



## 2020-2022 Public Service Chief Executive Performance Update and Insights

<b>Date:</b>	31 August 2023		
<b>To:</b>	Hon Andrew Little, Minister for the Public Service		
<b>Action Sought:</b>	Discuss this report with the Commissioner	<b>Due Date</b>	15 September 2023
<b>Report No:</b>	2023-0250		
<b>Contact:</b>	Thor Gudjonsson, Deputy Commissioner, System and Agency Performance		
<b>Encl:</b>	No	<b>Priority:</b>	Low
<b>Security Level:</b>	IN CONFIDENCE		

### Executive Summary

- Te Kawa Mataaho Public Service Commission (the Commission) has reviewed the performance of public service chief executives against their 2020 and 2021 performance expectations. This extends the work previously reported to you on the performance of public service chief executives against their 2022 performance expectations [2023-0196 refers]. The overall results for the three years are summarised in Table One below.

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	Met in full	Met in part	Not met	Reprioritised	Total
<b>2020</b>	567 (85%)	79 (12%)	9 (1%)	12 (2%)	667 (100%)
<b>2021</b>	521 (91%)	45 (8%)	2 (<1%)	3 (1%)	571 (100%)
<b>2022</b>	552 (91%)	56 (8%)	0	3 (1%)	611 (100%)
<b>Total</b>	1,640(89%)	180 (10%)	11 (<1%)	18 (1%)	1,849 (100%)

- The 2020 and 2021 calendar years saw the peak of the global COVID-19 pandemic. Delivery of some performance expectations were directly affected by COVID-19. However, other areas of work were impacted by COVID-19 less directly, which makes it difficult to attribute causality of non-delivery or partial delivery in some cases. During this time, chief executives pivoted their agencies to defer or stop work and reprioritise resources to support the Government's response. Some of the work that was deferred or stopped is captured in the chief executives' expectations, and other areas of core business that were affected were not.

3. The impacts on work programmes varied, depending on the nature of the work. For example:
- some was unable to be completed due to COVID-19 restrictions, including face-to-face work such as 9(2)(a) privacy [redacted] and 9(2)(a) privacy [redacted] work
  - some was deferred and carried forward to be delivered in subsequent years (such as work on 9(2)(a) privacy [redacted])
  - some work was impacted by resourcing and supply constraints, particularly those that required specialist expertise or building materials (such as 9(2)(a) privacy [redacted], and [redacted])
  - some work was repurposed or refocused to support the response and/or recovery from COVID-19 (for example 9(2)(a) privacy [redacted])
4. As well as delivering the majority of expectations, the Government's response to COVID-19 required the Public Service to rapidly stand-up new functions and capabilities. As a result, chief executives pivoted their agencies to deliver significant additional priorities.
5. As noted in our previous report [2023-0196 refers], we are progressing a number of initiatives alongside the Treasury and the Department of the Prime Minister and Cabinet to support public service capability, delivery and efficiency. These include the Capability Review Programme and the Fiscal Sustainability and Efficiency Programme. The Commission is available to discuss findings from this analysis further with you and will continue to update you on our ongoing work across the system.

## Recommended Actions

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We recommend that you:

- a **discuss** this report with the Public Service Commissioner

Agree/ Disagree

- b **agree** that the Commission release this briefing once considered by you and subject to any necessary redactions.

Agree/ Disagree



Hon Andrew Little  
**Minister for the Public Service**

2/10/23

## **2020-2022 Public Service Chief Executive Performance Update and Insights**

### **Purpose of report**

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6. This report provides you with analysis and insights on the performance of public service chief executives for the last three years.

### **The Public Service Act provides for the Commission to report on chief executive performance**

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7. The Public Service Act 2020 (the Act) provides for the Public Service Commissioner (the Commissioner) to report on the performance of chief executives, individually or as a group, to the appropriate Minister or Ministers, and in the manner the Commissioner thinks fit (section 10 of Schedule 7 of the Act). This report provides you with an update on the performance of individual chief executives against their performance expectations, aggregated to provide an overview of performance across the Public Service.
8. Chief executive performance is assessed against annual expectations that are set by the Commissioner. The expectations include both common expectations for all chief executives, and expectations that are tailored to, and agreed with, each chief executive.
9. For the 2020 and 2021 calendar years, chief executive expectations were set out under the following four broad areas:
  - results and services to deliver Government priorities
  - system and agency performance
  - managing context, and
  - spirit of service / a unified public service.
10. All chief executives each year sign up to a set of results and expectations, including Government and Ministerial expectations. Ministerial priorities are the basis for “Results and services to deliver Government priorities”. Ministers provide us with the expectations they have of their chief executives. The Commission seeks feedback annually from Ministers to inform the assessment of chief executive’s performance against Ministerial priorities.
11. Chief executives are also expected to meet their obligations under relevant legislation and Whole-of-Government Directions, and to manage their organisations responsibly and effectively with respect to funding, other resources and their people.

