



8 August 2018

Dear [REDACTED]

Official Information Request re PIF selection and schedule

Our Ref: SSC2018/0118

I refer to your official information request received on 23 July 2018 for:

- *decision papers or memos setting out the process and/or criteria for selecting which agencies undergo a PIF review, including whether any agencies are excluded from the process;*
- *decision papers or memos identifying which agencies are or are likely to be PIF reviewed in 2018 and 2019 - in other words, the upcoming PIF schedule.*

In your further email of 26 July 2018, you clarified that your particular interest was "... how the selection happens and who's being reviewed in the next little while. It seems like there are many of the smaller agencies that have yet to benefit from being reviewed".

I attach two pieces of information that are relevant to your request. One of them is a briefing to the Minister of State Services in late 2017, following the change of Government. It sets out the criteria we apply in undertaking Performance Improvement Framework (PIF) reviews and the current and planned PIF reviews.

The other item is an extract from one of a regular series of information updates emailed to Public Service chief executives, dated 10 July 2018. The item indicates that we are reviewing the PIF product and thus there are no further PIF reviews currently scheduled.

As there are quite a number of changes in Chief Executive roles through 2018/19, the timing is not right for PIF reviews of these agencies which means any upcoming schedule would have been very light. Furthermore, PIF has now been going for 10 years (with over 75 reviews undertaken). Hence we considered it is timely to look at what is working and what is not, and reshape the PIF service for the future if necessary. When this has been completed, we will develop an out-year schedule.

With regard to your comment about small agencies, many of the small State services agencies are Crown entities rather than Public Service departments, which have been our focus. We have not usually initiated PIF reviews with these entities. Rather, the entity may approach us after discussions between some or all of their Minister, Chair, chief executive and the entity's monitoring department, and we will look to facilitate a PIF review.

We have found the cost of a PIF review (about \$100,000) is a lot for most small agencies. Therefore, as an alternative, we have encouraged small agencies to make best use of the PIF framework by undertaking a PIF Self-review and we have seen some do this very well.

Please note that we intend to publish this letter (with your personal details removed) and enclosed documents on the State Services Commission's website.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Greg Nicholls', with a stylized, cursive script.

Greg Nicholls
Performance Review Manager
State Services Commission

Extract from Chief Executives' email of 10 July 2018

Performance Improvement Framework (PIF) Reviews

The PIF has also been in operation for 10 years with over 75 reviews and follow-up reviews completed. Over this time, PIF has been adapted to reflect the changing environment and expectations of this service. With a light review programme for 2018/19, we are going to take the opportunity to again look at the methods and practice to ensure that PIF is fit for the future. If you have any enquiries about PIF please contact the [Dallas Welch](#), Deputy Commissioner, or [Greg Nicholls](#), Performance Review Manager.

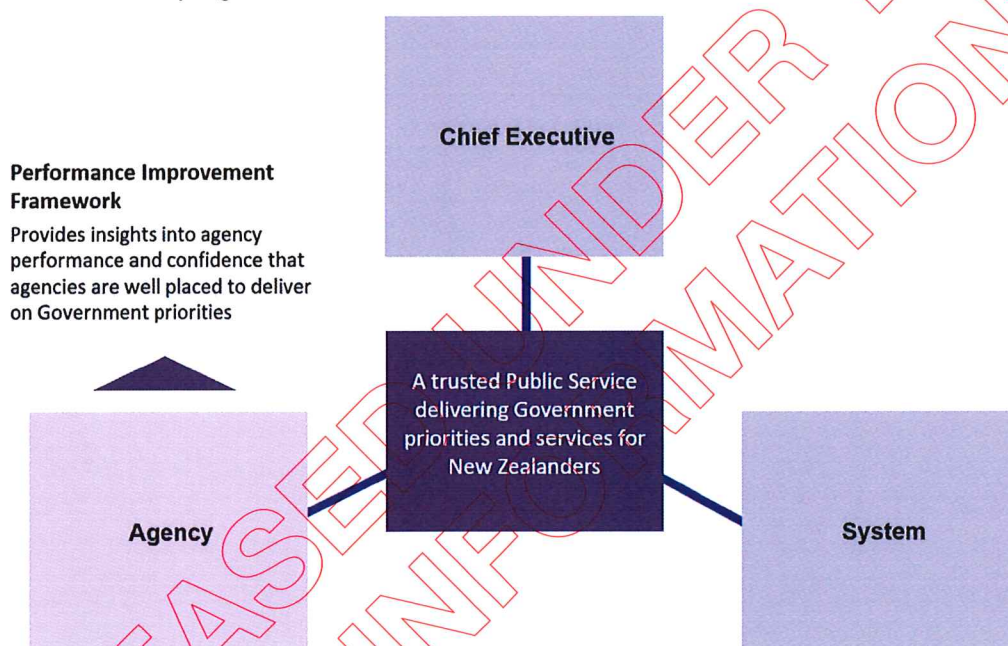
Performance Improvement Framework Overview and 2018 Schedule

Security classification: In Confidence

File reference: SSC-PDC-5-1-1-2

Purpose

This paper provides an overview of the Performance Improvement Framework (PIF) and the schedule of PIF Reviews planned for 2018. The PIF process provides Ministers with insights into agency performance and confidence that agencies are well placed to deliver on the Government's programme.



