System Design Toolkit for Organising Around Shared Problems

STATE SERVICES COMMISSION
Te Komihana O Ngā Tari Kāwanatanga

FURTHER GUIDANCE & CASE STUDIES

This guidance is intended to provide more detail around some of the models detailed in the toolkit. Where the models are different to existing models and default arrangements, further explanation and/or case studies are provided. We expect to update this guidance with new case studies and detail as the models are increasingly used and evaluated.

If you have questions about any of the models in the toolkit, please get in touch with us at mog@ssc.govt.nz.

VOLUNTARY COORDINATION

Agencies meet to coordinate their respective work in areas where that have a common interest and each has resources. May be led by the agency seen as having the most skin in the game.

When do we use this tool?

- Various agencies contribute (e.g. align activities)
- Problems that do not involve significant trade-offs of agency versus collective interests
- Help required by other agencies is manageable within baselines and alongside existing priorities
- Low cost model
- One agency mostly responsible (may use ‘lead agency’ variation)

How are goals/outcomes agreed?

- Cross-agency groups form common definitions/ descriptions of shared customer/result or
- A single “lead agency” takes responsibility for a customer/result/outcome (agreed with Minister/s)

What form of governance model is required?

- Cross-agency groups for cooperation and coordination only – no collective decision-making authority

What Ministerial relationships are required?

- Separate reporting to each relevant portfolio Minister

What incentives are required?

- No deep trade-offs between agency and collective interests
- Agencies responsible for own activities or
- Lead agency responsible/ accountable for overall result

What resourcing is required and how does it need to be managed?

- Agencies fund own activities from baseline

This model is primarily used for coordination where each agency’s separate goals can be supported by alignment to a shared purpose. The cross-agency goal is agreed between participating chief executives and/or relevant Ministers. Generally cooperation or coordination is supported through interdepartmental governance and working groups at each level with little resource sharing. The role of cross-agency groups depends on the goal but is likely to involve aligning, coordinating, brokering and/or surfacing conflicting functions/responsibilities across contributing departments. It requires strong working relationships and trust between partners.

Accountability for contributions is individual and vertical through participating agencies via their chief executives to individual Ministers. Where a ‘lead agency’ takes primary responsibility for coordinating activity, the CE and Minister of the primary agency has responsibility for the quality of advice relating to the shared activity.

This model is commonly used for short-term policy development and advice, but it is also used for longer-term standing arrangements. It can be used as an effective ‘clearing house’ for shared or overlapping problems. This model is appropriate for organising around shared problems that may

involve a lot of agencies as there is more to be gained from including more than efficiency from fewer members.
Limitations of this model are largely around the informality of the arrangements and often the reliance on key individuals' attention. Because there are few formal arrangements or funding issues this model can be implemented reasonably quickly and at little cost, but it does rely on the voluntary participation of members.

Case Study : Natural Resources Sector

The Natural Resources Sector (NRS) is a grouping of central government agencies responsible for the management and stewardship of New Zealand's natural resources. The NRS was established in 2008 to ensure that, across government agencies, a strategic, integrated and aligned approach is taken to natural resources development and management. The NRS is headed by the Chief Executives of seven agencies (chaired by the Ministry for the Environment's Chief Executive), who act as a leadership team for delivering the Government's natural resources work programme in central government.

These agencies are:
Ministry of Business, Innovation and Employment (MBIE)
Ministry for the Environment (MFE)
Ministry for Primary Industries (MPI)
Land Information New Zealand (LINZ)
Department of Conservation (DOC)
Te Puni Kōkiri (TPK)
Department of Internal Affairs (DIA).

The NRS is supported by the Treasury, the Department of the Prime Minister and Cabinet, and the State Services Commission.

NRS agencies work together on a comprehensive work programme to provide high-quality multi-disciplinary policy advice, based on broad and durable perspectives of complex and difficult natural resource issues. The Ministry for the Environment houses the jointly-funded Support Unit, which drives the strategic direction and oversight of the work programme on behalf of the NRS.

The NRS Support Unit:
- supports the work programme
- takes a sector view on priority issues
- champions collaboration and common approaches across the NRS.

SHARED RESPONSIBILITY

Agencies form a CE group, agree on the problem definition and what each agency needs to do about it (using own decision rights in a coordinated way), supported if needed by pooling relevant agency resources.

When do we use this tool?

- Voluntary solutions have proven inadequate to solve the problem (e.g. a greater level of coordination required)
- The problem is sufficiently important that it warrants bringing CEs together
- The problem can be defined as a specific result or service for a customer group
- CEs are willing to take shared responsibility for the problem

How are goals/outcomes agreed?

- Form common definitions/ descriptions of customer/result
- Agree to be collectively responsible for progress
- Collectively agree to a few priority results (be selective)
- Agree performance measures to track progress
- Agree performance targets for mature measures to set ambition/urgency
- Confirm results and measures/ targets with Ministers

What form of governance model is required?

- Collaborative governance
- CE group for setting strategy, signalling agency commitment
- Limit membership in CE group to critical few
- Chair chosen from within CE group
- Working groups at other levels
- Jointly resource a co-located secretariat/ policy advisory function
- Groups below CE level to have clear and consistent delegated decision rights

What Ministerial relationships are required?

- Group to provide shared advice to Ministers on agreed areas of joint responsibility
- Recommend that Ministers form informal Ministerial group for discussing tradeoffs

What incentives are required?

- Collective responsibility for priority results
- Reporting to Ministers
- Recognition for CEs

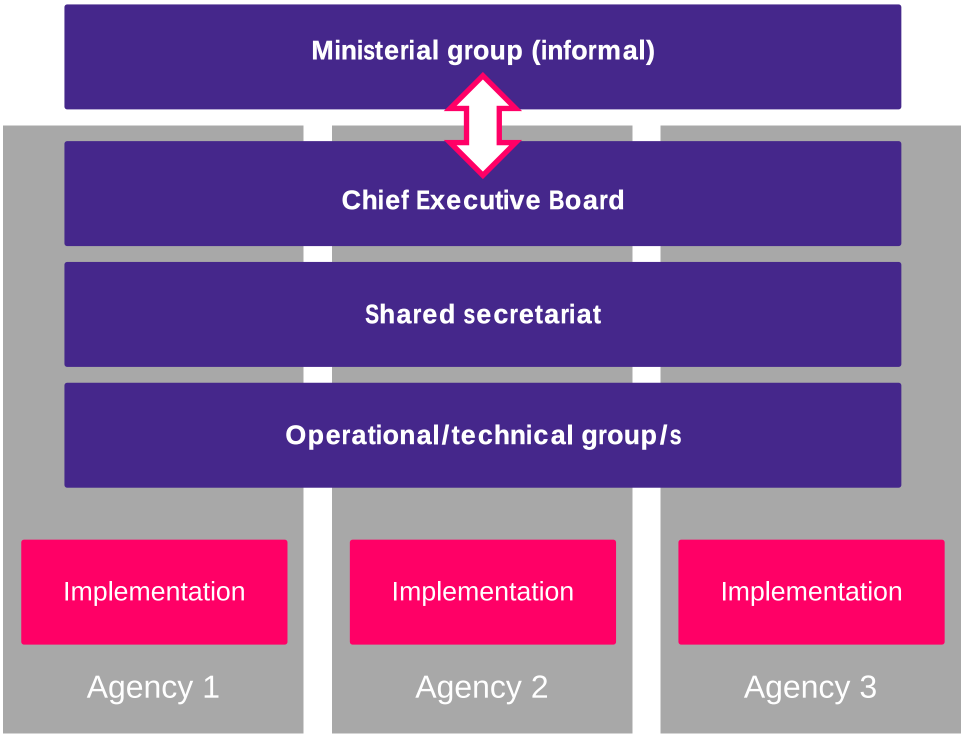
What resourcing is required and how does it need to be managed?

