the greater integration of services for communities.

Implementation is proposed to start by focussing on the skills and social sectors, due to their strong regional presence and delivery roles. This approach reflects several major skills and social sector reforms with regional implications that are already underway.

Auckland will require a different approach. As a significant growth area, it is increasingly struggling to cope with its infrastructure needs. A stronger partnership will be developed with Auckland Council to consider this further (discussed in **paragraphs 66-69, page 7**).

Regulatory Impact Analysis	Not applicable.
Baseline Implications	None from this paper. There may be indirect costs for agencies to support the collaborative way of working.
Legislative Implications	None from this paper.
Timing Issues	<p>There will be report-backs in October 2019 on:</p> <ul style="list-style-type: none"> • implementation progress of the matters in this paper, and other work that can be progressed within the public service to support enhanced regional wellbeing; <div style="background-color: #cccccc; padding: 5px; margin: 5px 0;">9(2)(f)(iv) confidentiality of advice</div> <ul style="list-style-type: none"> • the process and approach for establishing regional priorities.
Announcement	The Minister of State Services intends to cover this programme of work in announcements relating to the State Sector Act 1988 Reforms.
Proactive Release	This paper will be proactively released at the time of release of State Sector Act Reforms material.
Consultation	<p>Paper prepared by SSC, MBIE (Economic Development), MoE, MfE, the Treasury, MoH, DIA, MoJ, LINZ, TPK, MSD, Statistics, MPI (Agriculture), SIA, Oranga Tamariki, MHUD, and Te Arawhiti were consulted. DPMC (Prime Minister) was informed.</p> <p>The Minister indicates that the Minister of Finance, Minister for Social Development, Minister for Children, and the Minister for Regional Economic Development were consulted.</p> <p>The Minister also indicates that New Zealand First and the Green Party were consulted.</p>

The Minister of State Services recommends that the Committee:

- 1 note that the government is already working to strengthen the regions, but there are further opportunities to enhance how the public service is joined-up to achieve regional wellbeing, in line with the direction set by State Sector Act 1988 Reforms;
- 2 invite the Minister of State Services to report to the Cabinet Government Administration and Expenditure Review Committee (GOV) in October 2019 on the implementation of the work below and any future decisions for how the public service can support enhanced regional wellbeing;

- 3 note that the initial implementation of the joined-up approach to the regional arm of government work will focus on the skills and social sectors, due to the significant delivery role 9(2)(f)(iv) confidentiality of advice
- 4 note that implementation will require significant input from, and empowerment of, regional public sector leaders, to identify the ways of working, information, and collaboration that will make the difference in their region;
- 5 agree that a key principle of implementation will be that existing Provincial Growth Fund service delivery is maintained, including the effective ongoing engagement with regional partners in delivering Provincial Growth Fund objectives;

Moving to common boundaries based on communities of interest rather than administrative need

- 6 agree to the following principles for all public service departments to use when considering changes to their boundaries:
- 6.1 build around communities, being mindful of whakapapa connections;
 - 6.2 use existing territorial authority boundaries to build up regions, with variations by exception;
 - 6.3 consult with key public service partners to maximise boundary alignment between departments to better enable cross-agency collaboration at a regional level;
 - 6.4 ensure changes continue to allow for reporting on regional outcomes;

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9(2)(f)(iv) confidentiality of advice

Embedding cross-cutting regional leadership roles alongside management roles defined by agency

- 9 agree to establish system leads in each region, starting in the skills and social sectors, to provide cross-cutting strategic leadership and have a convening mandate to bring together decision-makers from across the public service;
- 10 direct the State Services Commissioner to work with chief executives to identify people from within the public service who can take a system leadership role as the regional lead;
- 11 direct the State Services Commissioner to work with chief executives and regional public sector leaders to establish a clear process for regional leads to be supported and empowered in their public service coordination and leadership role;

Embedding regional priorities shared by all and a clear regional profile

- 12 note that establishing regional profiles is an opportunity to provide a comprehensive view of the social, environmental, cultural, and economic changes driven by the public service that are contributing to regional wellbeing;
- 13 agree to the development and publication of regional profiles, with the initial analysis to inform the October report-back;

9(2)(f)(iv) confidentiality of advice

- 15 invite the Minister of State Services to report-back to GOV as part of the October report-back, on the process and approach to establishing regional priorities, including the provision for engagement with communities, Māori, local government, and other local organisations;
- 16 note that each region will be expected to identify how their priority areas align with the government priorities to ensure that there is both local ownership and clarity about how these fit with nationwide activity;

From separate accommodation to shared accommodation and IT and improved access for people

- 17 note that in December 2018, GOV agreed to update the mandate for the Government Property Group, which is working with agencies on opportunities for moving towards shared accommodation in either office space or public interface areas [GOV-18-MIN-0091];
- 18 note that the Government Chief Digital Officer is leading work with agencies on the establishment of technology-enabled shared accommodation in Auckland and Wellington, which will inform any future regional changes;

Developing the Auckland Partnership

- 19 note that the Minister of Housing and Urban Development and the Minister for Economic Development will keep Cabinet updated on their work with Auckland Council on a housing and urban growth work programme.