What is a PIF Review?

The PIF framework (see Appendix) supports a structured, future-focussed review identifying how well an agency is aligned to and capable of delivering on Government priorities and expectations. A PIF Review starts by asking the question: "What is the contribution New Zealand needs from this agency in the medium term?"

The PIF has evolved to respond to identified systemic performance improvement opportunities. Significant changes have included:

- the use of a medium term focus to highlight the priorities for performance improvement and support a strategic/stewardship approach – the Four-year Excellence Horizon
- a focus on understanding the needs and expectations of customers and New Zealanders and the delivery of value to them through being customer-orientated and outcomes-focused
- the use of a system lens to identify how an agency needs to work with, and influence the work of, others to meet the needs and expectations of shared customers and New Zealanders.

IN CONFIDENCE

Lead Reviewers meet the responsible Minister(s), external stakeholders and customers and agency leaders and staff to identify the critical gaps and opportunities between the agency's current and desirable future capability and performance – the performance challenge.'

Officials from the Central Agencies (and, in the case of Crown Entities, monitoring agencies) and the Lead Reviewers then support the chief executive and the agency leadership team to develop its response to the challenges identified in the Review.

PIF Reviews also help Central Agencies identify what they need to do to support the agency's future performance improvement, including how it can play a stronger part in working across the public sector. This supports our ability to advise you and other Ministers about priorities for strengthening the State Services.

Once responsible Ministers have been briefed PIF Reports are published on the SSC website in the interests of transparency and accountability.

Schedule for 2018

We look forward to discussing the PIF and how it can be used to support your priorities as we develop the Schedule of PIF Reviews.

Commissioning

PIF Reviews are particularly useful for chief executives who are early in term. Reviews assist their understanding of the agency, its context and its future challenges. Depending on the circumstances of each agency at the time, we will offer PIF reviews to all new chief executives appointed in 2017/18.

PIF Reviews can also provide valuable support and insights for Ministers, chief executives and central agencies:

- when agencies have completed significant change and need to shift their focus to the future
- when agencies face significant shifts in their context or the expectations of them
- where agencies play critical system roles (functional leads/heads of profession or system or sectoral leadership/stewardship roles).

Reviews currently underway

Reviews of Te Puni Kōkiri, the Ministry of Health, the Ministry for the Environment and the Ministry for Transport are at the stage where the agencies are preparing their response.

As noted above you and the responsible Ministers will be briefed before reports are published.

It is likely the reports for the Ministry for the Environment, Ministry of Health and Ministry of Transport will be published before the end of this year. The Te Puni Kōkiri report and the report on the review the New Zealand Transport Agency will be published in early 2018.

Reviews confirmed for 2018

Reviews so far confirmed for 2018 are:

- Land Information New Zealand – to support the recently appointed Chief Executive
- New Zealand Intelligence Community (New Zealand Security Intelligence Service, Government Communications Security Bureau and Security and Intelligence aspects of the Department of Prime Minister and Cabinet). This focused review will follow up on the 2014 PIF Review
- Department of Internal Affairs – this will also be a focused review following up on reviews undertaken in 2012 and 2014.

Contact: Dallas Welch, Deputy Commissioner, System and Agency Performance

Phone: 9(2)(a) [REDACTED]

Appendix

Performance Improvement Framework

Four-year Excellence Horizon

What is the agency's performance improvement challenge?

Delivering Government Priorities
How well is the agency responding to government priorities?

Delivering Core Business
In each core business area, how well does the agency deliver value to its customers and New Zealanders?
In each core business area, how well does the agency demonstrate increased value over time?
How well does the agency exercise its stewardship role over regulation?

Organisational Management
How well is the agency positioned to deliver now and in the future?

Leadership and Direction	Delivery for customers and New Zealanders	Relationships	People Development	Financial and Resource Management
Purpose, Vision and Strategy Leadership and Governance Values, Behaviour and Culture Review	Customers Operating Model Collaboration and Partnerships Experience of the public	Engagement with Ministers Sector Contribution	Leadership and Workforce Development Management of People Performance Engagement with Staff	Asset Management Information Management Financial Management Risk Management