PERFORMANCE IMPROVEMENT FRAMEWORK

Follow-up Review of the Ministry of Social Development

MAY 2013

State Services Commission, the Treasury and the Department of the Prime Minister and Cabinet

newzealand.govt.nz

PIF FOLLOW-UP REVIEW

It is important to understand the context within which the Performance Improvement Framework (PIF) is being delivered. There are two developments driving change across the public sector. The first one is that everywhere across the world people are under some fiscal constraint of one sort or another, some more severe than others. What that means is that there isn't a lot of money around to fund services, so people have to look really hard at how they get the best value from the dollar they've got. The second big development is that people's expectations, citizens' expectations, are rising. People want to interact with government in a different way. People's expectations of the sorts of services they can get from government are changing. It's partially a generational thing, there is a huge change coming in terms of the way individuals want to access services. But, more critically, people expect more from their tax dollar. These two things in particular are driving the need for the State Services to do things differently. The changes we made in the late 80s and early 90s were world leading. They had lots of strengths but they had lots of weaknesses. While PIF builds on the strengths of those early reforms the stated aspiration is to take New Zealand from having a good public service, which it has today, to a great public service in the future.

The New Zealand public service is already number one in the world for the absence of corruption. Senior leaders in the State Services want to lift performance in a number of other areas to make sure we have the best public service in the world. PIF is a key tool to enable public servants to do just that. At its heart a PIF is a review of agencies' fitness-for-purpose as they prepare for the challenges in the future. It looks at the current state of an agency, then how well placed the agency is to deal with the issues that confront it in the near future. It looks at the areas where the agency needs to do the most work to make them fit-for-the-future. And, because change does not happen overnight, the PIF is evolving to assist chief executives and Chairs beyond their first report. The PIF Follow-up Review is a stock take of the progress the agency has made since its initial review. It is another example of the public service taking ownership of its own continuous improvement and using the PIF to do its job better. As with the first reports, these reports are published. That way the public can have confidence that the public sector is continuing to improve its performance year in and year out.

CONTENTS

EXECUTIVE SUMMARY

This Follow-up Review of the Ministry of Social Development (MSD) focuses on its role leading social sector priorities within the Government's Better Public Services objectives.

As a result of these priorities MSD faces comprehensive and complex change. It is not only that the whole of MSD faces change in dealing with new programmes and business processes but the mindsets used for guiding are radically different and there is now a requirement to manage external relationships to achieve results not possible by MSD acting alone. All this means that a future MSD will operate in very different ways to today.

These changes pose substantial challenges. However, we believe MSD is in a strong position to successfully respond. Past organisational strengths have been retained with the transition to the new leadership team and the shifts in culture and practice needed to respond to the new environment are known and under way.

Nevertheless, managing change will need to be a key focus for the Chief Executive (CE) and Senior Leadership Team (SLT). Sequencing will need to be considered to avoid over-extending the capability to change. Particular issues likely to be important in managing change are to:

- embed shifts in culture, especially those supporting the new ways of working

- communicate gains for outcomes to both external and internal audiences

- maintain excellence in operations and lift their efficiency

- have a medium- to longer-term plan for information technology (IT) and information as a driver for future approaches.

Two different types of challenges arise for MSD with social sector leadership. Getting effective collective action involves building and sustaining joint ownership of social sector issues. MSD can take actions, such as jointly shaping advice and operating methods and reframing issues of importance to MSD so that others can recognise the mutual gains. Similar actions are needed by other agencies.

The second issue is the need within the social sector to generate new and fresh approaches. The current approach by CEs of 'fast cycle trials' seems well suited to the complex problems requiring cross-agency action where there is considerable uncertainty. This seems a sensible way to proceed initially in generating new insights.

In the longer term, attention needs to be given to substantially lifting the quality of strategic policy advice. Shorter-term insights might be possible through more extensive examination of integrated data.

