



Strengthening Functional Leadership – increasing value and reducing the costs of government business functions [archived]

1 May 2018: The Government announced in January 2018 that the Better Public Services programme would not continue in this form. These pages have been archived.

What is functional leadership?

Functional leadership is a key pillar of the Better Public Services change programme. It aims to improve the effectiveness and reduce the overall costs to government of common business functions.

Functional leadership roles have been given to three chief executives to drive performance across the state services in ICT, procurement and property respectively. The Functional Leaders are:

- The Chief Executive of the Department of Internal Affairs/Chief Government Information Officer, responsible for the **ICT Strategy and Action plan**
- The Chief Executive of the Ministry of Business, Innovation and Employment, responsible for **Government procurement reform**
- The Chief Executive of the Ministry of Business, Innovation and Employment, responsible for the Government Property Group and the **Government National Property strategy**.

They retain their departmental roles but wear an additional functional leader 'hat' to achieve benefits for government overall.

Why Functional Leadership?

Most operational decisions in government agencies, such as choices about procurement, accommodation and ICT, have been made by individual chief executives based on the business needs and functions of their individual agencies. Functional leadership is aimed at maximising the benefits and reducing the overall costs to government of common business activities which may not be achieved by an agency by agency approach. That means finding ways to:

- Drive efficiencies (through economies of scale, leveraging buying power in whole-of-government contracts, setting common standards and approaches, and reducing duplication)
- Develop expertise and capability (centres of expertise, co-ordinated professional development, deploying capability to where and when it is most needed)
- Improve services and service delivery (through sharing and coordinating activities and facilities, joined up service delivery)

Why were these areas chosen?

Procurement, property and ICT were chosen for functional leadership mandates, based on the following considerations:

- **Significance** - They are major areas of expenditure and management attention for agencies
- **Risk** - The level of cross-government investment makes them a focus of concern for government
- **Opportunity** - Experience in overseas jurisdictions and the private sector suggest these areas offer potential effectiveness and efficiency gains
- **Maturity** - There was established expertise and/or programmes of work in the areas that constituted a track record and showed potential for further gains
- **Enabling** - Better co-ordination in the area can contribute to government priorities (Better Public Services, the Christchurch rebuild)

Learn more about what the Functional Leaders are doing

- Property (<http://www.mbie.govt.nz/info-services/nz-govt-procurement-and-property/government-property-group>)
- Procurement (<http://www.business.govt.nz/procurement>)
- ICT (<https://www.ict.govt.nz/>)

See also:

- 'On track to achieve \$110 million annual savings in Government accommodation footprint (<http://www.beehive.govt.nz/release/track-achieve-110m-annual-savings-government-accommodation-footprint>) ' - Media release, Minister of State Services Hon Dr Jonathan Coleman. 27 May 2014.
- Information on whole of government directions to extend Functional Leadership mandates (</whole-of-govt-directions-dec2013>)
- The Cabinet papers and Functional Leadership mandates (</bps-cab-papers-minutes>)
- 'Government accommodation strategy to produce annual savings of \$110 million (<http://www.beehive.govt.nz/release/government-accommodation-strategy-produce-annual-savings-110-million>) ' - Media release, Minister of State Services Hon Dr Jonathan Coleman. 1 August 2013. See also PMCoE publications (<https://www.msd.govt.nz/about-msd-and-our-work/about-msd/our-structure/pmcoe/publications/>) .

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