### **The Commission has assessed the performance of chief executives across all areas of the performance expectations for 2020 and 2021**

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12. For the 2020 calendar year, the Commission analysed progress against 667 tailored expectations. Of the 667 expectations, our analysis indicated that 567 (85%) were met in full, 79 (12%) were met in part, nine (1%) were not met, and 12 (2%) were reprioritised. A detailed breakdown of the results for 2020 is provided in Table Two below.

*Table Two: Overview of performance against 2020 performance expectations*

	<b>Met in full</b>	<b>Met in part</b>	<b>Not met</b>	<b>Reprioritised</b>	<b>Total</b>
<b>Results and services to deliver Government priorities</b>	277 (85%)	39 (12%)	2 (<1%)	8 (2%)	<b>326</b>
<b>System and agency performance</b>	259 (85%)	36 (12%)	6 (2%)	4 (1%)	<b>305</b>
<b>Managing context</b>	22 (85%)	4 (15%)	0	0	<b>26</b>
<b>Spirit of Service</b>	9 (90%)	0	1 (10%)	0	<b>10</b>
<b>Total</b>	<b>567 (85%)</b>	<b>79 (12%)</b>	<b>9 (1%)</b>	<b>12 (2%)</b>	<b>667</b>

13. For the 2021 calendar year, the Commission analysed progress against 571 tailored expectations. For 2021, 521 (91%) of the 571 expectations were met in full, 45 (8%) were met in part, two (<1%) were not met, and three (1%) were reprioritised. A detailed breakdown of the results for 2021 is provided in Table Three below.

*Table Three: Overview of performance against 2021 performance expectations*

	<b>Met in full</b>	<b>Met in part</b>	<b>Not met</b>	<b>Reprioritised</b>	<b>Total</b>
<b>Results and services to deliver Government priorities</b>	253 (91%)	22 (8%)	0	1 (<1%)	<b>276</b>
<b>System and agency performance</b>	200 (92%)	15 (7%)	1 (<1%)	1 (<1%)	<b>217</b>
<b>Managing context</b>	38 (84%)	6 (13%)	0	1 (2%)	<b>45</b>
<b>A unified public service</b>	30 (91%)	2 (6%)	1 (3%)	0	<b>33</b>
<b>Total</b>	<b>521 (91%)</b>	<b>45 (8%)</b>	<b>2 (&lt;1%)</b>	<b>3 (&lt;1%)</b>	<b>571</b>

14. For the 2022 calendar year, the Commission analysed progress against 611 tailored performance expectations. Of the 611 expectations for 2022, our analysis indicated 552 (91%) were fully met, 56 (8%) were met in part and three were reprioritised (1%) [2023-0196 refers]. Table Four below provides an overview of chief executive performance for 2022 for comparison.

*Table Four: Overview of performance against 2022 performance expectations*

	<b>Met in full</b>	<b>Met in part</b>	<b>Not met</b>	<b>Reprioritised</b>	<b>Total</b>
<b>Results and services to deliver Government priorities</b>	182 (85%)	32 (14%)	0	3 (1%)	<b>217</b>
<b>System and collective leadership</b>	112 (98%)	2 (2%)	0	0	<b>114</b>
<b>Agency performance and culture</b>	154 (90%)	17 (10%)	0	0	<b>171</b>
<b>Managing context</b>	104 (95%)	5 (5%)	0	0	<b>109</b>
<b>Total</b>	<b>552 (91%)</b>	<b>56 (8%)</b>	<b>0</b>	<b>3 (1%)</b>	<b>611</b>