David Butler
Lead Reviewer

Peter Bushnell
Lead Reviewer

AGENCY'S RESPONSE

An enormous amount has happened in the Ministry of Social Development since the initial PIF Review in 2011. The Leadership Team have welcomed the opportunity to gain independent feedback on how we have been tracking in that time.

It was particularly beneficial to have both Peter Bushnell and David Butler undertake the Follow-up Review. They are both respected and professional reviewers and the fact that they were involved in the 2011 PIF Review meant that they had a very good understanding of the Ministry. They were quickly able to identify the challenges we face and the opportunities for future success.

Their report provides assurance on the things we are doing right and valuable insights into the areas we need to focus on.

It correctly notes that MSD faces some unprecedented challenges. However, it also concludes that we are in a strong position to deliver in light of these challenges. The strength of our leadership and the commitment of the Ministry's people gave the reviewers confidence that we will achieve success.

We were particularly interested in the reviewers' assessment of our Four-year Excellence Horizon and what success would look like.

Our purpose is to help New Zealanders to help themselves to be safe, strong and independent. My experience leading the Ministry gives me confidence that we have the commitment and capability to work together, achieve our goals and make a measurable difference for New Zealand and the people we serve.

I want to thank the staff and external stakeholders who made themselves available to be interviewed by the reviewers. Their input and openness was vital to the completion of a well-informed, insightful and useful review.

Brendan Boyle
Chief Executive

BACKGROUND

The initial Performance Improvement Framework (PIF) Review of the Ministry of Social Development was finalised in May 2011.

The CE has asked that this Follow-up Review focus on progress towards implementing social sector priorities within the Government's Better Public Services objectives. These include reducing long-term welfare dependency and supporting vulnerable children.

We have also been asked to consider progress in respect to Welfare Reform (including the Investment Approach) and Investing in Services for Outcomes (ISO), which is directed at ensuring Non-government Organisations (NGOs) face lower compliance costs and are funded on the basis of the outcomes they achieve.

Further, we have been asked to consider how well the social sector is working together. This is particularly relevant, as MSD cannot deliver these reforms by itself. MSD and other agencies in the social sector are now, and will increasingly be, dependent to jointly achieve these important government priorities.

Finally, we have been asked to look into any noticeable shift in the culture of MSD, and progress in respect to IT.

It is relevant to note that MSD continues to operate in an environment of fiscal restraint where there is a need to continue to find efficiencies to manage any increases in workloads or other funding pressures.

It is timely to carry out this Follow-up Review as the current CE was appointed in October 2011, which has allowed time for a new leadership team to be established. In addition to considering the success of this change, our report will provide some insights into future challenges.

LEAD REVIEWERS' VIEW

In undertaking this Review the Lead Reviewers considered: "What is the contribution that New Zealand needs from the Ministry of Social Development (MSD) and therefore, what is the performance challenge?"

Nature of the Challenge

The nature and extent of the current changes MSD faces are unprecedented. All areas in MSD face some sort of change and almost all jobs will be different. As already noted, MSD is now expected to work more closely with other social sector agencies as it cannot deliver these reforms by itself.

Furthermore, MSD will need a different contribution from NGOs to succeed. The new approach to contracting with NGOs will have a stronger focus on outcomes that will require new ways of thinking and working.

However, the starting point is that MSD is in a strong position to deliver well and successfully implement these changes. MSD is an agile Ministry with a well deserved 'can do' reputation. It has a strong organisation culture, which is honed to implementing and delivering on changes but also taking a clear and appropriate client perspective. The transition to a new CE and SLT has been smooth with the strengths of the organisation retained while, at the same time, in several areas, new approaches and responses being followed. Although MSD will face many hurdles, the strength of its SLT and the commitment of its people should give high levels of confidence that success will be achieved.

Given the nature and extent of the challenges, we have grouped our comments about the current situation and the forward focus around two priority themes. These are:

- Managing change

- Social sector leadership.