Any combination of:

- Joint resourcing (staffing) of shared functions
- Individual agencies commit to specific activities and fund from baseline
- Agencies each contribute agreed funding amount
- Agencies pool underspends

Cross agency boards provide a mechanism for collective leadership. These are appropriate where a shared outcome requires cross-agency planning and resourcing and aligned but separate delivery. This model is used where the problem can be restricted to a few key agencies that agree to take on shared responsibility. This model will often have multiple levels of governance arrangements to support the collaboration of agencies.

This model is self-organising. The chief executives will often form a board which collectively agrees the goals, results and performance measures to track progress. The board will commonly be supported by working groups at other levels of the organisations and a jointly-resourced secretariat. Similarly, the board may be mirrored by an informal Ministerial group that can support the cross-agency working. The diagram below provides an illustration of the levels of governance possible.



Where problems can be reasonably tightly defined and the number of agencies restricted to a critical few, this model can support collective action through more formal arrangements than voluntary ones. Agreeing a series of performance targets and measures and the provision of shared advice acts as a mechanism to support ongoing commitment and focus from chief executives and agencies. For the benefits of this model to be realised, the commitment to common results must be shared throughout agencies otherwise progress may be impeded.

The shared responsibility taken on by chief executives in this model creates reliance on others over whom individual leaders have no direct control and a limited ability to impose sanctions or rewards. The horizontal accountabilities created by coordination and collaboration that co-exist with traditional vertical accountabilities can result in complexities that need to be managed. Informal Ministerial groupings can help to resolve these trade-offs between vertical and horizontal accountability.

The Justice Sector Board is still in operation but may be different from the model below which describes the Justice Sector over 2012-2017

Case Study: Justice Sector Board

The Justice Sector Leadership Board was made up of:

- Secretary for Justice (chair)
- Commissioner, NZ Police
- Chief Executive, Department of Corrections
- Chief Executive, Serious Fraud Office
- Solicitor-General, Crown Law Office.

The Leadership Board was responsible for ensuring the sector achieved their collective goals, including the Better Public Services targets. They coordinated major change programmes and oversaw planning to improve services, reduce harm and the number of people in the criminal justice system, maintain institutions and manage investment. It was founded on a shared understanding of the sector as operating as a ‘pipeline’ which individuals move down – this clear and linear interdependence helped to secure commitment to cross-agency working.

Governance

The Justice Sector Board operated using cascading levels of governance

- At Ministerial level, the Justice sector Ministers met every two months
- At CE level, the Leadership Board met every two months.
- At DCE level, met every two weeks with core agency DCEs and the wider DCE group every two months

The Leadership Board operated under a Terms of Reference which set out the purpose and vision of the Board; membership; objectives; accountabilities of the Board, the chair and Board members; how the Board was supported; meetings; and communication principles.

The Board was collectively responsible for the overall performance of the sector. The Board did not cut across the line accountabilities of the Board members to their Ministers, or make decisions that would override their authority over their respective agencies.

Board members were responsible for delivering initiatives to achieve targets set by the Board; for ensuring that their individual agency’s decisions support the Board’s overall ambition, and that their agency’s performance didn’t impact negatively on the performance of the sector. Board members were also responsible for modelling, promoting and developing a collaborative way of working among themselves and between sector agencies.

The governance mechanism was supported by a team of officials drawn from agencies in the Justice sector and based in the Ministry of Justice. This team, the Justice Sector Group, performed a range of policy, data analysis and measurement functions to advise leaders on strategic and investment decisions for the justice sector.

Funding

There was a joint funding arrangement to support the Board. The Justice Sector Fund (JSF) was created in April 2012. It was a way for the justice sector to share savings and gave them financial flexibility to invest in areas that deliver better results to New Zealanders. Through the JSF they were able to use the money saved by an agency to fund another agency’s initiatives to reduce crime and reoffending.

Normally savings cannot be kept or used for another purpose (the Public Finance Act 1989 prevents this), however the JSF allowed unspent justice sector money to be kept and used for future initiatives.

More information

https://justice.govt.nz/justice-sector-policy/about-the-justice-sector/#board

COLLECTIVE ACCOUNTABILITY

Cabinet agrees priorities and terms of reference for a CE board reporting to a lead Minister, with members appointed by the State Services Commissioner. Some decision rights may shift to Board.

When do we use this tool?

- Shared responsibility is insufficient for resolving deep trade-offs between agency interest and shared interests
- The relationships are too complex or involve too many sectors for shared responsibility to operate effectively
- It is not possible to solve the problem by reframing it to involve fewer agencies
- The problem is large/important enough to warrant the additional priority, cost and time

How are goals/outcomes agreed?

- Cabinet decisions on performance results and targets

What form of governance model is required?

- Cabinet to establish board and set mandate and responsibilities
- State Services Commissioner to appoint membership
- Independent chair
- Independent policy and support function
- State Services Commissioner to review CE performance with regard to board responsibilities agreed by Cabinet
- Board members responsible for engaging with affected CEs not on the board.

What Ministerial relationships are required?

- Separate Minister with overall responsibility for board & priority results
- CEs are responsible under the State Sector Act to the Minister for the functions of the board

What incentives are required?

- Scheduled reporting to Cabinet
- Cabinet agreement to investment plans
- Public reporting of progress
- Recognition for CEs
- Results/reputation affect availability of further resources in future ("sharing the gains")

What resourcing is required and how does it need to be managed?

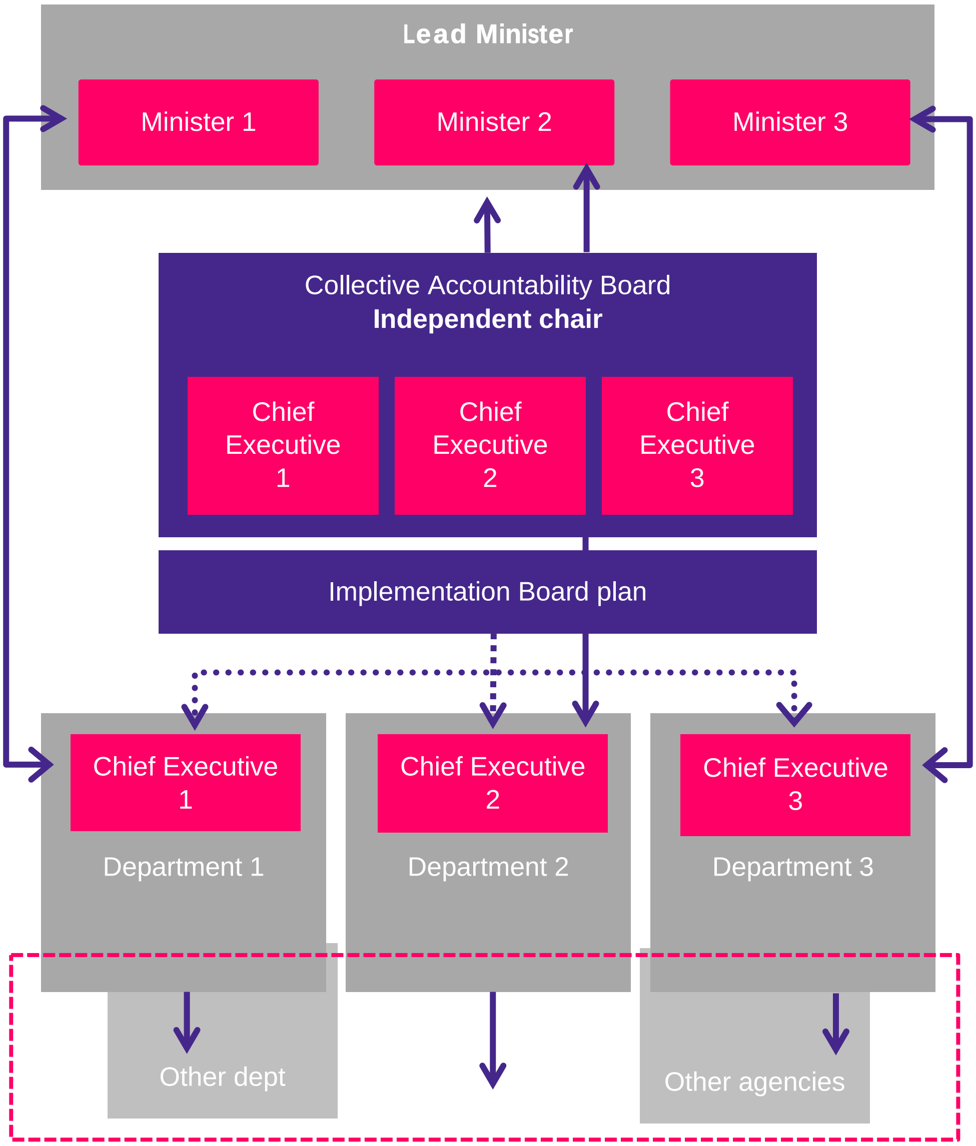
- Options from shared responsibility model and/or specific funding appropriated for jointly agreed activities **(needs implementation support)**