Jenny Vickers
Committee Secretary

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Cabinet Government Administration and Expenditure Review Committee
Office of the Prime Minister
Minister for Social Development
Minister of Agriculture
Minister for Land Information



Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

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Joined-Up Approach to the Regional Arm of Government

Portfolio **State Services**

On 9 May 2019, the Cabinet Government Administration and Expenditure Review Committee **referred** the paper under GOV-19-SUB-0015, updated in light of the discussion at the meeting, to Cabinet for consideration at its meeting on 20 May 2019.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon Chris Hipkins (Chair)
Hon Carmel Sepuloni
Hon David Parker
Hon Shane Jones
Hon Julie Anne Genter

Officials present from:

Office of the Prime Minister
Officials Committee for GOV

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Minister of State Services



Cabinet

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Joined-Up Approach to the Regional Arm of Government

Portfolio **State Services**

On 9 May 2019, the Cabinet Government Administration and Expenditure Review Committee considered an earlier version of the paper attached under CAB-19-SUB-0228 and referred the paper, updated in light of discussions at the GOV meeting, to Cabinet for further consideration.

The changes to the paper are:

- Paragraph 8 has been added to clarify the implementation work;
- Paragraph 10 has been amended to include cross-agency engagement with Māori as a key principle;
- Te Hiku Social Accord has been added to Table 1 at paragraph 14;
- Paragraph 24 and 28 have been added to ensure regions have input;
- The financial implications (paragraph 76) have been expanded upon for clarity.

The Minister of State Services recommends that Cabinet:

- 1 note that the government is already working to strengthen the regions, but there are further opportunities to enhance how the public service is joined-up to achieve regional wellbeing, in line with the direction set by State Sector Act 1988 Reforms;
- 2 invite the Minister of State Services to report to the Cabinet Government Administration and Expenditure Review Committee (GOV) in October 2019 on the implementation of the work below and any future decisions for how the public service can support enhanced regional wellbeing, including the financial recommendations;
- 3 note that the initial implementation of the joined-up approach to the regional arm of government work will focus on the skills and social sectors, due to the significant delivery role ^{9(2)(f)(iv) confidentiality of advice} [REDACTED]
- 4 note that implementation will require significant input from, and empowerment of, regional public sector leaders, to identify the ways of working, information, and collaboration that will make the difference in their region;

- 5 agree that a key principle of implementation will be that existing Provincial Growth Fund service delivery is maintained, including the effective ongoing engagement with regional partners in delivering Provincial Growth Fund objectives;
- 6 agree that in implementing this work, the cross-agency engagement with Maori is maintained, including the ongoing engagement on the Te Hiku Social Accord;

Moving to common boundaries based on communities of interest rather than administrative need

- 7 agree to the following principles for all public service departments to use when considering changes to their boundaries:
 - 7.1 build around communities, being mindful of whakapapa connections;
 - 7.2 use existing territorial authority boundaries to build up regions, with variations by exception;
 - 7.3 consult with key public service partners to maximise boundary alignment between departments to better enable cross-agency collaboration at a regional level;
 - 7.4 ensure changes continue to allow for reporting on regional outcomes;

9(2)(f)(iv) confidentiality of advice

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Embedding cross-cutting regional leadership roles alongside management roles defined by agency

- 10 agree to establish system leads in each region, starting in the skills and social sectors, to provide cross-cutting strategic leadership and have a convening mandate to bring together decision-makers from across the public service;
- 11 direct the State Services Commissioner to work with chief executives to identify people from within the public service who can take a system leadership role as the regional lead;
- 12 direct the State Services Commissioner to work with chief executives and regional public sector leaders to establish a clear process for regional leads to be supported and empowered in their public service coordination and leadership role;

Embedding regional priorities shared by all and a clear regional profile

- 13 note that establishing regional profiles is an opportunity to provide a comprehensive view of the social, environmental, cultural, and economic changes driven by the public service that are contributing to regional wellbeing;
- 14 agree to the development and publication of regional profiles, with the initial analysis to inform the October report-back;