Managing change

Over a number of years MSD has successfully implemented major government reforms, as well as successfully dealing with significant machinery of government changes when, for example, it integrated Child, Youth and Family (CYF) into the Ministry and then quickly lifted its performance. However, the nature, complexity and extent of the current changes will test its strength of leadership and change capability. In a number of areas these reforms will require MSD to do work it has never undertaken before.

Welfare reform, together with the investment approach, will mean that very different thinking and longer-term case management approaches will be needed to more effectively manage the long-term cost of welfare. New skills will be required with greater expertise in understanding data and trialling approaches where ongoing learning is implemented. This will be a very different way of working for many people in MSD. However, it is important to note MSD has taken active steps to learn from the Accident Compensation Corporation (ACC), which has been using similar approaches. The establishment of the Work and Income Board has been providing strengthened governance arrangements, with a focus on overseeing the implementation of the Investment Approach to welfare.

MSD's traditional strength of getting on with things will, to some extent, need to be kept in check. As noted already, MSD will depend on other social sector agencies to a greater extent and it will, therefore, need to develop new ways of working with those agencies with the others taking the lead more often. New ways for the social sector agencies to work together in more streamlined ways will be essential. This new approach will also require the various agencies to view risks to successful delivery from a broader perspective. It will be important for each agency to be open about what challenges it will face and there needs to be joint agreement about who is best placed to lead initiatives. Increasingly, MSD should lead less often.

With the new approach to contracting with NGOs, there will be a stronger focus on outcomes. This will present its own issues to manage. Again, MSD is starting from a position of strength, where it has established very strong relationships with NGOs over a number of years. MSD will also need to have more streamlined contracting approaches, with clearer attention being given to the funding provided to those NGOs being aligned to achieving priority outcomes. Contract negotiation and contract management skills will need to be lifted and aligned with the implementation of ISO. The staff in Families and Community Services will also need to develop new ways of engaging with NGOs.

The Vulnerable Children initiative will also require the social sector to work together more effectively. Important work has commenced to explore what information related to vulnerable children could be shared across government agencies. The staff in CYF will also see some real changes in their work.

The Vulnerable Children initiative is a good example of the complexity of these changes. New relationships will have to be forged and strengthened across the sector, the programmes for delivery of enhanced outcomes will require more sophisticated sector-wide solutions and the business processes used by staff will also be different and, in many ways, more complex.

MSD runs a number of important and large operations. While ensuring these operations continue to run smoothly, because of ongoing fiscal restraint, MSD also needs to improve the efficiency and effectiveness of these operations.

Given this, it is pleasing, therefore, to note that MSD has progressed thinking about business process automation and is considering a move to a common 'Apply, Assess and Payment' lifecycle approach for much of its work, which it expects will provide very good efficiencies.

A new culture in MSD is quickly evolving that is supportive of these new ways of working. The people we spoke to welcomed these changes and spoke positively about the benefits of more actively working across the whole of MSD. However, the CE and SLT need to continue to check that the commitment to work as one is as strong as it can possibly be.

Many of the people we interviewed referred to a calmer and more open approach now being taken to how MSD deals with issues and relationships. Complementing this is some good work under way in respect of 'risk appetite', which has given a better and more balanced structure for the identification, mitigation and management of risks.

Like many big organisations, MSD needs to drive down its operating costs and provide new IT applications and tools to enable its people to be more efficient and effective. Increasingly, online services also need to be attractive to customers to encourage uptake so MSD can provide better services to them.

Current IT systems were described by staff as clunky and not as user friendly as they could/should be. On the other hand, MSD's systems have a reputation for being reliable in the delivery of payments and for overall transactional robustness.

While there have been some good recent enhancements to some of MSD's IT systems, it appears to us that MSD does not have mature thinking about a longer-term change plan for its IT environment. For example, it was not clear how it plans to modernise its IT environment, position itself to quickly provide new online services, mitigate risks associated with legacy systems and provide new tools to its people and clients. Further, it was not apparent what work has been undertaken to consider the advantages of using common customer relationship, records management, content management and case management systems. In carrying out this work the advantages of integrating, or alternatively interfacing, current and new systems will need to be carefully considered.