The governance model in Collective Accountability is a cross-agency decision-making board which provides a formal mechanism for strengthening cross-agency planning, prioritisation and budgeting processes. As with the Shared Responsibility model, it might be used where a shared outcome requires cross-agency planning and resourcing, with aligned but separate delivery – but where more intensive and higher levels of integration are needed. The chief executives on the board collectively agree strategy, planning and resourcing.

These boards are established by Cabinet mandate. Membership, duties and functions are determined by Cabinet and set out in an agreed terms of reference. The governance arrangement creates a collective accountability for a group of chief executives to Cabinet to achieve a specific purpose, thereby strengthening incentives for chief executives. The mandate can also explicitly recognise that, as a matter of Government policy, the Board's objectives are within the "collective interests of Government" and within scope of the Chief Executive's legal responsibility under s31(1)(b) of the State Sector Act.

The terms of reference lists the constituent departments and departmental agencies within the board's remit. The chief executives of these departments are responsible for implementation of the board's decisions and continue to be responsible for the performance and financial management of their respective departments. The chief executives on the board must take responsibility for consulting the chief executives of departments and departmental agencies within the scope of the terms of reference but not actually on the board.

Members of a Collective Accountability board are drawn from among the chief executives of the departments and departmental agencies listed in the terms of reference. Independent members can be appointed in an advisory capacity but cannot hold decision rights.



The chair may be one of the chief executive members or an independent. However there can be a challenge in a leader 'wearing two hats' (i.e. as leader of an individual department and as leader of a cross-agency working arrangement) which can make it difficult to balance the department's interests with collective interest, and/or could create perceptions of one department dominating; or conversely that others can leave one department to carry all the accountability while minimising their own contributions. This can be addressed by having an independent chair as a neutral broker to strengthen the focus on collective interests and to act as a circuit breaker to change the current state. An independent chair can also help champion the network and model collaborative behaviour. Independent chairs would be appointed in an advisory capacity but would not hold decision rights.

Case Study: Social Investment Board

A new Social Investment Board was initiated on 1 July 2017, replacing the Social Sector Board. The purpose was to strengthen the alignment of functions for the social investment system. The scope of the SIB is the social sector, and its role is to deliver outcomes across the social sector where there is no natural lead agency on the issue and it requires the collaboration of a number of agencies.

Cabinet mandates the Terms of Reference for the Board which sets out the scope, including which agencies are under the remit of the Board. The State Services Commissioner appoints members to the board from within that scope as well as an independent chair. An independent chair helps the SIB operate as an agency-neutral forum which acts to reinforce the collective ownership and joint responsibilities of the chief executive members

The Board is made up of the Chief Executives of the Ministries of Education, Health, Justice and Social Development. It has an independent chair, currently the State Services Commissioner. The chief executives on the Board have been selected due to their leadership role within their respective sectors. It is their responsibility to consult with other agencies and partners in their sectors regarding the Board's decisions and strategies.

The chief executives of the agencies listed in the terms of reference as being within SIB's remit are responsible for providing through their respective departments the outputs necessary to operationalise policies and strategies agreed by Cabinet Social Wellbeing committee in the Board's work programme.

The SIB reports to the Minister Responsible for Social Investment and the intention is that it is supported by the Social Investment Agency. The Agency is designed to act, in part, as a secretariat, to provide policy development and advice, and as a host for cross-agency projects led by the board. Key differences between the SIB and the Social Sector Board that it replaced are:

Social Sector Board

- Focus is diffuse and role has expanded over time
- Oversees almost all social sector coordination issues
- Large Board (10+ members)
- Reports to Cabinet
- CE of MSD is the chair

New Social Investment Board

- Tightly focused on the results Ministers are seeking
- Smaller Board (4 members)
- Made up of CEs who can drive action on results
- Reports to Cabinet with a forward looking work program
- Independent chair mandated to lead by the State Services Commissioner

More information

The Terms of Reference for the Social Investment Board provides more detail to the governance arrangements of the group: https://www.ssc.govt.nz/sites/all/files/cab-paper-ssl-dbr-10apr2017.pdf

SEMI-STRUCTURAL INTEGRATION

Quasi-department form with its own Chief Executive appointed by the State Services Commissioner; support services provided by a host department.

When do we use this tool?

- Desire to assign CE and direct line of Ministerial accountability, without fragmentation of a new department and/or arms-length nature of a crown entity
- Relatively stable policy settings that are cohesive within a clearly defined area or
- Activity readily defined & measurable, and severable from the functions or services of the host department

How are goals/outcomes agreed?

- Budget process (appropriations)
- Ministerial priorities
- Cabinet may agree purpose of agency through establishment process

What form of governance model is required?

One of:
- Business unit
- Branded business unit
- Departmental agency with direct line of accountability to responsible Minister

What Ministerial relationships are required?

- Responsible Minister for departmental agency or business unit

What incentives are required?

- Annual reporting and audit
- Ministerial accountability
- Recognition for CEs

What resourcing is required and how does it need to be managed?

- Individual agency appropriation (administered by host department – may use letter of Ministerial delegation to clarify accountabilities)

A semi-structural integration solution would likely take the form of either a business unit or departmental agency. The key distinction between the two forms is that under the departmental agency model there is a deemed delegation which in effect transfers the responsibilities that would normally be held by the host department chief executive to the departmental agency's chief executive. The departmental agency's chief executive is then directly accountable to a Minister (who may be different than the host department's one) and has control over the relevant resources to support them.

A business unit is led by a director who does not have direct accountability to a Minister as accountability always goes through the chief executive of the host department. The director is employed by the chief executive of the host department, and delegations to the director are at the discretion of the host department's chief executive. A departmental agency thus has greater legal autonomy from the host department than a business unit.

Both forms can be used to support the consolidation of functions currently located in separate agencies or crown entities. The co-location or transfer of relevant resources from other departments to bring the activity together in one place under one leadership should support focus on the issue and enable more aligned and coordinated activity.

The limitations of using a departmental agency or business unit as the solution to shared problems are similar to those of structural integration. By assigning the shared problem to a department agency or

business unit and moving resources into it, that agency or unit then needs to coordinate as it is unlikely that the entirety of functions related to the problem can be consolidated.
For more information on departmental agency forms, the supplementary guidance note provides the technical details.

Case Study: Social Investment Agency

The Social Investment Agency, launched on 1 July 2017, was given responsibility for overseeing and coordinating the Government's social investment approach. It is hosted by the State Services Commission – with the intention to strengthen the perception of independence and a social sector neutral view – and the Chief Executive reports to the Minister responsible for Social Development

The SIA is designed to work with agencies and non-governmental organisations to help them take a life-time view of individuals and their needs by bringing together the functions and resources of social investment activity into one agency form. Prior to the SIA capability in social investment was fragmented across a number of agencies.