## Chief executives delivered the majority of their expectations relating to Government priorities in 2020 and 2021

15. Ministerial priorities are the basis for the “Results and services to deliver Government priorities” expectations for chief executives. Tables Five and Six below provide examples of performance against the “results and services to deliver Government priorities” expectations. A number of expectations within this category relate to multi-year programmes that inform the delivery of changes to system settings and strategy, service delivery improvements, and major investment programmes [2023-0196 refers].
16. For 2020, the Commission identified 326 tailored expectations under “results and services to deliver Government priorities” from chief executive expectations. Of these, 277 (85%) were met in full, 39 (12%) were met in part, two (<1%) were not met, and eight (2%) were reprioritised during the review period. Of the 39 expectations that were met in part, 22 (56%) relate to work programmes that span more than twelve months.
17. For 2021, 276 “results and services to deliver Government priorities” expectations were identified. Of these, 253 (92%) were met in full, 22 (8%) were met in part, no priorities were not met, and one (<1%) was reprioritised. Of the 22 expectations that were met in part, 21 (95%) relate to work programmes that span more than twelve months.
18. By comparison, in 2022, 217 “results and services to deliver Government priorities” were identified. Of these, 182 (85%) were met in full, 32 (14%) were met in part, none were not met and three (1%) were reprioritised. Of the 32 expectations that were met in part, 25 (78%) relate to work programmes that span more than twelve months. If these 25 multi-year programmes are delivered on time, that would bring the ‘met in full’ statistic up to 207 (95%).

Table Five: 2020 progress on “Results and services to deliver Government priorities” expectations

	Number	Examples
<b>Met in full</b>	277 (85%)	9(2)(a) privacy
<b>Met in part</b>	39 (12%)	

<b>Not met</b>	2 (<1%)	9(2)(a) privacy
<b>Reprioritised</b>	8 (2%)	

Table Six: 2021 progress on “Results and services to deliver Government priorities” expectations

	<b>Number</b>	<b>Examples</b>
<b>Met in full</b>	253 (91%)	9(2)(a) privacy
<b>Met in part</b>	22 (8%)	9(2)(a) privacy
<b>Not met</b>	0	N/A
<b>Reprioritised</b>	1 (<1%)	9(2)(a) privacy

## COVID-19 pandemic had some impact on the delivery of expectations

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19. The 2020 and 2021 calendar years saw the peak of the global COVID-19 pandemic. Delivery of some performance expectations was directly affected by COVID-19. However, other areas of work were impacted by COVID-19 less directly, which makes it difficult to attribute causality in some cases. In particular, expectations that were 'met in part' may have had multiple contributing factors, such as capability and capacity within agencies and suppliers.
20. During this time, chief executives responded by deferring or stopping work and reprioritising resources to support the Government's response. Some of the work that was deferred or stopped was captured in the chief executives' expectations, however there were other areas impacted that were did not relate to the core priorities and were therefore not captured.
21. Some work was unable to be completed due to COVID-19 restrictions, including face-to-face work such as 9(2)(a) privacy [redacted] and 9(2)(a) privacy [redacted] work. Where possible (and not time critical), this work was carried forward and delivered in subsequent years.
22. Some work was deferred and carried forward to be delivered in subsequent years. For example:
  - 9(2)(a) privacy [redacted]
  - 9(2)(a) privacy [redacted]
23. Some work was delayed by resourcing and supply constraints caused by COVID-19 impacts or restrictions, particularly those that required specialist expertise or building materials. COVID-19 also caused increases to manufacturing lead times and freight transportation costs. For example:
  - 9(2)(a) privacy [redacted]
  - 9(2)(a) privacy [redacted]
24. Some work was repurposed or refocused to support the response and/or recovery from COVID-19. For example:
  - 9(2)(a) privacy [redacted]
  - 9(2)(a) privacy [redacted]

25. Some work was not delivered for reasons not directly related to COVID-19, including gaps in capability and capacity for agencies and suppliers. For example:

- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]

**Chief executives delivered a number of additional priorities and expectations during the 2020 and 2021 calendar years**

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26. The Government’s response to COVID-19 required the Public Service to rapidly stand-up new functions and capabilities. As a result, chief executives pivoted their agencies during the 2020 and 2021 calendar years to deliver significant additional priorities, such as:

- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]
- 9(2)(a) privacy [redacted]

**Next Steps**

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27. Central agencies have identified areas for improvement in capability and practices to support delivery and implementation of priorities, as outlined in our previous report [2023-0196 refers]. Key areas include:

- detailed design, implementation planning and cost estimations
- ensuring supporting arrangements are in place before programmes commence at pace, and
- addressing the availability of workforces to support delivery and other capability issues that appear across large system transformations.

28. The Commission is leading work to further support the capability, performance and efficiency of the Public Service, including through the Capability Review Programme and the Fiscal Sustainability and Effectiveness Programme.

29. The Commission will also continue to keep you updated on the initiatives we are progressing to support public service capability and delivery, working with the Treasury and the Department of the Prime Minister and Cabinet.