We were also advised of a new initiative to help the business areas develop a greater understanding of IT and what opportunities it may provide. It will be important to push this work along and inject into discussions ideas about what new IT products may enhance MSD's performance and improve the services it provides. The business areas need to have a good understanding of what IT may offer and have a strong voice in determining investment priorities.

As part of its thinking about its IT environment, MSD also needs to develop a plan for data, analytics and new tools that can enhance its performance. It is good to see some work has commenced on predictive analytics but longer-term directions and priorities for this work need to be settled.

Social sector leadership

Getting joint action across agencies has been a long-standing problem in New Zealand. Unlike say, the Justice sector, there is no direct pipeline of results in the social sector. Instead, there are complex interactions between Social Development, health, welfare, policing and employment outcomes for a subset of the population. These require joint actions from different professionals to solve their problems. The precise mix of relevant agencies varies depending on the circumstances for particular clients. Despite various efforts over the years, there is still inertia to be overcome in getting that joint action.

The Government has set the Better Public Services targets for cross-agency work and put governance arrangements in place to provide more structure around the joint work.

As noted already, MSD's CE has been assigned leadership responsibilities in relation to welfare reform and vulnerable children, with other social sector CEs also having shared responsibility for vulnerable children. Governance bodies have been established with the Work and Income Board, the Joint Venture Board (covering the social sector trials) and the Vulnerable Children's Board. The extent of progress varies across the different outcome areas, with some areas of change, such as welfare reform, being significantly further advanced.

Six social sector trials were set up in 2011 to improve outcomes for 12-18-year-olds. They give an individual or NGO mandate to coordinate services within a location aimed at reducing offending, truancy, substance abuse and increasing the numbers in Social Development, training and employment. These trials test the effects of allowing local control and decision-making over services delivered across a number of agencies. These trials are to be expanded to another 10 locations to determine how the approach works in different localities.

The Work and Income Board plays an active role in relation to the implementation of the welfare reforms. A major tranche of reforms is due in July 2013, following earlier changes to youth services in August 2012 and to the work obligations and support for domestic purposes beneficiaries in October 2012. The July 2013 changes will reduce the number of benefits, increase work obligations and bring in an investment approach that will target intervention to those likely, without significant help, to become dependent on long-term benefit receipt.

Progress is less advanced in relation to vulnerable children. Two trials of Children's Teams are to begin in July in Whangarei and Rotorua. These aim to bring professionals together to make individualised plans for vulnerable children and then to make sure the children access the services they need. These teams aim to deal with those children below the threshold for CYF services acting, before the children suffer serious harm.

The ISO initiative is at an early stage in rationalising all MSD contracting for services, aiming to have a clearer focus on outcomes and operating with much less compliance costs.

Overall, the biggest challenge is in developing the ability to work jointly with other agencies in really improving the outcomes for vulnerable children.

We heard of a high degree of commitment to the outcomes and joint action by the senior leadership of departments. Despite this, uncertainty still exists in the authorising environment for joint work, leading to some questions as to whether agencies were working on jointly shared outcomes or to support the MSD outcomes. This seems to arise from glitches in the interdepartmental processes around advising ministers, especially when work is done under pressure.

The same level of shared commitment is yet to be seen consistently at the working level. We did hear, however, examples of regional staff finding ways through their personal contacts to provide joined-up services to deal with priority cases.

There are said to be various examples of progress being made with reducing harm to vulnerable children or reducing harmful behaviours by youth. Reporting to date has not brought out these examples of better outcomes. Instead, there is often great detail provided about processes and actions taken. MSD, and officials generally, need to become better at telling the stories about observed impacts on communities. This has been termed 'getting better at telling the retail story'.