The SIA has brought together functions that previously resided in:

- Sector Strategy in Ministry of Social Development
- Social Investment Unit in Ministry of Social Development/The Treasury
- Superu (Families Commission)

Consolidating these capabilities within a departmental agency with a clear role in leading social investment, a mandate from the responsible Minister, and a critical mass of policy and analytic expertise is intended to support joined-up social policy in priority areas for government.

The other role proposed for the SIA is as a support and secretariat function for the Social Investment Board (SIB). This role would see the SIA taking direction and providing advice through the Board.

More information
https://sia.govt.nz/

VOLUNTARY CLUB

Voluntary participation in a shared initiative to improve some aspect of operations, possibly endorsed by State Services Commissioner.

When do we use this tool?

- A self-identified group want to work together to improve their consistency, capability, and professionalism

How are goals/outcomes agreed? • Objectives set by members	**What form of governance model is required?** • No formal governance • Leader usually unanimously selected by group • Recognised by State Services Commissioner as leader
What Ministerial relationships are required? • No direct role for Ministers	**What incentives are required?** • Participation in the club is voluntary • Normative pressure within self-identified group
What resourcing is required and how does it need to be managed? • Funded from baseline for specific activities	

As a way to organise around shared problems, the voluntary club model is well-suited to situations where there is a sector-wide need for better or more consistent practice in an area and the solution is likely to be more education and learning opportunities, a forum for discourse and tighter professional networks to share knowledge and experience. Voluntary clubs can be used to create and spread models of 'good practice' that members aspire to meet.

The self-organising aspect of the voluntary club model means that it is a solution that is most likely to be successful where there are existing groupings – professions and common roles – that can be leveraged. The club model can function as a trial to see if there are more formal functional alignments possible and if there would be benefits from greater system or functional leadership.

Funding for voluntary clubs is likely to be minimal and out of agency baselines, however it is also possible for the clubs to be self-funded. As the model relies on the voluntary contributions and commitment of members and is not necessarily reliant on agency funding, there can be significant independence from agency interests. For the model to be used to organise around shared problems, the members must recognise the common problem and agree on objectives.

The recognition of the club by the State Services Commissioner can be helpful to provide legitimacy and support for the group and can validate the objectives identified as in the collective interest of the system.

Case Study: Government Economic Network

Formed in 2011, the Government Economics Network (GEN) is an incorporated society that provides a professional forum for learning, development and networking. It aims to encourage the use of economics in public policy decision-making and to stimulate debate and discussion on economic and public policy research.

The GEN has three main objectives:

1. Support economics training and professional development in the public sector: for both economists and non-economists
2. Develop linkages between economists across the private, public and academic sectors
3. Strengthen economic advice to government.

To achieve these objectives the GEN runs a range of seminars, training, conferences and social events throughout the year. The group relies on the voluntary contributions of time by members and self-funding through charges to attend its annual conference.

The GEN is governed by a committee which consists of members of the society and has a formal constitution. The group is closely associated with The Treasury – its address is there – but remains independent.

As membership of the organisation is not directed by profession or role – as with similar organisations like GLN – but those with an involvement or interest in the use of economics in the public sector, the voluntary nature of the group is significant.

More information

https://www.gen.org.nz

SYSTEM LEADERSHIP COMMITMENT

An agency with a natural responsibility in an area of government performance leads the system with support and commitment from SSLT.

When do we use this tool?

- An agency with a clear/natural responsibility for improving a specific area of government performance
- Either representing a demographic group or function of government
- Giving an agency or group power to direct other agencies is not an appropriate solution (discharge role through influence, transparency etc.)

How are goals/outcomes agreed?
- Plan proposed by CEs to SSLT
- SSLT (revise and) collectively agree to plan

What form of governance model is required?
- SSLT to hold each other collectively responsible for agreed actions/behaviour

What Ministerial relationships are required?
- Leader to balance direct accountability to own Minister with collective agreements with SSLT

What incentives are required?
- SSLT to set clear expectations for actions/behaviour
- Normative pressure within SSLT/self-identified group
- Recognising good practice (at SSLT or elsewhere)
- Focus on performance information as a lever – reporting to SSLT, to Ministers, and/or to the public.
- Recognition for CEs

What resourcing is required and how does it need to be managed?
Any combination of:
- Leader to fund own activities from baseline/own appropriation
- Club funding where required for collective-good activity
- System fund for cross-agency work

Case Study: Government Legal Network

Formed in 2011 and led by the Crown Law Office, the GLN links more than 800 lawyers across all government departments, enabling professional mentoring and the sharing of knowledge and expertise essential for the provision of high-quality, trusted legal advice to the Crown.

The GLN came into being as the solution to the problem of a perceived lack of consistency and quality of legal practice across agencies and a lack of professional peer support exacerbated by the large number of small departments with small legal teams. In other jurisdictions with a similar problem a centralised approach where the Solicitor-General acts as the employer of all government lawyers was considered a solution. As an alternative to the 'shared functions' approach, the GLN was considered a middle solution that could act to improve the quality and consistency of practice without the cost and disruption of centralisation. It is a model of stronger centralised leadership enabling the continued independence of agencies.

In April 2016 Cabinet approved the permanent establishment of the Government Legal Network (GLN). Through taking on a system leadership role the GLN has forged strong networks with the government legal sector. Through these networks the GLN has sought to deliver to the Government the full coordinated value from its in-house legal resource.

With a core focus on advancing capability and engagement, all government lawyers are encouraged to participate in GLN initiatives and the GLN Director works closely with Chief Legal Advisors, Chief Executives and Deputy Chief Executives to identify ways in which individual departments can demonstrate their expertise and leadership ability. The GLN takes a collaborative approach towards mobilising talent and optimising technical excellence across the sector; "in the past, one agency might have run a workshop exclusively for its own staff - now, increasingly, we share training resources. We're continuously finding common ground and learning new skills - it's excellent" (GLN Director).

Key features of the GLN are:

- A shared workspace, hosted by the Department of Internal Affairs, is a popular facility with GLN members.
- GLN Online functions as an e-portal where public sector lawyers can upload their profiles, download legal resources, participate in discussion forums, advertise jobs and promote events.
- An active events calendar - running professional development and 'lessons learned' seminars of general interest, in conjunction with programmes specific to specialised legal practice groups.

The GLN receives specific funding of close to $1 million pa through Vote Attorney-General under a multi-category appropriation administered by Crown Law. The related performance measures include the number of CPD hours of government lawyers, the satisfaction of members of GLN and the satisfaction of Chief Legal Advisors.

More information

http://www.ssc.govt.nz/bps-spotlight-gln
http://www.gln.govt.nz/

Further Reading

The Policy Project is another example of a system leadership commitment model in action. There is a range of useful information about The Policy Project on the DPMC website.

SYSTEM LEADERSHIP GOVERNANCE

A governance board with clear delegated rights and a leader authorised by their decisions directs activity/standards across the system with support of SSLT and Ministers.

When do we use this tool?

- There is a need for stronger more centralised coordination of certain functions to enable improved government performance
- Areas where there are likely to be benefits to a common approach e.g. standard setting, infrastructure provision, capability, strategic planning, strategic investment and/or an assurance role

How are goals/outcomes agreed?

- Currently relies on Cabinet mandate – aim toward SSLT and Ministers mutually reinforcing each other
- Leader to propose clear objectives in terms of results, services, or efficiency
- SSLT to agree objectives

What form of governance model is required?

- State Services Commissioner to appoint formal governance board to meet regularly
- SSLT to agree to delegate clear decision rights to governance board
- Leader given authority by, and to report to, governance board

What Ministerial relationships are required?

- Regularly report performance information to a group of Ministers

What incentives are required?

- As for System Leadership Commitments model
- Assurance function for new related budget bids and major projects
- Voluntary guidelines set by leader or
- Compulsory standards proposed by leader and agreed by SSLT

What resourcing is required and how does it need to be managed?

