



Vote State Services: In-Principle Expense and Capital Transfers from 2020/21 to 2021/22

Date: 2 June 2021 **Security Level:** UNCLASSIFIED

Report No: 2021/0153

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	Actions Sought	Due Date
Hon Chris Hipkins, Minister for the Public Service	Agree to the In-Principle Expense Transfers from 2020/21 to 2021/22 in this report. Sign the attached letter to the Minister of Finance seeking his approval for the In-Principle Expense Transfers and forward to the Minister of Finance by 8 June 2020.	8 June 2021

Enclosure: Yes (attached)

Minister's Office Comments

Comments:	
Date returned to Te Kawa Mataaho:	

Recommended Action

We recommend that you:

- a **agree** to the proposed In-Principle Expense Transfers detailed in the attached letter to the Minister of Finance (Hon Grant Robertson).

☒ Agree, ☐ disagree.

- b **Sign and forward** the attached letter to the Minister of Finance by Tuesday 8th June 2021 for his consideration and approval.



Hon Chris Hipkins

Minister for the Public Service

PROACTIVELY RELEASED BY TE KAWA MATAAHO PUBLIC SERVICE COMMISSION

Te Kawa Mataaho Report: Vote State Services: In-Principle Expense and Capital Transfers from 2020/21 to 2021/22

Purpose of Report

- 1 The purpose of this report is to seek Joint Ministers approval for In-Principle Expense Transfers from 2019/20 to 2020/21 within Vote State Services.

Context

- 2 The Cabinet Office Circular CO (18) gives joint authorisation to an appropriation Minister and the Minister of Finance to approve changes to appropriations and baselines administered by departments. These changes are made in a coordinated approach at OBU (October Baseline Update) and MBU (March Baseline Update) with the opportunity for late In-Principle Expense Transfer requests up until June.
- 3 In-Principle Expense Transfers are not confirmed until the following October Baseline Update when the final amount can be confirmed following the year-end audit of the Public Service Commission's financial statements.
- 4 All three requested In-Principle Expense Transfers comply with the criteria confirmed by Cabinet Office Circular CO (18) 2 and can be approved by Joint Ministers.
- 5 Details of the requested In-Principle Expense Transfers are contained in the attached letter to the Minister of Finance.

PROACTIVELY RELEASED BY TE KAWA MATAAHO PUBLIC SERVICE COMMISSION

Hon Chris Hipkins

MP for Remutaka

Minister for COVID-19 Response

Minister of Education

Minister for the Public Service

Leader of the House



Hon Grant Robertson
Minister of Finance
Parliament Buildings
WELLINGTON

Vote State Services: Joint Ministerial Approval of In-Principle Expense and Capital Transfers

Introduction

This report requests your approval for in-principle expense and capital transfers for Vote State Services from 2020/21 to 2021/22.

Background

Under Cabinet Office Guidelines for changes to Baselines (CO (18) 02 refers), Joint Ministers can approve in-principle expense and capital transfers under delegated authority of Cabinet. Final amounts to transfer will be confirmed following the completion of the year-end audit of the Public Service Commission's 2020/21 financial statements. Any necessary changes to baselines will be reflected in the October 2021 Baseline Update, or earlier by separate request as required.

Departmental Output Expenses

Leadership of the Public Management System

Public Service Events

The Public Service Commission has experienced delays in running events for the Public Service. These events are important because they set direction for the Public Service and provide an opportunity to discuss Government priorities. Fewer events occurred than planned in 2020/21 due to uncertainty about potential COVID-19 restrictions among other factors. Events that did not occur include the Public Service Leaders' Summit and the Crown Entity Chairs Forum. These will be replaced with additional engagement events, including virtual summits in 2021/22. Therefore, we request an in-principle transfer of up to \$0.120 million to continue this engagement alongside the annual events.

Chief Executive Recruitment Costs

The Public Service Commission is responsible for the recruitment and appointment of Public Service chief executives. Three appointments were originally intended to be completed in 2020/21 but will now not be completed until 2021/22. These were for the Department of Conservation, Oranga Tamariki, and the Ministry for Ethnic Communities. Therefore, we request an in-principle transfer of up to \$0.180 million to ensure the Commission has the

necessary funding to complete these recruitments on top of its regular recruitment schedule in 2021/22.

Supporting the Implementation of a Social Wellbeing Approach

Strategic Policy Function within the Social Wellbeing Agency

The Government has set a new direction for the Social Wellbeing Agency with an enhanced strategic policy function to support the social wellbeing board and social wellbeing committee. During this year the process of building this new capability has been delayed due to diversion of attention and resources to support the Public Service's COVID-19 response. We therefore seek an In-Principle Expense Transfer of \$0.500 million from 2020/21 to 2021/22 to enable the new capability required by SWA to deliver on these requirements.

Recommendations

I recommend that you:

1. **agree** to the in-principle expense and capital transfers detailed above in this letter;
2. **note** that the Minister for the Public Services and the Minister of Finance will jointly determine the final amount to be transferred at the 2021 October Baseline Update, following completion of the 2020/21 audited financial statements, or if required earlier by request.



Hon Chris Hipkins
Minister for the Public Service