A second big challenge for government agencies is to provide fresh ideas about how to achieve the outcomes. The ideas being implemented now are those generated by Ministers. Some Ministers, but not all, are looking to officials for further innovative thinking. This is a continuing issue for MSD as the initial PIF Review two years ago also identified this as an area needing development.

Future Focus

This section sets out the issues the Lead Reviewers have identified for the particular attention of SLT in moving forward and meeting the very challenging agenda of change.

Managing change

Implementing the broad-ranging changes we have referred to will present a significant and perhaps unprecedented range of management and leadership challenges. The CE and SLT will need to work closely and support each other and they will need to keep a close watch on how the people in MSD are coping with the changes. In addition, there are a number of key areas to address, which are:

- the CE and the SLT need to continue to embed and role model the new more open and responsive culture of MSD. This important change in the culture has arisen since the appointment of a new CE in October 2011 and there are clear signs that this has further enhanced the reputation of MSD, which will make it easier for it to achieve the broader social sector outcomes it is charged with

- the CE and SLT will need to continue to be seen as working as one across the Ministry. When difficult issues arise they should be dealt with in a calm and measured way. Healthy discussion and debate focused on the facts and options available should be encouraged

- Ministers will need to be kept up to date with what has been achieved, as well as overall progress. Ministers want to be provided with examples of what is different and what better outcomes have been achieved for MSD's work and the work of the social sector

- MSD will need to ensure it maintains its current operational excellence in work delivery, particularly benefit payments

- continuing the focus on improving operational efficiency to help with managing cost pressures

- quickly actioning any 'failures' and providing Ministers, stakeholders and staff with clear explanations. Further, as it has done well in the past, MSD will need to ensure learnings are articulated, understood and improvements implemented

- presenting the best possible outcomes for clients when implementing new approaches, which means sometimes trade offs may be necessary so choices will need to be made. Scheduling and prioritisation of changes will be critical and work-arounds for MSD staff may be needed more than in the past

- continuation of the work to embed the culture shift to support the new ways of working (greater openness, cooperation with other agencies, delegated responsibility) and ensuring that modelling of the new culture by SLT is consistent, especially when working jointly because of the power of that signal

- keeping the people in MSD well informed of progress and achievements to continually build confidence

- bringing the right people together to develop a medium- and longer-term plan for the use of IT, including information and data held by MSD. The opportunities to lift performance and provide new services should be fully explored. Critical investment decisions for IT will need to be based on robust thinking and analysis.

Social sector leadership

Getting effective collective action

A collegial approach to leadership has been adopted, with significant buy-in and commitment from participating CEs. Building and sustaining that joint ownership of social sector issues will require skilful relationship management with partner agencies and NGOs including:

- understanding the outcomes of importance and looking for mutual gains where possible. This will require an ability to reframe issues of importance to MSD so that others can recognise the benefits to them of mutual action. Achieving this will involve a culture shift in an organisation with a 'can do' attitude and accustomed to taking charge and driving ahead with change. As noted already, the shift has begun, led from the top, and has further to go

- a demonstrated willingness to jointly shape advice and operating methods. Standard processes should allow this to happen and alternatives, such as co-located teams for times of rapid change. In addition, continued attention to relationships can develop a bank of goodwill to be drawn on during periods of stress.

More generally, and as noted already, MSD will need to step back more often and allow others to lead. Joint identification and agreement among agencies of their comparative strengths might be helpful in enabling choices on what roles to play at different times. These roles should include supporting the agency with lead responsibilities when it lacks all the skills and capabilities needed.

Steps should be taken by CEs to develop open conversations where those needs can be safely acknowledged. Central Agency and Ministerial support might encourage this openness.

Generating new and fresh approaches

Successfully responding to the desire from some Ministers for new and fresh approaches and ideas is likely to result from action on several fronts.

Trials

The approach favoured by CEs of 'fast cycle trials' involves trials with rapid cycles of evaluation and realignment. This approach is well suited to the complex problems requiring cross-agency action, where considerable uncertainty exists over the most effective actions and is likely to generate new insights.