- As for System Leadership Commitments model

Instead of being led by an agency with SSLT[1] support, the governance board in this model is delegated decision rights by SSLT. This functions as a way to resolve trade-offs between agency and collective interests by assigning responsibility for the collective to the Board within the scope of what is agreed by SSLT. The leader is the head of profession or functional lead and is appointed by the State Services Commissioner.

The governance board is appointed by the State Services Commissioner and is likely to be made up of Chief Executives of departments with a significant role in the function or standards under consideration. Where there is a significant impact on Crown entities, a representative of a Crown entity could be included on the governance board or involved through a different consultation mechanism.

Where previously this model may have relied on Cabinet to delegate decision rights to the board, there is scope for SSLT to agree to delegate decision rights with Ministers reinforcing the agreement. The

[1] State Sector Leadership Team – comprises chief executives of public service departments, non-public service departments and some of the larger crown entities.

advantage of SSLT delegating decision rights to the Board is that the mandate the functional lead operates under is more adaptable to changing needs and standards required.

This model likely to be most effective where there isn't a clear and natural agency to lead the improvement in an area of government performance, or there are greater tensions between agency and collective interests. In areas where the setting of standards and behaviour is unlikely to face opposition from agencies, the system leadership commitment model is likely to suffice.

There are no current examples of a 'system leadership governance' model in practice. The functional leads were established by Cabinet mandate in 2012 and the roles delegated to Chief Executives. The system leadership governance model builds on this example but is not the same.

The following example is intended to explain how the role of the functional lead currently operates.

Case Study: Government Chief Digital Officer

Under an increased focus on system leadership in government three functional leadership roles were established – the Procurement, Property and ICT Functional Leads. These three areas were selected in recognition that operational decisions are often made on an agency-by-agency basis which misses out on the possible benefits and reduction in costs of common business activities.

The Functional Leads are charged with:

- securing economies or efficiencies across departments
- improving services or service delivery
- developing expertise and capability across the Public Service, and
- ensuring business continuity.

The intention was that leadership would be clearer than in the past without eliminating agency autonomy, and be exercised through a combination of influence and mandates.

The role of Government Chief Digital Officer is the current iteration of the original ICT Functional Lead and is delegated to the Chief Executive of Department of Internal Affairs, Colin MacDonald. The GCDO is responsible for:

- setting policy, direction and standards for government ICT
- improving ICT investment management system-wide,
- establishing and managing all-of-government ICT services
- shaping and developing government ICT capability, and
- providing ICT Assurance across government

The GCDO's mandate applies to all Public and non-Public service departments as well as ACC, EQC, HCNZ, NZTA, NZTE, NZQA, TEC and District Health Boards. Other state sector agencies are also participating in many of the initiatives he is leading.

In 2015 the GCDO set up a Partnership Framework - now called the Digital Government Partnership - involving key stakeholders across government to support him in his role as ICT Functional Leader. The partnership is made up of a leadership group and 5 working groups that support the strategy's focus areas (leadership, technology, investment, information and digital services), as well as a chairs' group, which brings together experts from across the different focus areas to provide support and advice to the leadership group.

Further information on the current governance arrangements of the GCDO is available on their website.

The nature of this functional leadership role is currently changing, moving towards a broader role in driving digital transformation than its current focus on technology. This will be supported by a stronger cabinet mandate and a more formalised way of ensuring that the GCDO is able to gain traction across the system.

SSLT are engaged with and have a role in guiding the GCDO. Support of SSLT is important for the role of the GCDO to influence and lead across the system, but they do not have the role proposed in the ‘System Leadership Governance’ model.

INTERNAL REGULATOR/MONITOR

An agency has a legislative mandate to require other agencies to adhere to processes, standards and rules that it sets.

When do we use this tool?

- Adherence to a set of rules/standards is required to uphold public trust and confidence (fiduciary responsibility as opposed to improving system performance)
- Legislative framework exists (or is considered appropriate/necessary given the importance of the problem)

How are goals/outcomes agreed?
- Set out in legislative framework (e.g. PFA)

What form of governance model is required?
- Independent agency form with direct line of accountability to responsible Minister (should be department or departmental agency; may be central agency or standalone department independent of sector interests)

What Ministerial relationships are required?
- Responsible Minister for agency

What incentives are required?
- Legislative authority to issue instructions to departments or departmental agencies (e.g. data and reporting standards, accounting practices etc.)
- Ministerial direction (i.e. responsible Minister issues instructions to agencies under legislative authority)
- Regulations (Governor General on advice from responsible Minister)

What resourcing is required and how does it need to be managed?
- Individual agency appropriation

Case Study: The Treasury

The Treasury monitors and manages the financial affairs of the Government and provides economic and fiscal policy advice. It acts as an internal regulator in a number of areas, including:

- Preparing Budget documents, including the Appropriation Bills, Estimates and Imprest Supply Bills
- Monitoring the need for and the use of imprest supply
- Preparing the monthly monitoring report on appropriations for the Auditor-General, and
- Obtaining assurance that there is an adequate system of internal control designed to provide reasonable assurance that transactions are within statutory authority and reporting on that to Parliament.
- This role includes setting of timelines and templates for financial information and budget proposals. Furthermore, any Cabinet paper with financial implications must have Treasury sign-off, which involves presenting the financial information in specified formats.

SHARED FUNCTIONS

A formal mandate from Cabinet assigns an agency that performs a function more capably/efficiently than others the responsibility to provide that function for other departments.

When do we use this tool?

- Where agencies recognise that one agency can perform a corporate function more efficiently or capably on behalf of others
- Most participating agencies agree that this helps them better deliver for New Zealanders.

How are goals/outcomes agreed?
- Self-selected at initiation stage
- Recognition by SSLT
- Agreed with Cabinet when seeking formal mandate (especially if applied to Crown Entities)

What form of governance model is required?
- None when voluntary participation
- Performance review when participation is compulsory
- Currently reporting to Cabinet, proposed shift toward period performance review by SSLT (test and learn)

What Ministerial relationships are required?
- Agreed with Cabinet when seeking formal mandate

What incentives are required?
- Need new incentives to encourage entrepreneurialism **(current gap)**
- Crown Entities Act s107 whole of government direction if seeking to extend mandate to Crown Entities

What resourcing is required and how does it need to be managed?
- Fee for service (cost-recovery)
- Fees reviewed periodically by SSLT (test and learn)

The ‘Shared Functions’ model is a form of functional leadership suited to activities where centralisation may drive efficiencies, centres of expertise and improved services. Areas where there is duplication of services or functions or a lack of functional capability in many agencies may indicate a shared functions approach would be beneficial. As there are a large number of small departments in the New Zealand public sector, often with small functional teams, a shared functions approach could be used to reduce costs and improve quality of functions.

The model can be used in response to workforce pressures, where capability in functions is lacking across the system, a centralised functional team could alleviate some of the pressure. Similarly, in situations where functions require considerable expertise but are performed infrequently, the ‘shared functions’ approach would ensure the effective deployment of resources.

When considering the possible benefits of centralising functions, the boundaries of economies of scale should also be considered; some larger departments may better achieve economies within their departmental groups rather than through a cross system approach. In some cases a ‘shared functions’ approaches may require some agencies to sacrifice agency interest for collective interests. Some agencies had a better deal for a particular service than was available under the all-of-government contract, but understood that the all-of-government model provided better value for government as a whole.

Any group of agencies can decide to share functions, however if you want all government agencies to share the function then you will likely need a Cabinet mandate – especially if you want Crown Entities involved.

Case Study: Procurement Functional Lead

To drive a step change in procurement performance, the Chief Executive of the Ministry of Business, Innovation and Employment (MBIE) was given functional leadership for Government Procurement to:

- strengthen and accelerate the current government procurement reform programme – providing stronger and broader uptake of initiatives;
- introduce stronger leadership based on a centre-led model;
- provide clear accountability for delivery of procurement commercial results;
- support greater collaboration across state services agencies; and
- improve oversight and support for agency procurement.