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- 16 invite the Minister of State Services to report-back to GOV as part of the October report-back, on the process and approach to establishing regional priorities, including the provision for engagement with communities, Māori, local government, and other local organisations;
- 17 note that each region will be expected to identify how their priority areas align with the government priorities to ensure that there is both local ownership and clarity about how these fit with nationwide activity;

From separate accommodation to shared accommodation and IT and improved access for people

- 18 note that in December 2018, GOV agreed to update the mandate for the Government Property Group, which is working with agencies on opportunities for moving towards shared accommodation in either office space or public interface areas [GOV-18-MIN-0091];
- 19 note that the Government Chief Digital Officer is leading work with agencies on the establishment of technology-enabled shared accommodation in Auckland and Wellington, which will inform any future regional changes;

Developing the Auckland Partnership

- 20 note that the Minister of Housing and Urban Development and the Minister for Economic Development will keep Cabinet updated on their work with Auckland Council on a housing and urban growth work programme.

Rachel Clarke
for Secretary of the Cabinet

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Joined-Up Approach to the Regional Arm of Government

Portfolio **State Services**

On 20 May 2019, following reference from the Cabinet Government Administration and Expenditure Review Committee Cabinet:

- 1 **deferred** consideration of the submission on *Joined-Up Approach to the Regional Arm of Government* [CAB-19-SUB-0228] until after Cabinet has considered the suite of papers on new legislation for the Public Service [CPC-19-SUB-0006 - 0012];
- 2 **invited** the Minister of State Services to submit a revised paper to Cabinet, once it has considered the suite of papers on Public Service legislation, with further advice on the proposals, including how they would work at a practical level.

Michael Webster
Secretary of the Cabinet

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Prime Minister
Deputy Prime Minister
Minister of State Services



Cabinet

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Joined-Up Approach to the Regional Arm of Government

Portfolio **State Services**

On 20 May 2019, following reference from the Cabinet Government Administration and Expenditure Review Committee, Cabinet deferred consideration of the paper on *Joined Up Approach to the Regional Arm of Government* until after Cabinet had considered the suite of papers on new Public Service legislation [CAB-19-MIN-0228].

On 4 June 2019, Cabinet agreed to six of the seven papers on new Public Service legislation [CAB-19-MIN-0248 to CAB-19-MIN-0251, CAB-19-MIN-0253 and CAB-19-MIN-0254]. The final paper on *Leadership of the Public Service* is being considered under CAB-19-SUB-0291.

The Minister of State Services recommends that Cabinet:

- 1 note that the Government is already working to strengthen the regions but there are further opportunities to enhance how the public service is joined up to achieve regional wellbeing in line with the direction set by State Sector Act 1988 Reforms;
- 2 invite the Minister of State Services to report the Cabinet Government Administration and Expenditure Review Committee (GOV) in October 2019 on the implementation of the work identified below and any future decisions for how the public service can support enhanced regional wellbeing, including the financial recommendations;
- 3 note that the initial implementation of the joined-up approach to the regional arm will focus on the skills and social sectors due to its significant delivery role ^{9(2)(f)(iv)} [redacted] confidentiality of advice
- 4 note that implementation of the joined-up approach to the regional arm will require significant input from, and empowerment of, regional public sector leaders to identify the ways of working, information and collaboration that will make the difference in their region;
- 5 agree that a key principle of implementation will be that existing Provincial Growth Fund service delivery is maintained, including the effective ongoing engagement with regional partners in delivering Provincial Growth Fund objectives;
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Rachel Clarke
for Secretary of the Cabinet

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Joined-Up Approach to the Regional Arm of Government

Portfolio **State Services**

On 17 June 2019, following reference from the Cabinet Government Administration and Expenditure Review Committee (GOV), Cabinet:

Proposed joined-up approach

- 1 **noted** that the government is already working to strengthen the regions but there are further opportunities to enhance how the public service is joined up to achieve regional wellbeing in line with the direction set by State Sector Act 1988 reforms;
- 2 **invited** the Minister of State Services to report to GOV in October 2019 on the implementation of the work identified below and any future decisions for how the public service can support enhanced regional wellbeing, including the financial recommendations;
- 3 **noted** that the initial implementation of the joined-up approach to the regional arm will focus on the skills and social sectors due to its significant delivery role ^{9(2)(f)(iv)} confidentiality of advice
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Developing the Auckland Partnership

- 20 **noted** the Minister of Housing and Urban Development and the Minister for Economic Development will keep Cabinet updated on their work with Auckland Council on a housing and urban growth work programme.

Michael Webster
Secretary of the Cabinet

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Deputy Prime Minister
Minister of State Services
Minister for Social Development
Minister for Children