Testing out innovative ideas in trials requires a clear framework for risk tolerances and a willingness to give the necessary permissions. In this regard the current MSD work on risk appetite is a good starting point, and might form the basis for developing a shared risk appetite among all the participants.

Having Ministers approve an agreed framework for rapid cycle trials might allow action to then take place without further reference. That would avoid the current situation of officials delaying and seeking multiple permissions to take actions agreed by Ministers.

If the trials are to support judgements about wider application of approaches then consideration needs to be given from the beginning to the evaluative approach to be used. Collection of suitable data to enable that judgement should be designed into all trials.

It is also important that reporting provides a clear picture of the effects for the community in meaningful terms. This might be in terms of the outcomes of concern (such as fewer abused children) or even of processes related to outcomes (such as 'X contracts have stopped because there was no evidence they delivered gains and the funds transferred to another provider with clear evidence of gains in the outcome').

There is a risk that an approach relying on a series of trials could be derailed by undue public focus on 'failures'. It is critical that trials affecting vulnerable clients do not harm them so those trials need to be set up very carefully. However, not all trials can 'succeed' in having the greatest positive gains. Any experimental approach will generate instances of relative 'failure'. This is the way to get overall gains. Indeed, an experimental approach with no 'failures' could be criticised as being insufficiently challenging. Responding to this risk is likely to require well pitched communications conveying the gains to the community from the portfolio of trials.

Strategic policy advice

Another source of new ideas, new approaches to existing issues or the identification of emerging issues and ways to respond to them, can be through strategic policy advice. In the initial PIF Review recognised the need for more strategic advice on social sector issues.

Given the challenge posed in relation to all the changes under way across MSD, and the difficulty in obtaining staff with the required breadth of skills and experience across the entire social sector, it is perhaps not surprising that MSD has made little progress with breakthroughs in this area. However, for MSD to show leadership in the social sector, having this capability will be essential in time.

Insights drawn from use of integrated data may offer greater scope for new ideas and emphases in the immediate future. The Centre for Social Research and Evaluation (CSRE) within MSD has increased use of administrative data drawn from within MSD, while the initiative based in the Treasury (the Cabinet Investment Function) is looking at insights from linked data drawn from multiple agencies. Some sophisticated analysis underlies the current work on predictive analytics targeting interventions to the cases where the greatest gains can be made. The advanced analysis of data is seen by some management experts as a key source of comparative advantage allowing much more efficient and effective use of resources. The view was expressed to us that "information and decision tools will drive the future". We fully support that view.

THE NEXT FOUR YEARS

Environment

The key elements of the environment expected to exist over the next four years are extensions of the current situation. These are that there will be a continuation of:

- a focus on ensuring there is an improvement in outcomes, particularly for vulnerable people, which will require joined-up responses from several agencies

- constrained public spending leading to ongoing demands for efficiency improvements within MSD, and clear demonstration of the effectiveness of services delivered or funded by MSD, in terms that are meaningful to the community

- demands by citizens for tailored services being provided to them in a manner and timing of their preference

- increasing technical possibilities of using data in increasingly joined-up and sophisticated ways to identify the complex cause of problems, the mix of services best for individual clients and to track the connections between services provided and their impacts

- demands that use of information be handled securely and ethically

- demands that core services, such as benefit payments, are delivered robustly with any service breakdown quickly remedied and future occurrences prevented

- demands that changes in services, once agreed, are implemented in an agile and rapid manner.

Business strategy

The business strategy has to be both externally and internally oriented. The external orientation is driven by MSD only being able to achieve all the outcomes for which it is responsible if other agencies play their roles, and the same is true in reverse. This has strong implications for the way MSD does business, at least in regard to those clients with more complex situations.

Processes internal to MSD will involve increased use of self-service and online services for routine cases, combined with re-engineered processes and greater use of common business processes and supporting IT systems to achieve efficiencies and increased effectiveness.