This approach was not intended to usurp Chief Executives' accountability or their responsibility to manage their own procurement activities. It was intended to make sure that agencies would be able to access more support, that Chief Executives were made aware of any potential risks associated with their current resources, planned procurement activities, opportunities for collaboration, potential shared resourcing and where requested provide them access to hands-on expert support to help.

The PFL is intended to work to engage agencies, to effectively communicate the benefits of participation, in order to maximise the level of involvement and uptake of initiatives. Following changes to the Crown Entities Act 2004 (amendments to which are now before Parliament) the Ministers of State Services and Finance will have the option of using whole of government directions to secure the participation of State services agencies.

In much of its work the Procurement Functional Lead is designed to operate as a 'System Leadership Governance' model, however there are certain areas which follow a shared functions model, such as:

- The Commercial Pool is a small deployable pool of capable and experienced procurement experts resourced from MBIE, but deployable into agencies as requested. The commercial pool provides state services agencies with access to high quality, sound commercial advice and 'hands on' support (if needed).
  The team ensures that agencies have access, on a user pays basis, at a reasonable cost, to temporary support with expertise in government procurement and commercial acumen that is aligned with government priorities.
- All-of-government contracts establish a standard supply agreement between the Crown and approved suppliers for specific goods and services which are commonly purchased by most agencies (such as office consumables, vehicles, travel, electricity and external legal services). The PFL takes care of 18 All-of-Government contracts. This includes the development, negotiation, supplier performance, and on-going contract management.

More information

https://www.procurement.govt.nz/about-us/functional-leadership/
http://www.ssc.govt.nz/bps-functional-leadership

CO-LOCATION

Agencies (and other organisations) co-locate offices or particular staff on local teams with little formal governance.

When do we use this tool?

- When aiming to improve tacit knowledge sharing and relationships between agency staff
- To explore the extent of potential overlaps (before considering other options)

How are goals/outcomes agreed?
- Agencies voluntarily agree to co-locate staff to facilitate knowledge sharing where needed
- Work with Property Functional Lead as required
- Consider potential partners outside public service where appropriate (e.g. local government, NGOs)

What form of governance model is required?
- Self-governing or
- Location manager provided by one participating agency (if required)

What Ministerial relationships are required?
- Usual separate Ministerial relationships through agencies or
- Place-based Ministerial portfolio (if required)

What incentives are required?
- SSLT/Ministerial encouragement

What resourcing is required and how does it need to be managed?
Any combination of:
- Shared costs
- Shared administration
- One agency to provide manager (if required)

Physically co-locating staff from different agencies can be highly effective for gaining commitment and improving information sharing, relationships and synergies. Bringing people from different agencies together can make it much easier to draw on different perspectives and capability to address complex problems and improve integration.

Using co-location as a stepping stone can be very effective. It allows for agencies to investigate where overlaps in delivery may be present and how they could be leveraged for better delivery of services. It also requires the navigation of agency interests – even if it is in respect to internal issues – it is a useful experience of interacting in an agency-neutral manner.

Co-location should not require extensive governance arrangements or joint funding. It is normally governed by an agreement between the lead agency (which holds the lease) and other co-locating agencies. It is also possible to co-locate with NGOs and Crown Entities.

The Government Property Group, in their guidance on co-location solutions identified a range of benefits from co-location and detail the process of setting one up: https://www.procurement.govt.nz/property/co-location/

Case study: Auckland Policy Office

The Auckland Policy Office (APO) is a co-location arrangement designed to provide an opportunity for government agencies to work together to address the challenges and opportunities facing Auckland today and in the future. In addition to cost-saving benefits, it operates as a community in which to share and coordinate policy issues that cut across institutional boundaries. It also provides a system-wide view of Auckland for central government and acts as an enabler for collaboration, shared data and evidence, escalation, evaluation, and risk management.

The APO plays a key role in facilitating connections between central government agencies and key Auckland stakeholders, including Auckland Council and its associated agencies. Many of the APO members have Chief Executive representation on the Auckland New Zealand Needs group of Chief Executives established under the auspices of the 2016 Better Public Services programme.

Leadership:

The APO was initially set up by the then Ministry of Economic Development in 2005. Although led by MED/MBIE the APO operated with a 'soft' governance structure ultimately reliant on individual leaders and staff members choosing to collaborate. In 2015, following a review of central government policy, implementation, strategy and leadership effectiveness in Auckland ("the McKay Report") the then State Services Commissioner established a new role of Deputy Commissioner, Auckland to be the lead central government official in Auckland. At the same time, leadership of the APO was transferred from the MBIE to the State Services Commission. The Deputy Commissioner, Auckland is located within the APO and has formal leadership of the office. The State Services Commission is responsible for the management and administration of the APO.

Accountabilities

The APO is a voluntary 'club' and membership of the office and allocation of individual staff responsibilities is determined by each agency independently. Agencies choosing to join the office are required to sign a MoU with SSC outlining in broad terms the financial, operational and administrative and governing requirements for the operation of the office. As part of the 2015 changes SSC established a "Body Corporate" of APO member agencies to enhance consultation on all matters of strategic significance for the development and operation of the office.

Notwithstanding the agreed processes for administering the APO, there are no formal accountability mechanisms in place to assist with ensuring effective collaboration of the 17 member agencies. SSCs Deputy Commissioner, Auckland chairs an APO Leadership Team involving senior representatives from agencies maintaining a permanent presence in the office. The Leadership Team plays a key role in advising and reporting to the Auckland New Zealand Needs Chief Executives group. Despite this, there are no direct reporting lines from agency leads to the Deputy Commissioner. There is also no direct line from the Deputy Commissioner to relevant portfolio Ministers.

Although APO agencies initially agreed that approximately 10% of staff time would be freed up for collaborative work, there is no formal mechanism to hold agencies to account for ensuring staff meet this commitment. In practice many APO staff members report to managers in Wellington and this serves to limit the scope for them to contribute to cross agency or system level priorities in Auckland.

Incentives

The APO is driven by incentives more so than accountabilities. Agencies therefore need to 'buy in' to the collaborative approach, and there is a high need for a strong value proposition.
Since SSC assumed leadership of the APO, the number of government agencies electing to join the office has increased from 5 to 17 (May 2018 figures).
Incentives to join the APO, particularly for small government agencies in Auckland, include:

- Efficiency / cost savings of co-location
- Convenience of proximity to other agencies, and a central location

- Access to key Auckland Council and business stakeholder executives and forums
- Scope to host and access portfolio Ministers working in Auckland

Incentives for agencies to actually work collaboratively once they have joined the APO include:

- The ability to gain multiple perspectives on cross-cutting policy and strategic issues
- The opportunity to participate in system level initiatives and strategies
- Relationship development opportunities with agencies working on similar or related issues
- Access to a closed door, trusted environment where officials from different agencies can discuss policy development at an early stage and in confidence
- Opportunity for government agencies to take on risk in new ways and tackle the challenges that present themselves first or most severely in Auckland. Successful ideas can be rolled out to benefit the rest of the country.

COLLECTIVE IMPACT NETWORK

A network of agencies (and NGOs) agree to a specific work programme to provide wrap-around services to a shared group.

When do we use this tool?

- Resources/services cannot be easily separated and aggregated to one agency
- A wide range of services need to be tailored to unpredictable and/or highly individualised need
- A small number of cases can be clearly identified and clients lack capability to navigate services
- There is existing capability and resources in the system and the ability to nurture/invest in this
- Where there is effective local entrepreneurial leadership

How are goals/outcomes agreed?

- Determined nationally (see Collective Accountability) or
- Determined locally (see Collective Impact Board) or
- Determined with individual/family (mutual commitments)
- Supported by national level data and targeting

What form of governance model is required?

- Practitioners involved work with individual/family to determine action plan
- Regular meetings to check on mutual commitments, update action plan
- Network administrator with responsibility for coordinating action, service brokerage, and reporting progress

What Ministerial relationships are required?

- As for co-location model

What incentives are required?

- Professional values and intrinsic motivation
- Mutual commitments (made by practitioners and individual/family)
- May combine with co-location to improve information sharing
- May need to consider new solutions for privacy/information-sharing **(test and learn)**

What resourcing is required and how does it need to be managed?

- Network administrator and/or service broker funded by board (test and learn) or
- Individualised budgets

The following example is at a time prior to the establishment of Oranga Tamariki, after which the Children's Teams became part of the agency's core business.

Case study: Children's Teams

Children's Teams bring together practitioners and professionals from iwi, health, justice, education and social services to create a single plan to help and support children who are at risk of abuse or neglect. Children's needs are multi-faceted. The team approach recognises that no single agency alone can protect children.

The approach is to provide joined-up support around at-risk children and their whānau. There's a focus on agencies working together and sharing information to reduce duplication and improve outcomes for children. A 'lead professional' is identified for each child requiring wraparound support, and take on responsibility for coordinating support and interventions across involved agencies.

This approach works across:

- Governance: To prioritise existing services, resources and new ways of working to create joint responsibility for our at-risk tamariki.
- Operations: To get practitioners and professionals from health, education, NZ Police, justice and the social service sector to work together, put the needs of children first and share responsibility.
- Practice: To improve the capability of the children's workforce to work in a child-centred, trans-disciplinary way in partnership with whānau.

In respect to funding, 'Lead professionals', are allocated from within baselines and without cost recovery (as per Cabinet direction). Because funding for the initiative has remained essentially siloed, reporting has remained separate as well with each agency providing their own reporting.

Prior to the establishment of Oranga Tamariki, goals and outcomes were determined nationally through the Vulnerable Children's Board and in collaboration with the wider social and health sectors. The practitioners involved in the children's teams worked with individuals and whānau to set goals and outcomes and determine a plan which is based on mutual commitment and willingness. These plans were both enabled and constrained by the goals and outcomes set at higher levels of governance.

COLLECTIVE IMPACT BOARD

A Cabinet mandated board that has collective responsibility for performance on local priorities and usually reports to a lead Minister.

When do we use this tool?

As with Collective Impact Network but:

- Cabinet mandate required to sustain collaboration due to difficult trade-offs between priorities
- Local need differs significantly from national priorities

How are goals/outcomes agreed?

- Overall remit set nationally
- Location boundaries agreed nationally
- Local priorities determined by board
- Small number of discrete results with agreed measures

What form of governance model is required?

- CEs collectively agree to consistent delegations (test and learn)
- Cabinet mandated board consisting of regional leaders from participating agencies/organisations
- May include organisations outside the public service
- May use an independent chair, but ideally self-organising
- Consensus agreement to interorganisational work programme

What Ministerial relationships are required?

- Lead Minister for the Board mandated by Cabinet

What incentives are required?

- Collective responsibility for improving results
- Periodic reporting to local community
- Engagement with local community

What resourcing is required and how does it need to be managed?

- National level agreement to pool funding for local priorities (each agency to make contribution from baseline)
- Separate appropriation for local priorities
- Collective agreement to spend pooled funding

Case study: South Auckland Social Investment Board

The South Auckland Social Investment Board (SASIB) was established with the aim to improve outcomes for children and young people in South Auckland. It is one of three Place-Based Initiatives currently in action, the other two are Manaaki Tairāwhiti and Kainga Ora.

The South Auckland SIB is designed to have collective accountability through an independent Chair to the lead Minister against a Social Investment Plan. The Board is comprised of local senior officials from member agencies and an independent chair. It is a decision-making body that is designed to allow the senior officials to make collective decisions through consensus. The initial member agencies were the Ministry of Social Development, the Ministry of Health, Counties Manukau DHB, the Ministry of Education, the Ministry of Justice, New Zealand Police, and the State Services Commission.

The chair of the Board is a non-voting position; their role is to lead sound consensus decision-making and ensure members are held to account for their agencies' contributions to SASIB's objectives. The chair also has lead responsibility for representing Board advice to Ministers, Cabinet and Parliament where appropriate.

The independent chair is appointed by the lead Minister following consultation with the Cabinet Appointment and Honours Committee. The State Services Commissioner appoints other members of the Board in consultation the member agencies and the chair. The local officials must be at an appropriate level of seniority to exercise delegated authority and influence programme and services not under the remit of SASIB.

The South Auckland SIB is intended to primarily rely on making better use of existing resources which are supplemented by a discretionary fund. Member agencies will continue to report for accountability and other purposes on the services and programmes within their appropriations. The South Auckland Social Investment Board reports quarterly to the Social Investment Board against the Investment Plan. The National Support Team at the Social Investment Agency assists this quarterly reporting.

More information

http://www.ssc.govt.nz/south-auckland-social-investment-board

FEDERATED SERVICES

Services and related funding transferred from one agency with policy responsibility to another with related services that could be better done in combination.

When do we use this tool?

- Customers find existing arrangements difficult (pain points)
- Federation would provide critical mass for economic and capable delivery
- Federation would make it easier for customers
- Service can be easily separated and transferred from one agency to another

How are goals/outcomes agreed?

Any of:
- Entrepreneurial staff encouraged to propose opportunities
- Pain points research to determine problem areas
- Priorities/sequence agreed by SSLT

What form of governance model is required?

- Lead agency appointed for delivering service (test and learn)
- Service level agreements with other agencies
- May require a joint venture vehicle to hold shared assets **(gap)**

What Ministerial relationships are required?

- Separate reporting to separate Ministers

What incentives are required?

- Reporting of pain points
- Reporting progress/successes to SSLT
- Reporting progress/successes to Ministers

What resourcing is required and how does it need to be managed?

- Funding transferred to lead agency

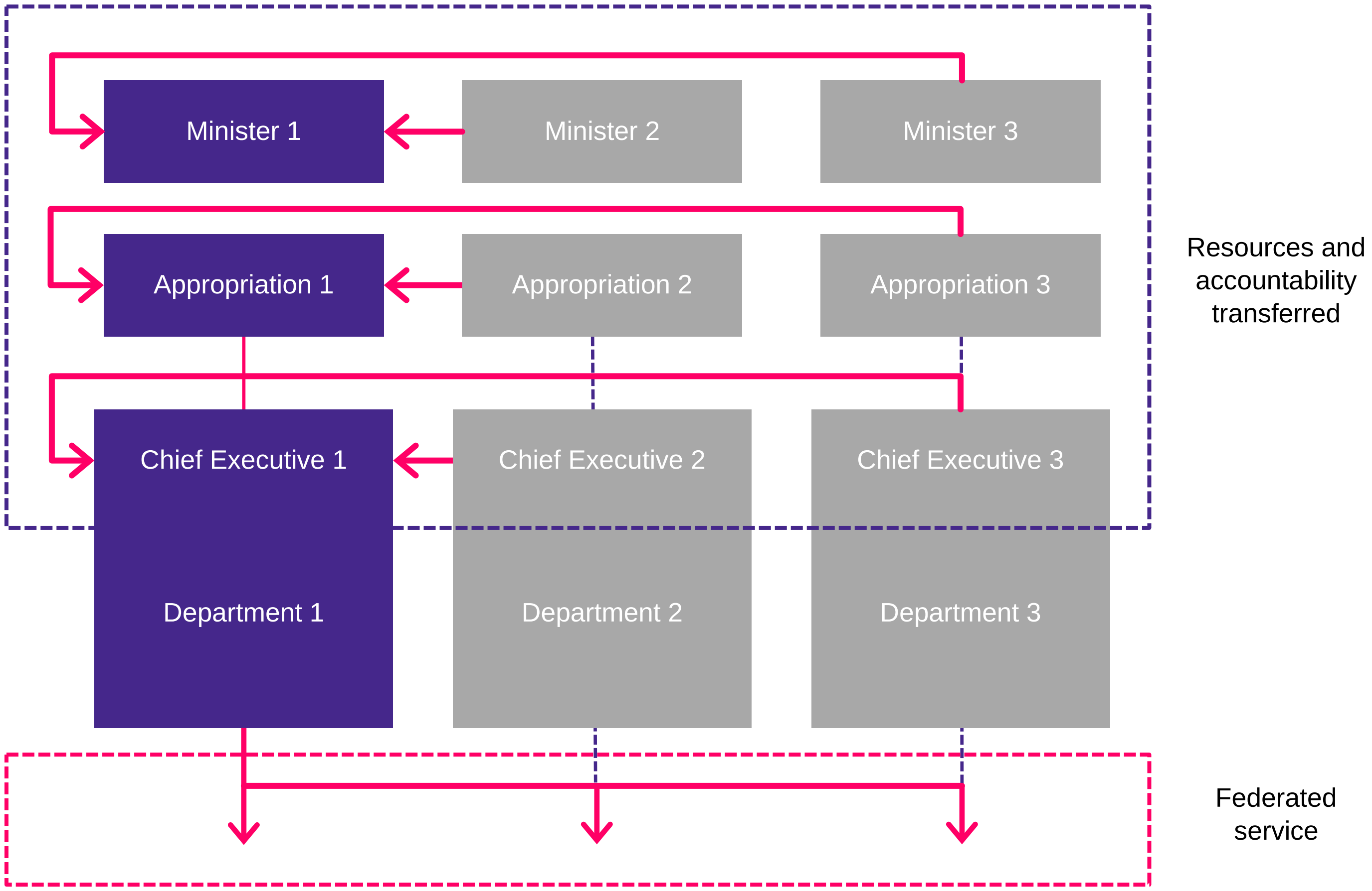
This model might be used where some, but not all, of the resources for achieving a particular goal can be identified and held separately, and when the goal to be achieved requires access to capabilities and/or assets from the other party (or parties) in the partnership. It could be used for policy, planning or delivery.