Clients will be differentiated and those with more complex needs handled with expert and professional judgement. In supporting the professional judgements it will be critical to make more effective use of data and information drawn from within the Ministry and possibly across the social sector.

As an agency with ongoing core delivery functions, such as managing benefit applications, assessments and payments, MSD must maintain excellent service levels, while also managing this set of major changes. If public confidence is to be maintained, any service failures need to be promptly acknowledged, fixed and future occurrences prevented as happened recently with the kiosk incident (where it was found some of MSD's public computer kiosks were able to access sensitive information).

MSD will maintain the capability to respond in an agile fashion to future changes in the mix of services. Strong capability in the use of decision tools, data and information will be at the heart of MSD's ability to segment clients and to tailor the services to those with the potentially biggest impact on outcomes.

Operating model

The Ministry's services span from assessment and payment through to complex case management, with clients ranging from vulnerable children, through working age people to aged citizens. This means there is a wide range of services demanded from the Ministry, from straightforward benefit delivery to case management of complex cases, often in collaboration with a number of supporting professionals.

The operating model adopted depends on the complexity of clients' needs. With straightforward cases, the model will be self-service, usually with online tools.

More expert service is provided through detailed case management supported through the adoption of a 'professional practice model'. Under this model, systems and processes are designed to support the quality of the professional judgements made by frontline staff. Included in the support will be tools such as predictive analytics.

This in-house service provision will be complemented by smart contracting – engaging with providers in the NGO sector, in particular, through strong relationships to achieve the greatest gain in outcomes.

In dealing with some complex outcomes MSD will operate collaboratively with other agencies, using fast cycle trials to increase the rate of learning about what are effective methods of dealing with what have been long-standing problems.

WHAT SUCCESS WOULD LOOK LIKE

If MSD is successful in dealing with the challenges and opportunities identified in this Review then within four years we would expect to see the following:

- clear evidence of better outcomes in the community: lower numbers of beneficiaries in long-term welfare dependency, reductions in the longer-term cost of welfare, less harm to vulnerable children and better engagement by youth in Social Development, training or employment

- MSD having a different way of interacting with providers and being clearer about outcomes and more transparent in its relationships. All MSD contracting should be through one place, with lower compliance cost with a percentage of the contracted services known to be more effective in dealing with the highest priority outcomes. This approach should be beginning to be applied for all-of-government contracting

- MSD consistently applying an investment approach to all working age beneficiaries to ensure that services are targeted to clients and in ways that have the greatest gain in outcomes. This approach should have begun to be applied with vulnerable children

- core services continuing to be delivered robustly, with any glitches handled with rapid acknowledgement, correction and learning so that the issue does not recur

- feedback from government agencies and NGOs showing that the Ministry has played a transformational role in an open and collegial manner and is respected, even by those facing substantial change. It is seen to understand where its contribution would be most useful and has a consistent reputation for delivering on joint tasks without assuming direct control

- MSD is recognised for its contribution to the thinking about how best to achieve the outcomes desired and the openness with which it stimulates thinking and provides access to information allows widespread academic contributions to the analysis

- MSD retaining an agility and responsiveness to changing directions that is seen as thoughtful, measured and prompt

- MSD making investment decisions for IT enhancements based on medium- and longer-term plans where risks in respect of legacy systems are understood and mitigated and where new tools and online applications are in wide use

- MSD recognised for the skill with which data and information is used for better decision-making, particularly in relation to understanding the general implications of local experiences and trials and the inferences drawn from linked data across MSD and agencies.

Internally:

- there is a strong culture of openness and of working jointly in a collaborative manner that is applied to interactions with both NGOs and partner agencies

- the organisation has continually learnt from experience and built those lessons into how it operates

- feedback is that Ministry staff are skilled in managing relationships and display a deep understanding of partner departments and NGOs

- the understanding of the Ministry risk appetite and a solid understanding of risk management means that most shocks are handled with a calm and measured sense of urgency, while those that do get elevated receive the urgency necessary.