The ‘federated services’ model involves the transfer of relevant resources and accountability to a single lead department, as shown in the figure below.

The lead chief executive is formally accountable to a Minister in relation to a shared service that crosses departmental boundaries. Under this model, usually the majority of the core resources and capabilities required to deliver the shared service are already held by the lead department, or are transferred to it by contributing departments – there is no pooling or cross-agency ownership of resources. If cross-agency ownership of resources or assets was considered necessary, a joint venture vehicle would be required. Depending on the nature and extent of the transfer of resources and responsibilities, contributing department chief executives may retain only residual accountability. The lead department ensures the continued alignment of the contributing agencies with the shared goal.

Each of the contributing departments may have core services (for example specialist health services) which are too difficult to quantify and transfer, but that need to be accessed by the lead department in order to deliver on the shared service. A range of governance mechanisms (for example boards of chief executives) and agreements (for example, memoranda of understanding) are used to secure access to resources needed by the lead department.

Because this model transfers responsibility and effort to a single agency, this can reduce buy-in and commitment from other departments. This is a particular problem for cross-agency work that requires the sustained efforts of more than one department.



This model has been used to implement local integration, as with the Social Sector Trials, where resources relating to specific identified contracts from several agencies were transferred from other agencies to the Ministry of Social Development and in turn delegated to a local decision-maker accountable for integrating local services.

Case study: SmartStart

SmartStart was developed based on the understanding that any one life event is likely to require connecting multiple agencies seamlessly to deliver a great customer experience. It alleviates identified customer pain points around dealing with government services and entitlements when having a child and puts the customer at the centre, where essential transactions related to having a baby can be done in one place, anywhere and anytime.

It was developed through a multi-agency initiative delivered by Department of Internal Affairs, Inland Revenue, Ministry of Social Development and Ministry of Health with advice and support from Plunket NZ and the New Zealand College of Midwives.

SmartStart acts as a federated service as it enables new parents to update their benefit with MSD, request an IRD number for their baby and update their Working for Families application, all from the birth registration process. The information is collected through the SmartStart interface by DIA and, if requested by the parent, shared with a range of other agencies to complete transactions.

More information

http://www.ssc.govt.nz/bps-result10-cs3

Further reading

The Joint Border Management System has developed a Trade Single Window that takes a similar form to SmartStart.

DELIVERY VEHICLES

Cabinet decides to locate relevant services in a particular agency (possibly a new vehicle) to get best joined-up service delivery.

When do we use this tool?

- Service provision is the most important way to group/divide agencies
- The service can be easily separated and transferred from to another agency
- The problem justifies significant disruption, upfront cost, and potential exit costs
- The problem only involves departments and no other organisations (e.g. DHBs)

How are goals/outcomes agreed?

- Cabinet decision
- Order in Council

What form of governance model is required?

a) Department
b) Crown entity
c) Business unit
d) Branded business unit
e) Departmental agency
f) Joint venture (between partner agencies) **(gap)**

What Ministerial relationships are required?

- Usually a separate Minister

What incentives are required?

- Annual reporting and audit under PFA
- Ministerial accountability
- Recognition for CE

What resourcing is required and how does it need to be managed?

- Separate appropriation

There are no current examples of delivery vehicles in action in the New Zealand public sector. The gap that has been identified in respect to joint ventures is about the ability of government departments to enter into agreements with each other. As government departments are all part of the legal Crown, agreements are not legally binding. In contrast, joint ventures are used extensively between Crown entities.

Case Study: Border Forces

The United Kingdom and Australia both have joint delivery of services through Border agencies that cover a range of policing, customs, biosecurity and immigration roles.

https://www.gov.uk/government/organisations/border-force
https://www.homeaffairs.gov.au/australian-border-force-abf

Key Concepts

Accountability versus Responsibility

One of the key differences between the middle solutions is the change from responsibility to accountability. These terms are often used interchangeably but have distinct meanings that are important to acknowledge. Responsibility is often expressed as having a 'sense of responsibility' and it indicates a moral or normative approach. Accountability is a stronger form of responsibility where it is combined with a requirement to report and face consequences. In this sense, one can be responsible **for something** without being responsible **to someone** for it. However, one can never be accountable for something without being accountable to someone as well.

Legal status of public service agencies

As all public service agencies are part of the legal Crown they are unable to enter in contracts or legally binding agreements between themselves. This means that cross-agency working agreements between agencies are not legally enforceable and will likely operate based on a memorandum of understanding.

Clarity of governance delegations

Chief Executives should limit their role to setting overall strategy and cross-agency groups at lower levels make operational and tactical decisions. Delegated responsibility is more likely to ensure that a sense of shared commitment is felt at lower levels into an organisation.

It is important to involve people who are at the right level in their agencies to have authority to make decisions where necessary. Different agencies can differ widely in what authority is delegated to different levels. Participants for agencies that are involved in core decision-making need clear, and preferably consistent, delegations.

In cases with insufficient or uneven delegation, these groups were not able to make decisions, and this reduced their sense of commitment to the desired outcome. Such situations often resulted in stalled action due to technical barriers that no one felt invested in solving.

Ownership of secretariats/working groups

Secretariats and working groups are used to support Boards and steering groups through organising meetings, preparing material and communicating decisions and also through policy development to support cross-agency work. A secretariat can perform a vital 'backbone' role in a cross-agency work.

There is greater evidence of success when secretariats are either jointly funded or resourced (through the temporary provision of employees) by all participating agencies. The secretariat appears to perform a symbolic function by signalling shared ownership and responsibility. Where a secretariat is resourced and hosted by one agency, this symbolically raises the relative responsibility of that agency and signals to others that they may be held less responsible.

How staff from contributing agencies are assigned to the secretariat is important. Co-locating staff (instead of seconding them) maintains a greater connection to their home agency which can be a more effective way to support cross-agency working. Staff can instead be seconded to a host agency, however this can imply that the host agency is the 'lead agency' in the arrangement, and can lead to a loss of connection with the employing agency.